

Annual Report

Te Mahere ā-Tau

2018/19

Draft for Audit
and Risk Committee

For the financial year 1 July 2018 to 30 June 2019



Your representatives

Ngā reo kōrero



From left: Jane Nees, Norm Bruning, Stuart Crosby, David Love, John Cronin, Paula Thompson, Andrew von Dadelszen, Kevin Winters, Lyall Thurston, Doug Leeder, Bill Clark, Matemoana McDonald, Tipene Perenara Marr and Arapeta Tahana.

Ranginui e tū nei

Papatūānuku e takoto nei

Mai i Ngā Kurī a Whārei ki Tikirau

Mai I Maketū ki uta mai ki Taupō-nui-a-Tia

Ko te rohe kaunihera tēnei o Toi Moana

*Kia toi te whenua, kia toi te moana, kia toi
te taiao, kia toi te tangata*

Tihei Mauriora!

Ko toi moana he rohe ahūwhenua ki te manaaki i te taiao me ana hapori.

Kua tuku te wero e te hapori. Kua hikina e te kaunihera te mānuka. Anei rā ngā hua o te pāhekoheko o te tau kua pahure nei.

Āritarita ana te kaunihera ki te eke whakamua i raro i te maru o te pāhekoheko. Kia kotahi te hoe he waka eke noa!

E hoa ma, ina te ora o te tangata!

Ranginui stands above

Papatūānuku stands below

Stretching from Waihi Beach to East Cape

From Maketū to just inland of Taupō

*This is the region of the
Bay of Plenty Regional Council*

*Let the land remain, let the oceans and lakes
remain, let the environment remain and let
people remain*

Tis the breath of life!

Our region has always worked hard to protect the environment and its communities.

The challenge to protect our environment has been set by you, our community. Your council has picked up that challenge and now presents the fruits of our partnership over the past year.

Your council is eager to move ahead under the spirit of partnership. Paddling in unison we are a canoe which we are all in together with no exception.

My friends, this is the essence of life!



dit
nmittee

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Message from the Chair and Chief Executive

We are pleased to present our Annual Report for 2018/19. This report presents our financial results and shows how we performed against the targets we had set for our service delivery in 2018/19. This is our first Annual Report focused on the delivery of our Long Term Plan 2018-2028.

We continued to make progress across all of our areas of work and major projects to improve the wellbeing of our communities and deliver on our Community Outcomes during the year.

We had some huge challenges in 2018/19. This included the work we continued to carry out repairing flood defence assets which had been damaged during the extreme weather events in April 2017. Of significant note was the new section of the College Road stopbank in Edgecumbe and the completion of approximately 130 repair sites during the 2018/19 financial year (249 out of 525 sites have now been repaired since the start of the project). We also carried out repair works after Ngongotahā Stream overflowed its banks in April 2018.

In December 2018, the public transport system in Tauranga underwent significant change with the implementation of the Western Bay of Plenty Public Transport Blueprint. That change also resulted in a change in bus contractor. Following implementation of the Blueprint, significant challenges were initially experienced with the delivery of the new public transport network. We worked closely with the

new contractor (NZ Bus) to address many of the issues as quickly as possible, with the performance of the bus network in the western bay improving over the last quarter of 2018/19.

As predicted, our operating environment has continued to change throughout the year and this has influenced our work programmes. It also led us to consult on our Annual Plan 2019/20, with staff and Councillors speaking with more than 600 members of the community about four key consultation questions – focused around public transport, climate change and how we should look to fund organisations that provide safety and rescue services in the future.

In June 2019, we declared a Climate Emergency and adopted our Climate Change Action Plan. Through this we are highlighting our commitment to work with the community on our transition to a low carbon future and our adaption to our changed climate.

Maori continued to make a significant contribution to the region over the past year. We continued to support the capacity of Māori to participate in council decision making processes including through supporting our Māori constituent Councillors and their contributions to Council and by hosting four Resource Management Plan training sessions for tangata whenua. A number of He Korowai Mātauranga information sessions were held across Council offices to help build knowledge and understanding amongst staff of Te Ao Māori.

Through our Long Term Plan 2018-2028, we set ourselves some substantial goals for this past financial year, and considering the challenging environment we operate in, we are pleased to report considerable progress. This included introducing a number of new performance measures, often with very challenging targets. Our performance was monitored and reported through 32 performance measures during the year and we achieved 25 (78%) of our targets for and came close to achieving several others.

Revenue during the year was \$142.6 million compared to budget of \$133.2 million. The additional revenue was a non-cash gain due to the revaluation of the Put Option during the year from \$15 million to \$3.4 million.

We delivered our work programme through operating expenditure of \$126.3 million compared to a budget of \$133.0 million. We also delivered a significant increase in our capital works programme with capital expenditure of \$56.6 million, compared to \$36.5 million in 2017/18.

We focused on being more efficient and ensuring we deliver value for money to our community. To help keep our costs low, we set ourselves a target to achieve efficiency savings during the year and achieved a savings of \$1.2 million through reviewing the way we work. We also undertook a fit for purpose review to make sure we are focused on delivering our services in an efficient and effective manner.

As we look ahead to 2019/20, we are aware that some changes in direction have been signalled from central government, and this will impact the work we do going forward, particularly for our policy and planning work. As we move into the new financial year, we are excited to build upon the progress we made in 2018/19, and the opportunity to deliver on the work set out in our Annual Plan 2019/20.



Doug Leeder
Chairman



Fiona McTavish
Chief Executive



Community Outcomes in Action

Ngā putanga-a-hapori

Our Council vision 'Thriving Together – mō te taiao, mō ngā tāngata' is about supporting our environment and our people to thrive.

This year saw the introduction of our new Long Term Plan 2018-2028. The plan introduced a new strategic framework (set out on page 29) for focussing our work towards achieving our vision. At the centre of our strategic framework are our four community outcomes: a healthy environment; freshwater for life; safe and resilient communities; and a vibrant region. Each includes a set of objectives to drive the delivery of our community outcomes.

Our focus for 2018/19 was on delivering what we said we would do in the first year of our Long Term Plan and some of our achievements, challenges and key projects are outlined below. These are grouped by the Community Outcome that the work contributes to most strongly.

A healthy environment

He taiao ora

We will maintain and enhance our air, land, freshwater, geothermal, coastal resources and biodiversity for all those who live, work and play within our region. We support others to do the same.

Objectives

- 1 We develop and implement regional plans and policy to protect our natural environment.
- 2 We manage our natural resources effectively through regulation, education and action.
- 3 We work cohesively with volunteers and others, to sustainably manage and improve our natural resources.
- 4 Our environmental monitoring is transparently communicated to our communities.

A healthy environment is at the heart of what we do. We sustainably manage our natural resources so our communities can thrive.

We want to continue to grow and develop as a region, support local business and ensure there are job opportunities for all of our communities.

We need to make sure we are not putting more pressure on the environment than it can cope with. We also need to consider what climate change means for us and understand how we need to respond to the changes this will bring, such as different weather patterns and rising sea levels.

We work with the community to protect our water, soils and our wildlife and we manage or get rid of pest plants and animals.

We set rules around what can and can't be done in our environment and ensure the rules are followed through our consents and monitoring processes.

PLANNING TO SUPPORT A HEALTHY ENVIRONMENT

We develop strategies, policies and plans to help us manage the natural and physical resources in the region.

During the year, we continued to progress a number of plan changes which help progress us forwards to achieving a healthy environment for the community.

Our Proposed Regional Coastal Environment Plan was adopted and was referred to the Minister of Conservation for approval. This Plan sets out how we intend to achieve sustainable management of our coastal environment. The Plan, once approved by the Minister of Conservation, will replace our Operative Regional Coastal Environment Plan.

We continued to progress planning work relating to Air Quality (Plan Change 13). The Plan Change was notified in February 2018, and 80 submissions and 30 further submissions were received. In October 2018, hearings were held, and decisions on the submission were released in March 2019. Ten appeals were lodged with the Environment Court against Council's decisions, and staff are continuing to progress these.

We began work on a plan change to our Operative Rotorua Geothermal Regional Plan, with a series of hui, iwi engagement, and the establishment of an Ahi Kaa Working Group. We also sought feedback from the public on On-site Effluent Treatment (Draft Plan Change 14).

KOPEOPEO CANAL REMEDIATION PROJECT

The Kopeopeo Canal Remediation Project is working to safely remove, store and bio remediate elevated levels of dioxin-contaminated sediment from 5.1 kilometres of the Kopeopeo Canal at its eastern extremity.

The canal was contaminated between the 1950s and late 1980s by discharges from a former sawmill, which treated timber using Pentachlorophenol (PCP). While unknown at the time, PCP imported into New Zealand for use in the timber processing industry also included a percentage of impurities that contained dioxins.

Strong progress through 2018/19 has meant that dredging and storing of the contaminated soil, which began in January 2018, was able to be completed in June 2019 and final works to complete the project are expected to be completed by the end of 2019.

The planning phase of this project began in 2011 when resource consent applications and funding applications to the Ministry for the Environment (MfE) commenced. The project has been jointly funded by Regional Council and MfE. The total costs of the project are expected to be \$21.3 million, with \$6.6 million being incurred in 2018/19.

Dredging of 5.1 km dioxin contaminated sediment

34,500 cubic metres of sediment was dredged and sealed in two containment sites



*of \$21.3 million
incurred in 2018/19*

KAITUNA RIVER RE-DIVERSION AND TE AWA O NGATOROIRANGI/MAKETŪ ESTUARY ENHANCEMENT PROJECT

The Kaituna River re-diversion project will divert the Kaituna River through the Ongatoro/Maketū Estuary, create new wetlands and maximise ecological and cultural benefits to the area.

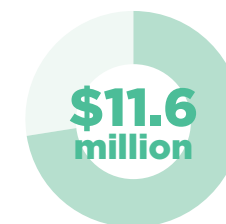
Through this project we're restoring at least 20 percent of the Kaituna River's freshwater flows into the estuary. We'll also be re-creating 20 hectares of wetlands around the estuary margin, to help filter nutrients and create breeding areas for birds and fish.

The project marked a significant milestone on 26 June, with the opening of the first of 12 culverts to restore freshwater flows into Te Awa o Ngatoroirangi/Maketū Estuary.

The project began in June 2018 and was originally set to be completed by June 2020. Significant progress through 2018/19 has seen the project track ahead of schedule. This \$16 million project is approximately six months ahead of its original completion date, with \$11.6 million being incurred in 2018/19.



*of its original
completion date*



*of \$16 million
incurred in 2018/19*

Freshwater for life

He wai māori,
he wai oranga

Our water and land management practices maintain and improve the quality and quantity of the region's freshwater resources.

Objectives

- 1 Good decision making is supported through improving knowledge of our water resources.
- 2 We listen to our communities and consider their values and priorities in our regional plans.
- 3 We collaborate with others to maintain and improve our water resource for future generations.
- 4 We deliver solutions to local problems to improve water quality and manage quantity.
- 4 We recognise and provide for Te Mana o Te Wai (intrinsic value of water).

Freshwater is vital for the health of people and communities, and that makes it important to us.

We're responsible for two kinds of freshwater: groundwater and surface water. Surface water is all the water above ground – rivers, lakes and streams, drains, ponds, springs and wetlands; while groundwater comes from rainfall and rivers and accumulates in underground aquifers.

We invest millions of dollars each year to maintain and improve water quality and quantity in the Bay of Plenty and we work with our community to look after the rivers, estuaries and coastal environments.

We monitor water quality and quantity; ensuring people follow the rules set through the consents process.

Our work in this area is guided by national legislation, regulations and standards for water that prescribe public processes for setting requirements and rules. This area is becoming increasingly complex and we're working hard to translate the policy into action on the ground.

Put simply, we manage the freshwater that's in and on the ground so there's enough for people and wildlife to thrive now and in the future.

FRESHWATER FUTURES PROGRAMME

The National Policy Statement for Freshwater Management (NPSFM) directs us to set new objectives, policies and limits for water management at a local level.

Throughout the year we continued work to implement the National Policy Statement for Freshwater Management (NPSFM).

In the Rangitāiki and Kaituna/Maketū and Pongakawa/Waitahanui water management areas (Proposed Plan Change 12), we continued to seek feedback and advice from the relevant Freshwater Community Groups on the work that we are doing towards setting limits for freshwater quality and quantity.

Our Region-wide Water Quality Plan Change (Plan Change 9) also progressed, as the first step of an overall two-stage approach to improve rules for water quantity management progressing through the RMA Schedule 1 process. It is now subject to appeals.

A baseline stocktake for the Rotorua Water Management Area (Proposed Plan Change 15) was prepared. It highlights that while we hold very good information about the Rotorua lakes, we need to increase our knowledge about the streams in the catchments. Similarly, a baseline stocktake for the Tauranga Moana area has been prepared to a draft stage. We continue to work with local iwi on this.

The water program at large may change considerably depending on the Government Essential Freshwater and Shared Interests in Freshwater policy reforms.



ROTORUA TE ARAWA LAKES PROGRAMME

The Rotorua Te Arawa Lakes Programme is a partnership between Regional Council, Te Arawa Lakes Trust and Rotorua Lakes Council that has been established to coordinate, prioritise and deliver on all our work related to improving the health of the Rotorua Te Arawa Lakes.

The Rotorua Te Arawa Lakes Programme is part-funded through a Deed of Funding Agreement with the Crown (\$72 million). We set targets in all lake catchments so that we are able to monitor the health of the water and the impact of our work. Across our lakes, we use a range of interventions to proactively minimise algal blooms and improve water quality.

We continued to deliver this co-ordinated programme of work during 2018/19 with work focused on managing long term water quality via nutrient reduction targets, primarily nitrogen, that were set in the Regional Policy Statement for Lake Rotorua and in other lake action plans.

Highlights included:

- Three land use change agreements were negotiated during the year (two in the Lake Rotorua Catchment and one in the Lake Ōkāreka Catchment). The Ōkāreka land use change project secured 56 hectares of land use change (gorse and farming land use to mānuka land use), equalling more than 50% of the project targets. Negotiations to achieve the remaining catchment target also progressed well. In the Lake Rotorua Catchment, an additional 74 hectares and 1.5 tonnes of nitrogen was secured. This was slower progress than forecast, however, following announcements of Lake Rotorua Nutrient Management (Plan Change 10) hearings this slowdown may correct itself.
- The review of water quality science for Rotorua Nutrient Management Plan Change (Plan Change 10) was completed by the Water Quality Technical Advisory Group (TAG) for the Rotorua Te Arawa Lakes Programme. It showed that reducing land use losses of both nitrogen and phosphorus remains the right approach.
- The Lake Rotorua alum dosing programme, continues to help maintain good water quality in the lake with no algal blooms since 2010.

- The joint project to develop voluntary Farm Environment Plans for all farms in the inner and outer catchments of Lake Tarawera (which are actioned in the Tarawera Lakes Restoration Plan) was completed, and in total 48 Farm Environment Plans were developed.
- The implementation of the Lake Rotorua Nutrient Rules (Plan Change 10) is progressing well, with 28 Resource Consents now issued for properties over 40 ha in effective area and a further five properties in this category have been assessed as being low intensity and not requiring a resource consent. This represents 35% of the larger properties in the Rotorua Lakes Catchment (over 40 ha), with the majority of the remaining properties in this category actively working towards developing a Nutrient Management Plan.

The 2018/19 budget of \$11.3 million for this multiyear programme was underspent by \$6.7 million largely due to a less than forecast uptake of the land use change incentives agreements – a significant component of the programme. Council staff have been reviewing the tools used to achieve the challenging targets in the Programme and Council is due to consider options in mid-2019.

IMPROVING AND SHARING OUR KNOWLEDGE

Good decision making is supported through improving and sharing of knowledge.

During 2018/19, we continued to learn and design new ways to share information with staff, public, and other agencies that we work with.

Examples of this in action includes:



The creation of the Indicative Groundwater Availability and Consented Allocation tool. This tool helps users to understand the likely availability of groundwater in any given area in the region. The tool will be particularly useful for people preparing resource consent applications for water takes.



The project to scan all crown archive historic aerial images of the Bay of Plenty (between 1937–2005), in partnership with Land Information New Zealand was completed.



The Tauranga Moana State of the Environment Report, which was written co-jointly with Tauranga Moana iwi. This document is published on our Council website, and helps to share what we know about Tauranga Harbour with the wider community.

Draft for Audit
and Risk Committee

Safe and resilient communities

Kia haumaru, kia pakari te hapori

Our planning and infrastructure supports resilience to natural hazards so that our communities' safety is maintained and improved.

Objectives

- 1 We provide systems and information to increase understanding of natural hazard risks and climate change impacts.
- 2 We support community safety through flood protection and navigation safety.
- 3 We work with our partners to develop plans and policies, and we lead and enable our communities to respond and recover from an emergency.
- 4 We work with communities and others to consider long term views of natural hazard risks through our regional plans and policies.

Our region is subject to a number of natural events, including volcanic activity, earthquakes and extreme rainfall.

These events can endanger our communities.

We work to keep people safe by providing flood protection, such as stop banks and pump stations, and ensuring we are prepared for emergencies through our Civil Defence and Emergency Management services.

Raising awareness and preparing for issues such as climate change are also important aspects of building strong communities that can cope with change.

We are responsible for controlling the use of land to avoid or mitigate the effects of natural hazards, and we work with other local councils and Emergency Management Bay of Plenty to identify natural hazards and reduce risk.

EMERGENCY MANAGEMENT BAY OF PLENTY

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

We continued to carry out key activities during the year to support the community to prepare for, respond to and recover from events that can cause widespread damage and/or loss of life.

A significant piece of work completed during 2018/19 was the development and approval of the new Bay of Plenty CDEM Group Partnership Agreement. The Agreement reaffirms the operational arrangements for CDEM within the Bay of Plenty and defines our collective and individual roles and responsibilities for delivery of CDEM outcomes before, during and after emergencies.

We had a number of small scale events to respond to during the year. Staff also attended and completed a variety of training courses, and participated in national exercises to assist with our preparedness to respond to future civil defence emergencies. During the year two awards were received from the International Association of Emergency Managers for the joint project between Emergency Management Bay of Plenty and Te Puni Kokiri on marae preparedness.

COUNCIL RESPONSE TO CLIMATE CHANGE

Climate change is one of the biggest strategic challenges facing our region and impacts across all four of our Community Outcomes. The United Nations Intergovernmental Panel on Climate Change (IPCC) report, released in October 2018, emphasised the need for urgent action, with drastic steps required in the next 12 years to limit the severe impacts expected due to climate change.

We currently engage in climate change adaptation and the reduction of greenhouse gas emissions across a range of our activities. One example of this is planting that we carry out in our regional parks. While the core purpose is to improve biodiversity and the visitor experience, planting trees also increases the amount of carbon storage in our region. Another example is the consideration of the effects of climate change in the level of service for the design and maintenance of the region's stopbanks.

Despite this, we are aware that we need to do more to reduce emissions, and to assist our community to adapt. During 2018/19, we consulted with our community about climate change, and feedback received confirmed it as an issue of importance for the community. We also developed our Climate Change Action Plan to guide our climate change response work. The action plan contains four main focus areas:

- Reducing our own carbon footprint,
- Incorporating climate change considerations in our decision making,
- The services we provide as a regional council, and
- Collaborating with our communities to build resilience and work on the region's response to climate change.

During the year we also declared a climate emergency, and a decision was also made to investigate a specific Climate Change Fund.



Council adopted our
**Climate
Change
Action Plan**

Declared
**climate
emergency** 

RIVERS AND DRAINAGE FLOOD REPAIR PROJECT

Bay of Plenty Regional Council is carrying out repairs to approximately 520 sites that were damaged during the April 2017 flood event.

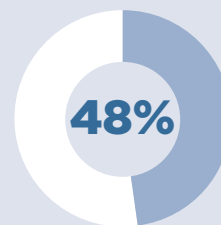
Two extreme weather events in early April 2017 brought prolonged torrential rain to the Bay of Plenty. The resulting record high river levels and extensive flooding caused significant damage to river and drainage networks and assets across the region. As a result, 520 sites were identified as needing repair across all of our managed river schemes.

The project is midway through its four-year programme of work to repair the 520 sites and is scheduled to be completed by 30 June 2021.

At the end of 2018/19, repairs have been completed for 249 (48%) of the 520 sites, with approximately 130 (25%) of the sites completed during 2018/19. While work in some schemes is well ahead of the programme plan (Waioeka-Otara Rivers Scheme) others have been constrained by the lack of rock supply.

The new section of the College Road stopbank in Edgecumbe was completed. This work involved the relocation and construction of the new stopbank, reinstatement of the berm area and a realignment of College Road. To enable the work to take place, 12 properties opposite the breach site were acquired and cleared to enable the stopbank construction and road realignment.

Total costs for this four-year project are approximately \$45 million, with \$11.6 million incurred for 2018/19. Project funding will be partially supported by insurance claims, Central Government and other agencies.



**Repairs have
been completed**
for 249 of the 520 sites

New section of the
**College Road
stopbank**
in Edgecumbe



Completed



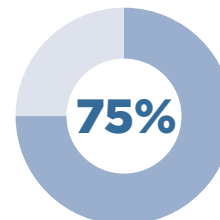
RANGITĀIKI FLOODWAY UPGRADE PROJECT AND KAITUNA SCHEME REPAIRS

The purpose of this project is to design and complete upgrades to the Rangitāiki floodway and spillway as part of a wider flood mitigation project to protect the Edgecumbe township, and the Rangitāiki Plains, from an up to 100 year flood event. Repairs following a severe weather event that resulted in Ngongotahā Stream overflowing its banks during April 2018 are also being carried out.

Work continued to progress on the Rangitāiki Floodway project throughout the year with the following key milestones being reached:

- Stage 4 earthworks to relocate stopbanks, channel widening to increase capacity, and work on internal drainage systems was completed.
- Stage 5 physical works began in March, and are now well underway. They involve the new channel cut to the Rangitāiki River (bifurcation), upgrade of Thornton Hall Road, and associated bridge work.
- We consulted with affected landowners and the wider community on design options to upgrade the spillway section (Stage 7) of the Floodway. The lower fixed crest weir was identified as the preferred option.

In April 2018, a severe weather event occurred in the Rotorua district resulting in the Ngongotahā Stream overflowing its banks in several places and water inundating many homes, and some businesses. Work to repair damage continued in 2018/19, and we are now at a point where 75% of high priority flood repairs have been completed. Repairs to remaining erosion sites on the Ngongotahā Stream and other streams within the upper Kaituna Scheme area are set to be finished during 2019/20.



**of high priority
flood repairs
completed**
*on the upper Kaituna
Scheme streams*

A vibrant region

Toitū te rohe

We work with our partners and communities to achieve integrated planning and good decision making.

We support economic development, understanding the Bay of Plenty region and how we can best add value.

Objectives

- 1 We lead regional transport strategy and system planning, working with others to deliver a safe and reliable public transport system.
- 2 We contribute to delivering integrated planning and growth management strategies especially for sustainable urban management.
- 3 We work with and connect the right people to create a prosperous region and economy.
- 4 We invest appropriately in infrastructure to support sustainable development.

People and the environment are at the heart of our region. We support the growth of jobs in the Bay of Plenty and development of new industries.

We make significant contributions to the region's economic growth through environmental and infrastructure management.

Through our contestable Regional Infrastructure Fund, established through the Long Term Plan 2012-2022, we are supporting projects initiated by our partners, such as the Ōpōtiki Harbour Transformation Project and the Scion Innovation Hub in Rotorua.

We facilitate Bay of Connections, the economic development framework for the wider Bay of Plenty. Its goal is to grow our region's investment and job opportunities, in partnership with economic development agencies.

We also keep the community connected through the regional bus network of Bayhopper and Cityride buses.

FUTURE DEVELOPMENT STRATEGY

Councils in high growth areas like the western Bay of Plenty are required by Government to assess future housing and business needs and create a development strategy for the next 30 years.

The Future Development Strategy (FDS) is a document produced by SmartGrowth (a partnership of councils and tangata whenua) to drive the discussion and decision-making needed to manage this expected growth.

The proposed Future Development Strategy for western Bay sub-region was released for consultation in October 2018. Over 200 submissions were received on the strategy. The strategy is due to be completed in 2020 following consideration of the submissions and incorporating outcomes from the Urban Form and Transport Initiative (UFTI). UFTI is a collaborative project between SmartGrowth and central government agencies to create a coordinated approach to future development and transport in the western Bay of Plenty.

PUBLIC TRANSPORT ACROSS THE REGION

We plan, contract, fund and monitor passenger transport services in the region, including the Bayhopper service and concessionary fare schemes such as Total Mobility.

We continued to provide bus services for Tauranga, Rotorua and rural areas with more than 2.71 million passenger trips recorded during the year. Across the 11 services operated throughout the region, patronage has grown on five of the services – with patronage increasing for the Tauranga Bayhopper urban, Ōhope, Te Puke and Katikati/Ōmokoroa services. Declines were seen on the Tauranga Bayhopper Schools and Rotorua bus services. We expect to see an increase in the use of the Tauranga Bayhopper Schools following the introduction of fare free bus service trial for Tauranga school children beginning in 2020, and a review of the Rotorua bus network that is underway in 2019.

We started a one year trial of fare-free bus services for school students in Welcome Bay which will continue into 2019/20. We also introduced concession bus fares on the Rotorua CityRide urban service, while the Waihi Beach trial passenger transport service was continued as a permanent two day a week service. Use of the public Wi-Fi on Tauranga buses continued to increase as confidence grows in the system and Council agreed to implement and fund passenger Wi-Fi on Rotorua and Eastern Bay bus services. Fare free bus travel was provided for special events during the year, including the Bay of Plenty Steamers' game against Canterbury, AIMS Games in Tauranga, and the royal visit of the Duke and Duchess of Sussex to Rotorua.

In December 2018, the public transport system in Tauranga underwent significant change with the implementation of the Western Bay of Plenty Public Transport Blueprint. That change also resulted in a change in bus contractor. Following implementation of the Blueprint, significant challenges were initially experienced with the delivery of the new public transport network. We worked closely with the new contractor (NZ Bus) to address many of the issues as quickly as possible, with the performance of the bus network improving over the last quarter of 2018/19. The delivery of our bus services will continue to remain a priority for Council across the region through 2019/20.

REGIONAL INFRASTRUCTURE PROJECTS

The Regional Infrastructure Fund provides funding to third party infrastructure projects that have regional significance.

We continued to administer the Regional Infrastructure Fund and other Third Party Infrastructure projects, with the following milestones reached during the 2018/19 financial year.

The new University of Waikato Tauranga Tertiary Campus was opened for the 2019 academic year. This project was jointly funded by the Bay of Plenty Regional Council, Tauranga Energy Consumer Trust, Tauranga City Council and the University of Waikato. The Regional Council contributed \$15 million to the project.

Other milestones included the start of construction on the Scion Innovation Hub in Rotorua (with first funding drawdowns expected in 2019/20), the completion of stage one of the Tauranga Harbour Marine Precinct, and continued progress on the Ongare Point and Rotoiti/Rotomā wastewater reticulation schemes.

BUILDINGS UPGRADE PROJECT

Bay of Plenty Regional Council is currently upgrading its two offices in Whakatāne and Tauranga. We have also secured a tenancy within a new building in Rotorua, with all projects to be completed in 2019/20.

This project includes the refurbishment of Regional House in Tauranga, modernising the Whakatāne office, as well as upgrading Wallingford House in Tauranga to an IL4 (Importance Level) building to accommodate the Civil Defence Emergency Management Group Emergency Coordination Centre.

Refurbishing Regional House will enable all Tauranga-based staff to be brought together to work from one location. Modernising the Whakatāne office space, which includes changing the working space to open plan, will see all staff benefit from having flexible workspaces.

A significant amount of work was carried out during the year with the refurbishment of our Regional House office in Tauranga nearly complete and the refit of our office in Whakatāne (50% complete). Environmentally sustainable design features are being integrated into the Tauranga and Whakatāne offices to significantly reduce the organisation's energy use and carbon footprint.

Service Delivery Performance

Ngā whakatutukitanga-a-ratonga

Our work is carried out across 33 activities which are sorted into nine groups of activities. These nine groups deliver the services and infrastructure, and perform the functions that enable us to deliver on the Community Outcomes outlined in our Strategic Framework. Our performance measures and targets are set in our Long Term Plan 2018-2028.

Each of the nine Group of Activities state the levels of service that will be delivered by that Group, and have performance measures and targets that indicate how well we are delivering our services to the community.

In our Long Term Plan 2018-2028 we introduced a number of new performance measures, often with very challenging targets. This is our first Annual Report to report on those measures and we have achieved most (78%) of our targets and come close with several others. We have seen significant improvement in some of our levels of service, including resource consent processing times and governance targets. We have increased the satisfaction with our resource consent process, however were not able to meet the target, which was set higher in 2018/19 than in previous years.

Of the 32 measures that we used to track our performance in 2018/19, the summary graph shows that:

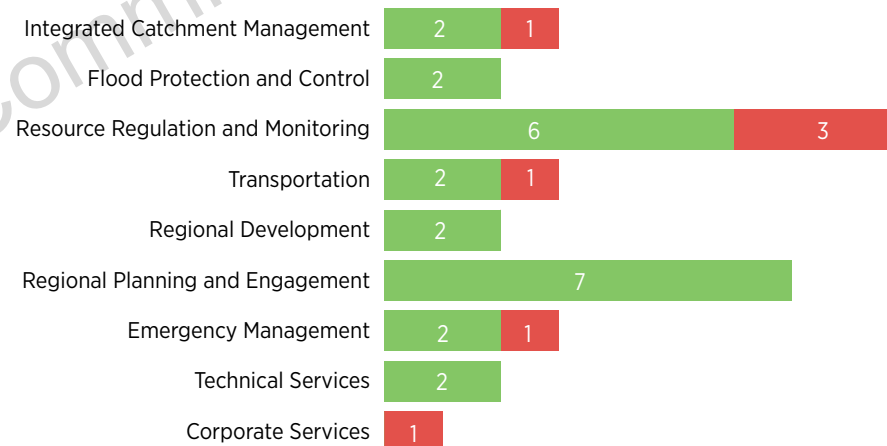
- We achieved the targets for 25 measures (78%)
- We have not achieved the targets for seven measures (22%)

Detail on each of the 32 measures, targets and previous results can be found under the Group of Activity section of this report. This includes commentary where a target was not achieved.

We will focus on achieving the targets and delivering on our Community Outcomes during 2019/20.

TARGETS BY GROUP OF ACTIVITIES

● Achieved ● Not Achieved



Note: two measures included in the LTP are not due to be reported on in 2018/19, as such these are not included in the above information. These are:

- Percentage of Tauranga and Rotorua bus users whose overall satisfaction with the bus service is rated as satisfactory or higher (triennial survey) – next due to be reported in 2020/21.
- Percentage of industry stakeholders who are satisfied with Bay of Connections (biennial survey) – next due to be reported in 2019/20.

Financial Performance

Ngā whakatutukitanga ahumoni

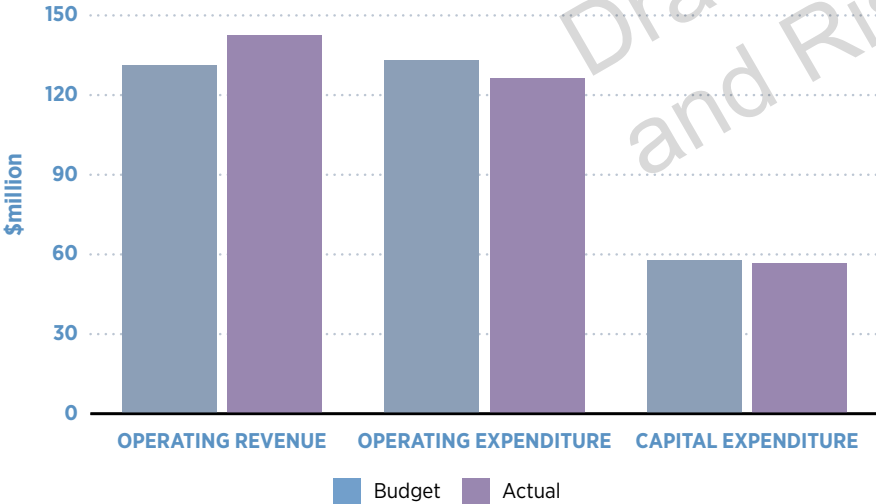
OVERALL GROUP PERFORMANCE

Our focus for 2018/19 has been on delivering what we said we would do in the first year of our Long Term Plan 2018-2028. We delivered our work programme through operating expenditure of \$126.3 million compared to a budget of \$133.0 million. We also delivered a significant increase in our capital works programme with capital expenditure of \$56.6 million, compared to \$36.5 million in 2017/18.

Revenue during the year was \$142.6 million compared to budget of \$133.2 million. The additional revenue was a non-cash gain due to the revaluation of the Put Option during the year from \$15 million to \$3.4 million.

Our consolidated group results include the operating revenue and expenses for Council and Quayside Holdings Limited (QHL), our 100 percent Council-owned subsidiary, which holds a 54.14 percent share in the Port of Tauranga Limited. The group recorded an operating surplus of \$88.9 million after income tax. Total operating revenue increased by \$57.0 million from \$395.2 million to \$452.2 million. This is mainly due to an increase in Port services income and gains received. Total operating expenditure (excluding tax) increased by \$32.5 million mainly due to an increase in trading expenses (Council and Port).

REVENUE, OPERATING AND CAPITAL EXPENDITURE



FINANCIAL STRATEGY

Our financial strategy, detailed in our Long Term Plan 2018-28, informs our decisions about how to manage our finances in a sustainable way. For us this means a balance between providing the community with what they want and need, and keeping our core services and functions affordable.

Four key aspects of our strategy relate to:

- Fees and charges and targeted rates
- Use of dividends
- Funding infrastructure projects
- Effective balance sheet

FEES AND CHARGES AND TARGETED RATES

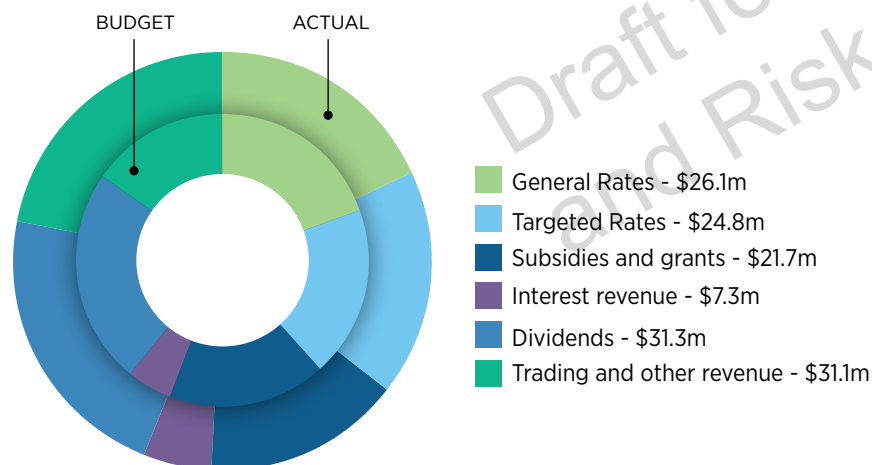
Strategy: Stronger focus on the money we collect from fees and charges and from targeted rates.

What we achieved: Council received \$24.8 million from targeted rates, as budgeted, compared to 2017/18 of \$16.2 million. A new targeted rate, providing revenue of \$2.3 million was introduced for Emergency Management, alongside a new and increased targeted rate for Passenger Transport which provided revenue of \$8.4 million. These rates are targeted to promote greater transparency and accountability.

Our Long Term Plan 2018-28 included a general rates rise of 9.1% (an average of \$26.0 per household) in 2018/19. General rates received during the year was \$25.8 million, which was in line with the budget of \$25.7 million.

Council received revenue of \$11.4 million from fees and charges, \$0.73 million more than budgeted. This included new fees and charges for Data Services, which is also a change from general funding.

WHERE OUR REVENUE COMES FROM



USE OF DIVIDENDS

Strategy: Use the dividend received from Quayside Holdings Limited (QHL) to fund our work across the region and reduce rates.

What we achieved: Council received dividend revenue from QHL of \$31.2 million, compared to \$25.6 million the previous year. This equates to 24 percent of our total operating revenue for 2018/19. Without a dividend of this significance Council would either need to reduce our work across the region or impose significantly higher rates increases.

FUNDING INFRASTRUCTURE PROJECTS

Strategy: Contribute some funding for infrastructure projects outside our organisation.

What we achieved: Council planned to have an unbalanced budget for 2018/19 of \$14.3 million, however the council achieved a surplus of \$16.3 million. During the year Council contributed to third party infrastructure projects through the use of the Regional Infrastructure Fund. A total of \$13.0 million was spent from the fund for Regional Development projects and the Te Arawa Lakes Programme. The deficit was lower than anticipated due to \$6.4 million less spending by the Integrated Catchments Group of Activity.

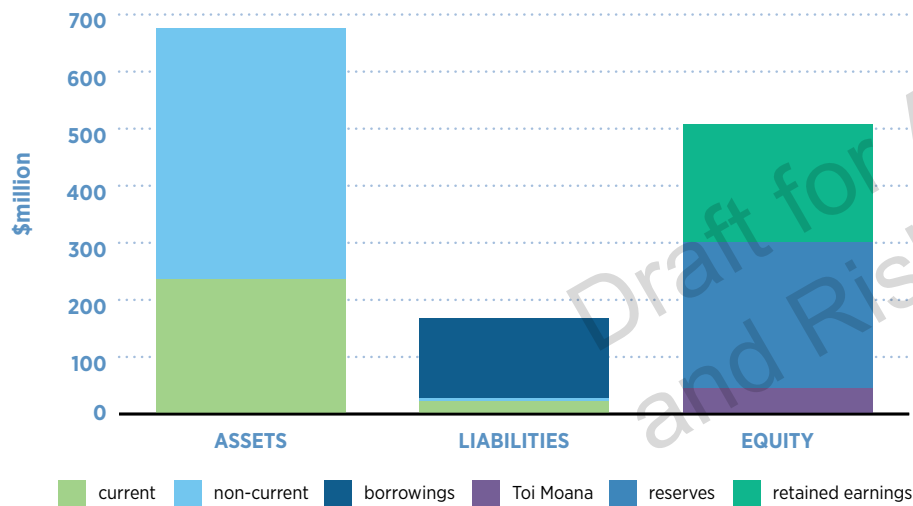
Council used \$45 million from the Regional Fund reserve to establish a new investment reserve, the Toi Moana Fund, to optimise returns to Council over the long term. Quayside will manage the Toi Moana Fund on behalf of Council from 1 July 2019.

EFFECTIVE BALANCE SHEET

Strategy: Using borrowing to pay for assets to allow us to spread the cost out over time, so that future generations will pay for the benefit they will receive, as well as freeing up money to be invested for future benefits.

What we achieved: Council has maintained a strong balance sheet, holding \$45 million in the Toi Moana Fund as budgeted, and \$255.4 million in other reserves compared to \$242 million budgeted. Our non-current assets significantly contribute to our balance sheet with \$431.0 million of property, plant and equipment, and \$9.0 million of financial assets.

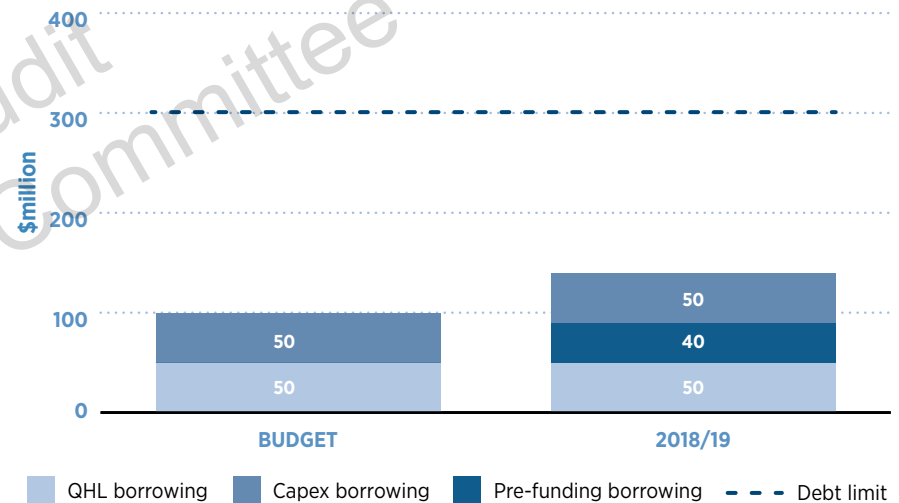
BALANCE SHEET



As planned, Council has increased borrowings, with a total of \$140 million borrowed from the LGFA. Of these funds \$50 million was to pre-fund some 2018/19 capital expenditure, \$40 million invested in term deposits, and \$50 million was on lent to Quayside Holdings Limited (QHL). Council has worked with QHL to achieve the best funding outcomes and available returns.

Council's net debt to revenue ratio as at year end was -41 percent, this is within our debt to revenue ratio limit of 250 percent.

BORROWING AND DEBT LIMIT



The borrowing has helped fund several major ongoing projects including flood protection and control activities of \$21.8 million, Kaituna River re-diversion of \$12.5 million, and building projects of \$15.4 million.



Who we are

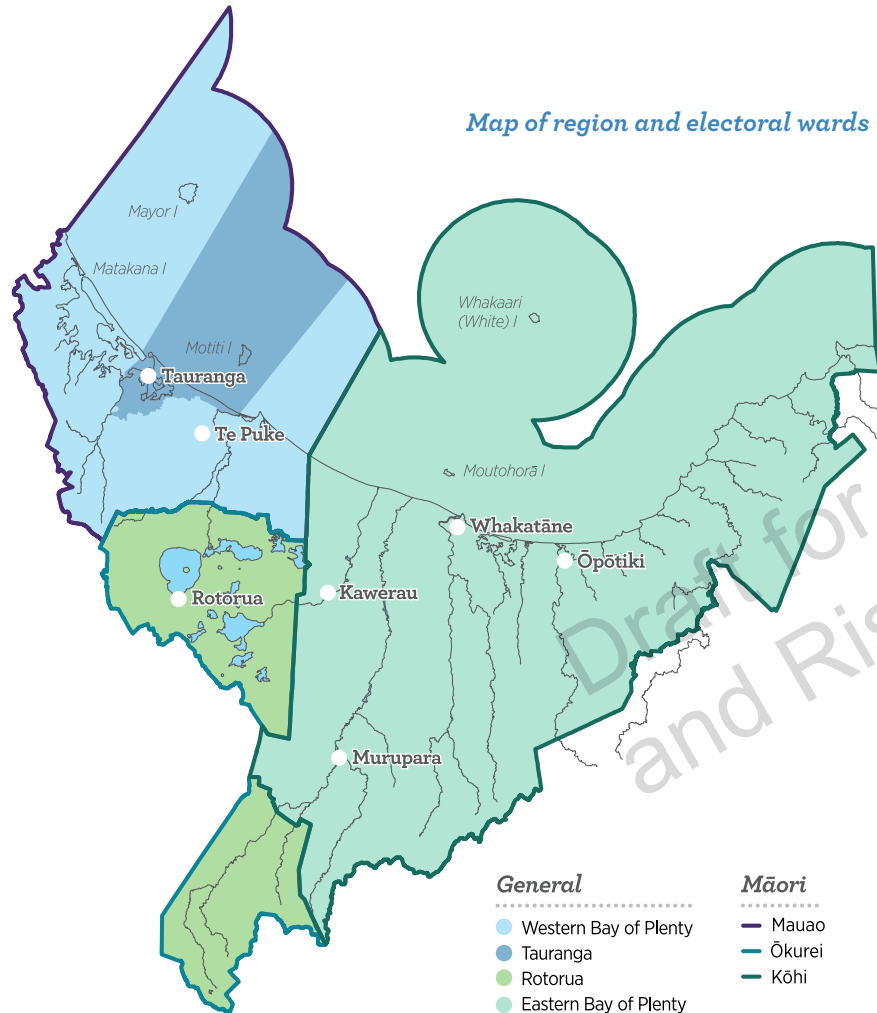
Ko wai mātou

As the Bay of Plenty Regional Council, our work guides and supports the region's sustainable development and is focused around four outcomes we're working towards for the community: a healthy environment, freshwater for life, safe and resilient communities, and a vibrant region.

Looking after the environment is at the heart of what we do. Our role is different to that of other local councils in the region: the District and City Councils focus on services, such as water supply, refuse collection, sewerage, road maintenance, land-use and subdivisions, and community services (libraries, swimming pools and recreation areas). Our focus is at the regional level: managing the effects of people's use of freshwater, land, air and coastal water through regional rules and policies and issuing consents. We manage the region's rivers with responsibility for flood control, and also coordinate navigation safety and emergency management in the region. We have a broader responsibility, with others, for the economic, social and cultural well-being of the regional community, which includes planning regional transport and providing public transport services. This work is organised into nine areas within Council: these are described in more detail on page 30.

As a Regional Council we are bound by national legislation which sets out our responsibilities and how we provide them to the whole regional community. This legislation also sets out how we must engage with and build Māori capacity and capability in contributing to our decision making processes.

Map of region and electoral wards



THE COUNCIL

Bay of Plenty Regional Council has 14 councillors, with 11 elected from four general constituencies – Tauranga (five councillors), Rotorua, Western Bay of Plenty and Eastern Bay of Plenty (two each), while voters on the Māori roll elect one councillor from each of the three Māori constituency areas – Kōhi, Mauao and Ōkurei.

Approximately 400 full time staff are employed by the Regional Council – working from six locations across the region: in Whakatāne, Tauranga, Mount Maunganui, Rotorua, Edgecumbe and Ōpōtiki. Our staff carry out the day to day work of the Council and provide the information and expertise to support our Councillors in making sound decisions for the region.

OUR REGION

The Bay of Plenty is on the east coast of the North Island of New Zealand. The region takes in the full sweep of the coastline from Lottin Point in the east, to Waihi Beach in the west, and includes 18 offshore islands extending out to the 12 nautical mile boundary. The area of the region is 21,837 square kilometres comprising 12,254 square kilometres of land and 9,583 square kilometres of coastal marine area.

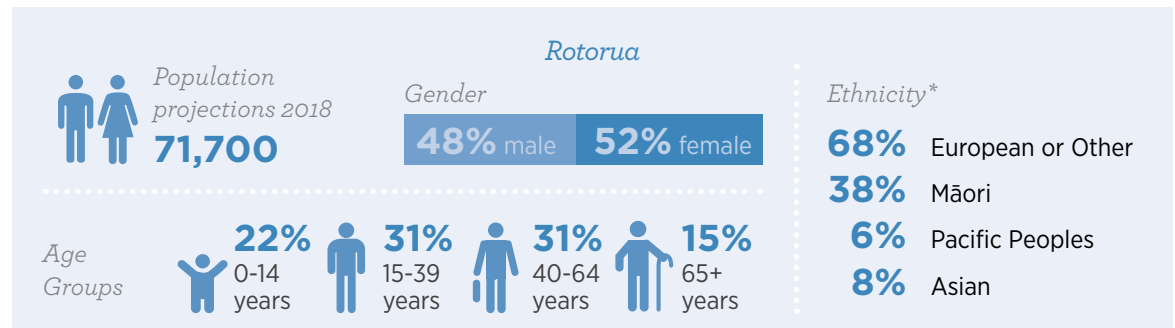
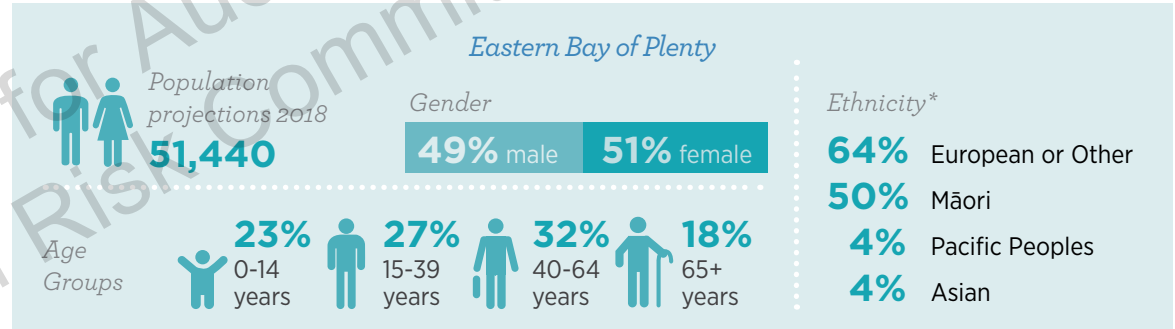
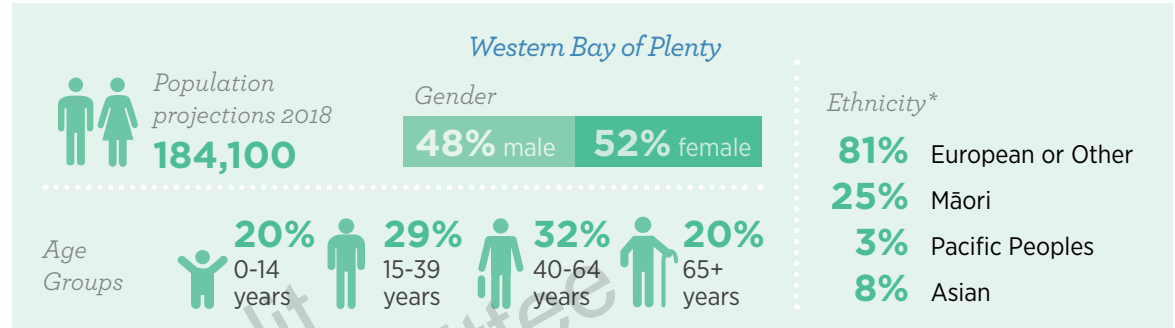
Inland, the region extends generally to the ridges of the catchments which drain into the Bay of Plenty. The eight major rivers emptying into the Bay are the Wairoa, Kaituna, Tarawera, Rangitāiki, Whakatāne, Waioeka, Mōtū and the Raukōkore.

Prominent features of the region include islands such as Matakana, Mayor (Tūhua), Motiti and an active volcano, Whakaari/White Island, which is part of the extensive geothermal area of the Taupō Volcanic Zone. Other distinctive landmarks include Mauao (Mt Maunganui), Mt Tarawera and Mt Pūtauaki (Mt Edgecumbe), the Tauranga and Ōhiwa Harbours and the lakes of the Rotorua district. There are also five other major estuaries – the Maketū, Little Waihi, Whakatāne, Waiōtahe and Waioeka/Otara estuaries.

OUR PEOPLE

There were an estimated 305,700 people living in the Bay of Plenty as at 30 June 2018. The Bay of Plenty has a rich cultural dynamic with 28 percent of the population identified as Māori and 9.5 percent as an ethnic group other than New Zealand European or Māori. Māori are key partners, stakeholders and members of our community; with 37 iwi, 260 hapū and 180 marae, building and maintaining relationships with these groups is an important part of the regional council's role.

Our relationships with others are crucial to the success of our work. We have a strong regional leadership role. There are many cross-boundary issues facing our region, such as climate change and transport planning, where we aim to work collaboratively with our local partners, complementing the work they do at the local level and facilitating a single voice for the region. These partners and stakeholders are found across the region, and include local and Central Government, Māori, volunteer groups and the private sector.



Figures are Statistics NZ June 2018 projections
 *Multiple answers possible so will total more than 100



Māori participation in decision making

Te whakaurunga o ngāi Māori ki te tuku whakaaro

Our region has New Zealand's second largest Māori population, making up approximately 28 percent of our population. There are 37 iwi, 260 hapū and 180 marae located across the region.

Māori are key partners, stakeholders and members of our community. Within our region there are approximately 1800 land trusts covering more than 5000 Māori land blocks. As of July 2019, there are 22 comprehensive Treaty settlements and several more in progress. Māori make a significant contribution to the region through their ownership of assets; contribution to economic development; participation in Treaty co-governance arrangements with councils; and their kaitiaki roles and responsibilities which influence conservation, preservation and management of natural resources.

Ensuring that we honour our obligations to Māori and ensure Māori participation in decision making is part of the way we work and has specific alignment with our strategic framework and direction.

Collaboration and involvement of Māori in our work is important and during 2018/19 we continued to support Māori participation in decision making processes, particularly via Council's Komiti Māori (Māori Standing Committee) which held six hui on marae across the region in 2018/19. Komiti Māori endorsed the development of *He Korowai Mātauranga (Mātauranga Māori Framework)*, an internal document that aims to recognise mātauranga Māori in decision making processes. In support of this during the year we:

- Assisted iwi members and staff on Treaty co-governance forums, namely Te Maru o Kaituna River Authority and the Rangitāiki River Forum. Of particular note was the launch and celebration of *Kaituna, he taonga tuku iho (Kaituna River Document)* by Te Maru o Kaituna River Authority on 22 June 2018. Also of note was our continued work with Te Arawa Lakes Trust, Rotorua Lakes Council and Ministry for the Environment as part of the Rotorua Te Arawa Lakes Strategy Group for the coordinated management of the Rotorua lakes.
- Supported Māori constituent Councillors and their contributions to Council,
- Hosted a Councillor workshop on Council-Māori relationships,
- Hosted four Resource Management Plan training sessions for tangata whenua,
- Contributed towards the development of Standard Operating Procedures for tangata whenua engagement,
- Commenced the development of a guideline for staff - *Taking into Account Iwi Planning Documents under the Resource Management Act 1991*, and
- Hosted a number of *He Korowai Mātauranga* information sessions across Toi Moana offices to help build knowledge and understanding in staff of Te Ao Māori.

To further enhance our understanding of Māori values we created a new environmental scientist position (Pūtaiao Mātauranga) and a Māori Resource Management Act Specialist role within the Environmental Strategy team.

We also provided high level advice to Te Arawhiti (formally the Office of Treaty Settlements) on two comprehensive Treaty of Waitangi negotiations for iwi in the Bay of Plenty region.

We funded three hapū/iwi environmental management plans.

We also engaged three summer students to work within Māori Policy providing a level of resource and support to Iwi Authorities and awarded four \$2500 student scholarships through to He Toka Tūmoana – The Toi Moana Environmental Scholarship Fund.



Our vision for the region

Tā mātau tirohanga mō te rohe

Our vision of ‘Thriving Together – mō te taiao, mō ngā tāngata’ is about supporting our environment and our people to thrive.

Our four Community Outcomes provide more detail on what this vision would look like for the Bay of Plenty focusing on:

- A healthy environment,
- Freshwater for life,
- Safe and resilient communities,
- A vibrant region.

Our Vision and Community Outcomes are core aspects of our strategic framework shown to the right. This strategic framework underpins the work we do and the activities and services we’re responsible for across the region.



Thriving together – mō te taiao, mō ngā tāngata

The way we work

We provide great customer service

We honour our obligations to Māori

We deliver value to our ratepayers and our customers

We continually seek opportunities to innovate and improve

We look to partnerships for best outcomes

We use robust information, science and technology

Strategic challenges

Different priorities and issues across the region

The implications of changing climate

Limitations of our natural resources

Sustaining development across the region

An increasingly complex operating environment

Ensuring Māori participation in Council decision making

Balancing the expectations of both national and local partners

COMMUNITY OUTCOMES

OBJECTIVES

A healthy environment

We will maintain and enhance our air, land, freshwater, geothermal, coastal resources and biodiversity for all those who live, work and play within our region. We support others to do the same.

1. We develop and implement regional plans and policy to protect our natural environment.
2. We manage our natural resources effectively through regulation, education and action.
3. We work cohesively with volunteers and others, to sustainably manage and improve our natural resources.
4. Our environmental monitoring is transparently communicated to our communities.

Freshwater for life

Our water and land management practices maintain and improve the quality and quantity of the region's freshwater resources.

1. Good decision making is supported through improving knowledge of our water resources.
2. We listen to our communities and consider their values and priorities in our regional plans.
3. We collaborate with others to maintain and improve our water resource for future generations.
4. We deliver solutions to local problems to improve water quality and manage quantity.
5. We recognise and provide for Te Mana o Te Wai (intrinsic value of water).

Safe and resilient communities

Our planning and infrastructure supports resilience to natural hazards so that our communities' safety is maintained and improved.

1. We provide systems and information to increase understanding of natural hazard risks and climate change impacts.
2. We support community safety through flood protection and navigation safety.
3. We work with our partners to develop plans and policies, and we lead and enable our communities to respond and recover from an emergency.
4. We work with communities and others to consider long term views of natural hazard risks through our regional plans and policies.

A vibrant region

We work with our partners and communities to achieve integrated planning and good decision making. We support economic development, understanding the Bay of Plenty region and how we can best add value.

1. We lead regional transport strategy and system planning, working with others to deliver a safe and reliable public transport system.
2. We contribute to delivering integrated planning and growth management strategies especially for sustainable urban management.
3. We work with and connect the right people to create a prosperous region and economy.
4. We invest appropriately in infrastructure to support sustainable development.

Our values

Trust

Integrity

Courage

Manaakitanga

Kotahitanga

Whanaungatanga



The work we do

Ā mātau mahi

Our work is carried out across 33 activities which are split into nine groups of activities.


These nine groups deliver the services and infrastructure, and perform the functions that assist us to deliver on the Community Outcomes outlined in our strategic framework. The matrix shows the nine Groups of Activities and the Community Outcomes they link to most strongly.


The following pages report back on our work programmes, financial performance and key performance indicators for 2018/19, using our nine Groups of Activities. The Community Outcomes that link most strongly to each of the Groups of Activities is also shown.

	<i>A Healthy Environment</i>	<i>Freshwater for life</i>	<i>Safe and resilient communities</i>	<i>A vibrant region</i>
<i>Integrated Catchment Management</i>	●	●		
<i>Flood Protection and Control</i>			●	
<i>Resource Regulation and Monitoring</i>	●		●	
<i>Transportation</i>				●
<i>Regional Development</i>				●
<i>Regional Planning and Engagement</i>	●	●		●
<i>Emergency Management</i>			●	
<i>Technical Services</i>	●	●	●	●
<i>Corporate Services</i>	●	●	●	●

Integrated Catchment Management

Te Whakahaere Tōpū i Ngā Wai

 *A healthy environment*

 *Freshwater for life*

Activities

- Tauranga Harbour
- Rotorua Lakes
- Kaituna
- Eastern Catchments
- Regional Integrated Catchment Management

Our Integrated Catchment Management work protects our lakes, rivers, wetlands and coastal environment.

We protect priority biodiversity sites, work to improve swimmability at our most popular swimming spots and help to improve aquatic ecosystem health in other priority water bodies.

Much of our work is delivered through landowner agreements called Environmental Programmes. We also deliver key projects such as the Kaituna River Re-diversion directly, and operate through a range of partnerships with tangata whenua, industry bodies, district and city councils and central government agencies.

We also work alongside volunteers to protect our rivers, harbours and open coastlines through Estuary Care, Coast Care, land care and river care groups. This work is often delivered using the guidance and oversight of local government and iwi representatives on our co-governance committees to ensure cultural values and tikanga are respected.

Delivery highlights

We continued to coordinate and administer the Tauranga Moana Programme, including the Tauranga Moana Advisory Group, which includes iwi, district, city and Regional Council representatives. We also continue to implement 132 Environmental Programme agreements, of which 25 are new this year (52 of the agreements include at least some of a Priority Biodiversity Site, or significant biodiversity within the site). Work also identified our focus catchment priorities in the Uretara, Te Mania, Kopurererua and Waitao sub-catchments.

The Kaituna River Re-diversion and Te Awa o Ngatoroirangi/Maketū Estuary Enhancement Project is six months ahead of schedule, with commissioning of the new culverts expected in December 2019. The restoration of water flows back into the Maketū Estuary is part of a multi-year project which includes wetland reconstruction on track to reach our target of 100 hectares of restored wetland by 2021. Five new Environmental Programme Agreements were signed, bringing the total number of active Environmental Programmes in the Kaituna, Pongakawa and Waitahanui catchments to 20.

The Rotorua Lakes Activity continued to deliver a co-ordinated programme of work through the Rotorua Te Arawa Lakes Programme, which is a partnership programme involving Rotorua Te Arawa Lakes Trust, Rotorua Lakes Council and the Bay of Plenty Regional Council, part-funded by the Ministry for Environment. The objective of the Rotorua Te Arawa Lakes Programme is to meet the Trophic Level Index for each lake. We provide support to landowners to finalise their Nutrient Management Plans in the Lake Rotorua Catchment which are used to support resource consent applications under Proposed Plan Change 10: Lake Rotorua Nutrient Management. Even with the progress made, there has been a less than forecast uptake of the land use change incentives agreements – a significant component of the programme. Council staff have been undertaking a review of the tools used to achieve the challenging targets in the programme and Council are due to consider options in mid-2019.

In the Tarawera Lakes Catchments, we saw the completion of a joint project which focused on assisting property owners to develop voluntary Farm Environment Plans (FEPs). This project was delivered in partnership with Fonterra, Beef and Lamb NZ, and Project Rerewhakaiaitu Incorporated (a local farmer group) to manage nutrient losses and improve lake water quality. A total of 48 FEPs in the inner and outer catchments of Lake Tarawera have been developed and landowners are now in the process of implementing those actions outlined in each individual FEP.

Three land use change agreements were negotiated during the year (two in the Lake Rotorua Catchment and one in the Lake Ōkāreka Catchment). These agreements secured 74 hectares of land use change and 1.5 tonnes of nitrogen in the Lake Rotorua Catchment, and 56 hectares of land use change and 0.5 tonnes of nitrogen in the Lake Ōkāreka Catchment. These land use change agreements are significant because they permanently reduce nutrients leaching into these two lakes, contributing to the achievement of TLIs.

The Lake Rotorua alum dosing programme continued to achieve good results, with no algal blooms in the Lake since 2010.

Our Eastern Catchment Activity highlight was the signing of three Environmental Programmes as part of the Rangitāiki Wetlands Project, co-funded by the Ministry for the Environment. These sites will see a range of wetland restoration and monitoring actions carried out over the next five years.

Monitoring of forest bird populations at several of our intensively managed biodiversity sites (Ōhope, Mokorua and Kōhī reserves in Whakatāne, Manawahe's managed core area, Pūtauaki) are showing significant improvements with bird abundance increasing at all sites, with some birds being found in areas where they had previously disappeared. These positive outcomes are due to intensive pest animal control that has taken place in these areas, with possums, rats and mustelids down to consistently low levels.

A significant milestone was achieved during the year with the completion of the Ōhiwa Harbour Heritage Trail project. The 13 interpretation signs installed at various locations around the harbour tell the story of harbour from cultural, natural and historic perspectives. High levels of investment and engagement, and continuing collaboration and coordination have been seen throughout the project by all those involved.

The Waiōtahe Estuary community continue to work individually and collectively to improve the water quality of the catchment. They have held collective planting days, a collective fencing day, have started implementing their Farm Environment Plans, and continue to engage with the Council in implementing works in the catchment.

Across the region, our Coast Care programme continues strongly with increased number of volunteer numbers, partially due to our increased social media presence which allows us to reach a wider audience. Estuary Care continues to make positive progress with many groups integrating pest control into their work.

Performance Measures

We met the target for two of the three performance measures for Integrated Catchment Management during the year. Commentary for each performance measure is provided below.

LEVEL OF SERVICE

Improve the indigenous biodiversity and waterbodies in the Bay of Plenty catchments

Key Performance Measure: Number of new Priority Biodiversity Sites actively managed

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	4	7	●

Comment: The target for 2018/19 was exceeded, with 7 new Priority Biodiversity Sites being actively managed, compared to a target of 4

Key Performance Measure: Number of Rotorua Lakes that have reached their target Trophic Level Index (TLI), based on the three year rolling TLI

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	2	1	●

Comment: The TLI for one of the Rotorua Lakes we monitor (Lake Rotorua) was reached in 2018/19, compared to the target of two. This measure is focused on the outcome we are seeking to achieve through our work to improve the health of the Rotorua Te Arawa Lakes and is dependent on a range of variables both in and outside Council control. The longer term trend shows improvement in the TLI for the Rotorua Lakes, however short term data is influenced by climate variables

Key Performance Measure: Percentage of monitored river and stream sites that meet the 'swimmability' requirements under the National Policy Statement for Freshwater Management

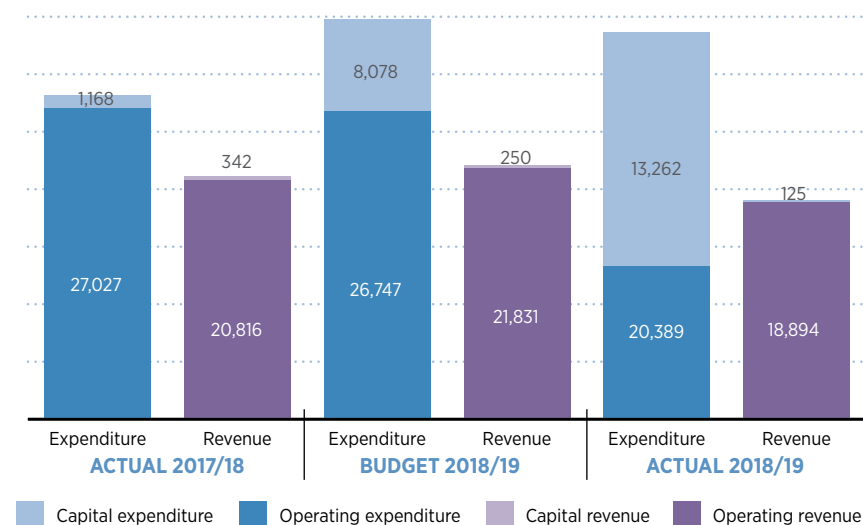
2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	75%	75%	●

Comment: The target for 2018/19 was achieved.

Budget

Actual operating expenditure is \$6.4 million lower than budget mainly due to the Rotorua Lakes land use change incentive agreements having lower than expected uptake during the year. The Low Nitrogen Land Use Fund and Engineering Solutions interventions are also both underspent due to initial delays in implementation. As a result, the Ministry for the Environment contribution was \$3.0 million lower than budget. Capital expenditure was \$0.7 million higher than revised budget. \$4.5 million capital expenditure was approved to be brought forward from 2019/20 by Council at the February 2019 meeting for the Kaituna River Re-diversion Project due to that project progressing well ahead of schedule.

HOW MUCH IT COSTS - INTEGRATED CATCHMENT MANAGEMENT



Flood Protection and Control

Te Pare me te
Whakahaere Waipuke

● *Safe and resilient communities*

Activities

- Rivers and Drainage Schemes
- Regional Flood Risk Coordination



Our Flood Protection and Control work covers the management of four river schemes, one major drainage scheme and 37 small drainage/pumping schemes. The management of these is supplemented by our regional flood risk coordination activities.

Our river and drainage scheme responsibilities, as set out in our asset management plans, include providing flood protection stop banks, flood pump stations, floodgates and erosion control structures, and constructing flood ways. Within Scheme areas we carry out regular maintenance of structures, stream clearing and lake level monitoring and management of Lakes Rotorua and Rotoiti. We also carry out gravel management operations including resource consent renewals and allocating extractions to commercial operators. These extractions are managed to ensure flood and erosion risk is controlled.

We offer river and stream management advisory services to landowners across the region and flood response activities to river and drainage scheme stakeholders. We also have responsibility for managing activities associated with the Floodway and Drainage Bylaws.

We provide leadership, management, information and advice to manage flood risks and flood hazards in the Bay of Plenty. We carry out flood forecasting, floodplain monitoring and river and engineering surveys to support the development of floodplain management strategies, taking an integrated catchment approach. Alongside this, we provide flood management systems, flood room functionality and maintain a flood warning manual.

Delivery highlights

Staff continued business as usual activities to ensure maintenance and renewals for rivers and drainage schemes in the region were carried out in line with established levels of service and the Rivers and Drainage Asset Management Plan 2018-2068. The work includes regular reporting to the Scheme Advisory Groups.

In April 2017, the region experienced two extreme weather events in close succession, resulting in extensive flooding which caused significant damage to river

and drainage networks and assets across the region, and a major stopbank breach at Edgumbe. Over the past year we have continued to repair this damage, with a significant milestone achieved with the completion of the replacement section of stopbank at College Road, Edgumbe (location of breach). This involved construction of the new stopbank (located slightly away from its original location), reinstatement of the berm and realignment of College Road. To enable the work to take place, 12 properties opposite the breach site were acquired and cleared to enable the realignment of the road and construction of the stopbank. Steady progress was made on the remaining flood damaged sites identified in the wider repair programme, with 130 repair sites completed during 2018/19, taking the total number of sites completed to 249 (48% of sites completed). The flood repair project is expected to take four years, with completion scheduled for 30 June 2021.

In April 2018, a severe weather event occurred in the Rotorua district resulting in the Ngongotahā Stream overflowing its banks in several places and water inundating many homes, and some businesses. Work to repair damage continued in 2018/19 with 75% of high priority flood repairs on the upper Kaituna Scheme streams now complete. Repairs to the remaining erosion sites on the Ngongotahā and the other Rotorua Streams within the scheme area are programmed to be completed during 2019/20. We are working closely with Rotorua Lakes Council on implementing recommendations from the independent review of the Ngongotahā flood event, which was completed in December 2018.

Remediation of the Kopeopeo Canal continued to be a priority for Council. The project, jointly funded by Bay of Plenty Regional Council and Ministry for the Environment, safely removes, stores and bioremediates elevated levels of dioxin-contaminated sediment from 5.1 kilometres of the Kopeopeo Canal. The dredging and transfer to secure storage sites was effectively complete by 30 June 2019. Covering of the containment sites with topsoil and commencing bioremediation of the contaminated sediment within these containment sites will take place in 2019/20.

Work on the Rangitāiki Floodway Upgrade Project continued with Stage 4 (earthworks to relocate stopbanks, channel widening to increase capacity, and work on internal drainage systems) completed, and Stage 5 (bifurcation) well underway. The Rangitāiki Floodway Upgrade Project is a multi-year project to carry out upgrades to the Rangitāiki floodway and spillway (as part of a wider flood mitigation project to protect the Edgumbe township, and the Rangitāiki Plains, from up to a '100 year' flood event). Comprehensive consultation was undertaken

with affected landowners and the wider community on design options to upgrade the spillway section (Stage 7) of the Floodway. The preferred option (lower fixed crest weir) is supported by the community and council.

Also during the year, a performance assessment of the river schemes' critical assets began. This information will help inform and prioritise future renewal and capital work programmes. This includes a review of recent capital works programmes to ensure asset information is up to date for future valuations. The Enterprise Asset Management (TechnologyOne) module was also introduced during the year. This module will assist Asset and Work Management, including the management of preventive and reactive maintenance, defect management, field mobility and asset historical life cycle costs.

Work continued on the programme of flood wall and stopbank geotechnical assessments with a focus on the Whakatāne, Rangitāiki and Otara Rivers.

Flood modelling work was progressed in a number of areas including the Whakatāne/Tauranga Rivers, Utuhina, Uretara and Ngongotahā streams.

Performance Measures

We met the target for both of the performance measures for the Flood Protection and Control Group of Activities during the year.

LEVEL OF SERVICE

Provide flood protection and drainage

Key Performance Measure: Percentage of maintenance, repairs and renewals completed in accordance with the Rivers and Drainage Asset Management Plan (Note: or based on approved changes to the work programme)

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
90% (Achieved)	90%	91%	●

Comment: The target for 2018/19 was achieved

LEVEL OF SERVICE

Provide the community with timely warning of potential flooding

Key Performance Measure: Percentage of flood warnings at pre-determined levels are given in accordance with the flood warning manual

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
95% (Achieved)	90%	100%	●

Comment: The target for 2018/19 was exceeded, with a 100% result being achieved

Budget

The operating revenue for the Group of Activities was \$0.5 million less than the budget. Insurance recoveries for operational items not being received during the year contributed to this. Actual operating expenditure was \$13.1 million compared to budget of \$13.3 million due to a lower annual gross carp management fee being incurred. This underspend was offset by higher finance costs due to Ministry for the Environment receipts for the Kopeopeo Canal project being lower than anticipated for the year. This has increased the amount of internal interest cost with the higher loan balance. This is offset by higher interest revenue within the Finance and Corporate Activity.

Capital revenue is \$4.3 million lower than budget, mainly due to insurance funds not being recovered as quickly as anticipated. Revenue associated with the Kopeopeo Canal Remediation project is lower than anticipated. Funds have been recovered up until January 2019.

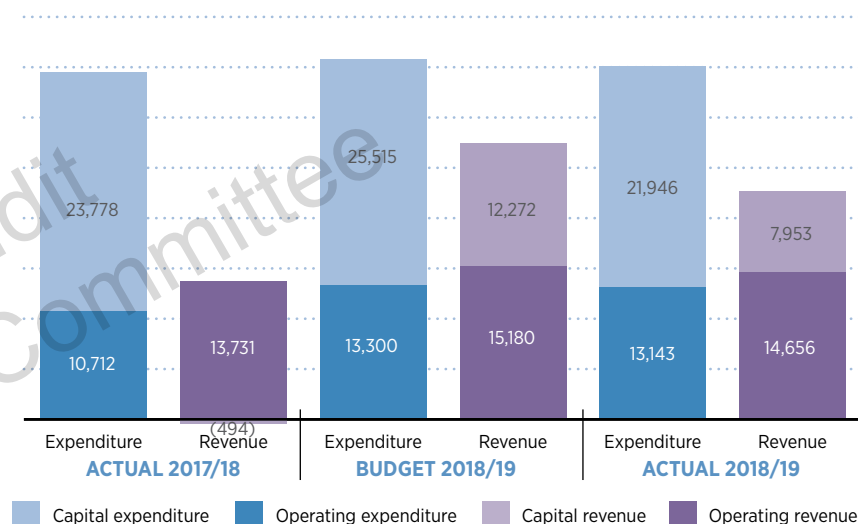
Capital expenditure is \$0.6 million lower than budget. During the year the Group revised budget was \$25.5 million. The Kopeopeo Canal project had a revised budget of \$1.3 million and the Rangitāiki Floodway had \$1 million, both brought forward from 2019/20.

Capital expenditure was \$3.6 million lower than the revised budget with approximately \$1.7 million to be carried forward to 2019/20; \$1 million for the new capital work on the Kaituna River scheme, \$0.2 million on capital renewals for Waioeka-Otara and \$0.5 million on the Rangitāiki Drainage Scheme.

Work within the Rangitāiki-Tarawera Scheme is \$1.7 million underspent which is mainly due to a lack of rock supply which has limited the amount of work able to be achieved.

Flood Damage repairs across all schemes have been delivered close to budget during the 2018/19 year.

HOW MUCH IT COSTS - FLOOD PROTECTION AND CONTROL



Resource Regulation and Monitoring

Ngā Ture Rawa me te Aroturuki

● *A healthy environment*

● *Safe and resilient communities*

Activities

- Air Quality
- Biosecurity
- Resource Consents
- Regulatory Compliance
- Maritime Operations

Our Resource Regulation and Monitoring work protects and maintains our environment, on land, air and at sea.

It manages and controls pests; grants and monitors consents to ensure the environmental impacts of people and businesses are minimised or managed appropriately; responds to complaints and pollution incidents; and monitors and improves local air quality. We are also responsible for ensuring the rules set out in national legislation, and in our own regional policies and plans, are followed.

Delivery highlights

Our Biosecurity Activity continued to carry out a range of activities to manage pest plants and pest animals. The development of our new Regional Pest Management Plan continued through the year, including looking at whether or not further pests should be added to the plan.

Alongside our business as usual biosecurity work, we applied for and were granted resource consent to use aquatic herbicide (Endothall) to control aquatic weed in the Rotorua Lakes catchments. Being able to add Endothall to the mix of tools we use for controlling aquatic weeds will be useful, particularly for lakes with poorer water quality. We also carried out monitoring for herbicide applications over water in Maketū Estuary and the Rangitāiki River, as required by the Environmental Protection Agency, and in both cases the herbicide was undetectable in water samples post application.

The management of catfish in the region continues to be an on-going challenge. By the end of the summer season, more than 28,000 catfish had been caught in the Rotorua Lakes, including the catfish caught in the community trapping programme managed by the Te Arawa Lakes Trust. While numbers caught by us in Lake Rotoiti were down compared to last year (24,935 compared to 34,117 for 2017/18), we were disappointed to discover the species near Mokoia Island in Lake Rotorua (the first time catfish have been discovered in Lake Rotorua). Staff continued to educate the public about their role in helping to prevent the spread of catfish, and educational signs about catfish were put up at popular boat ramps in the region. Council continues to rely heavily on science, largely through Niwa and the University of Waikato, to find new surveillance methods and tools to effectively manage catfish and prevent their further spread.



Our Rotorua Air Quality Programme continued its efforts to improve the Rotorua urban airshed air quality through a mixture of clean heat incentives, education and regulation. We continued to deliver our Hot Swap, and Low Income Heating Grant Scheme to help people with non-compliant home heating to convert to clean heating. More than 325 non-compliant solid fuel burners were replaced with clean heat during the 2018/19 financial year, with a significant number (145) of those conversions directly attributable to the air quality programme. Since May 2015, when there were an estimated 7650 properties with non-compliant solid fuel burners, approximately 3825 replacements or removals have been recorded that are attributable to the air quality programme. It is likely that the total number of non-compliant solid fuel burners that have been removed is higher, as not all cases of removal or replacement are reported.

Our resource consent team continued to process consents with 461 applications processed during the year. Significant progress was made in resource consent processing times with 96.3% of applications received during the year being processed within statutory timeframes. This is a strong improvement compared to 2017/18 where only 55% of consents were processed within statutory timeframes. This was mostly due to changes in the way the team has been resourced, and changes to internal systems and processes. Also during the year, two Environment Court hearings were held for two resource consent decisions issued by the Council (Otakiri Spring water bottling, and Transpower realignment over Rangataua Bay).

Our regulatory compliance team conducted more than 3000 site inspections for consented activities during the year, almost 400 more than the year before. In addition, the regulatory compliance team reviewed 7691 performance monitoring data reports provided by consent holders, and 3519 service requests received through the Council's Pollution Hotline, 19.5% more than the year before. This continues the trend that we have been seeing of increased calls to the Hotline over the past five years. Despite this increase, staff responded to 100% of all urgent calls, and customer satisfaction surveys returned 94% positive feedback.

Decisions were received from the courts in relation to 12 prosecutions, resulting in a total of \$549,025 in fines. At the time of reporting, 17 cases remain before the courts, relating to offences from 2017 to present.

Highlights from our Maritime Activity includes the installation of a bar camera above the Kaituna cut providing boaties an up-to-date look at bar conditions. It has already had a high level of engagement with more than 40,000 views. During the

summer season, 601 bylaw breaches (warnings) and 49 infringements were issued. At the same time more than 10,000 harbour and lakes users were engaged with to help ensure understanding and compliance with the Bay of Plenty Navigation and Safety Bylaw. In addition, maritime staff participated in annual National Oil Response Team and Regional exercises – helping ensure that staff are ready to respond to future oil spills.

Performance Measures

We met the target for six out of the nine performance measures for the Resource Regulation and Monitoring Group of Activities during the year. Commentary for each performance measure is provided below.

LEVEL OF SERVICE

Improve air quality

Key Performance Measure: Replacement of noncompliant burners in Rotorua Airshed attributed to the Rotorua Air Quality Programme

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	200	145	●

Comment: Over 325 replacements of non-compliant solid fuel burners in the Rotorua Airshed have been identified. Of these 145 are able to be attributed to the Rotorua Air Programme, of the remaining, many will have been influenced by the work carried out by the Rotorua Air Programme however it is not possible to determine exactly how many should be attributed. There has been an unanticipated decline in both Point of Sale burner removals and solid fuel burner building consent applications for the Rotorua Airshed

LEVEL OF SERVICE

Deliver effective pest management

Key Performance Measure: Council maintains a current Regional Pest Management Plan, develops management plans for new pest incursions and prepares annual reports in accordance with the Biosecurity Act

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	100%	100%	●

Comment: The target for 2018/19 was achieved

LEVEL OF SERVICE

Provide a clear and timely resource consent process consistent with our regional planning documents

Key Performance Measure: Percentage of new consent applications issued discounts due to Council exceeding statutory processing timeframes (lower is better, measure is achieved when the result is less than or equal to the target)

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	5% (lower is better)	3.7%	●

Comment: Significant improvement has been seen regarding the consent application processing time (percentage of new consent applications issued discounts). During 2018/19 only 4% of the consent decisions made on applications received within 2017/18 received discounts due to not being processed within the statutory timeframe, a large improvement from 2017/18 where the corresponding number was 45%. As the definition of the measure has changed slightly from last annual report there is however no 2017/18 result in the table above

Key Performance Measure: Percentage of customers who are satisfied overall with the service provided during the consents process

2016/17 RESULT*	2018/19 TARGET	2018/19 RESULT	RESULT
72% (Achieved)	80%	77%	●

* Performance measure last reported in 2016/17

Comment: The result for this measure was slightly below the target of 80% with 77% of customer either satisfied or very satisfied. The last time this measure was reported was in 2016/17 with a result of 72% recorded. Council will continue to work to build the level of satisfaction to meet the target for 2019/20

LEVEL OF SERVICE

Respond to environmental incident complaints

Key Performance Measure: Percentage of urgent complaints made to the pollution hotline that are responded to within 12 hours

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
100% (Achieved)	95%	100%	●

Comment: The target for 2018/19 was achieved

Key Performance Measure: Percentage of customers satisfied with staff response to substantiated complaints about Resource Management Act non-compliance

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
93% (Achieved)	80%	94%	●

Comment: The target for 2018/19 was exceeded, with a 94% result, compared to a target of 80%

LEVEL OF SERVICE

Ensure consent conditions are monitored and complied with

Key Performance Measure: Percentage of compliance monitoring inspections that occur as per the frequency specified in the Resource Management Act and Building Act Charges Policy

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	80%	77%	●

Comment: The result was slightly below the target of 80%. This was a result of several factors, including decisions to prioritise higher risk activities and to use desktop performance monitoring instead of site visits where deemed advisable. This was a new measure for 2018/19 and Council will continue to focus on this area of work for 2019/20. Including, where possible, through changes to inspection frequency and appropriate dedicated resourcing of reactive and/or high risk work

LEVEL OF SERVICE

Minimise risks and effects of maritime oil spills and navigation hazards

Key Performance Measure: Percentage of navigation aids rated as 'good' quality or higher

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	90%	100%	●

Comment: The target for 2018/19 was exceeded, with 100% being achieved

Key Performance Measure: Spills in Tauranga are responded to within 30 minutes and all others are responded to within two hours

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	95%	100%	●

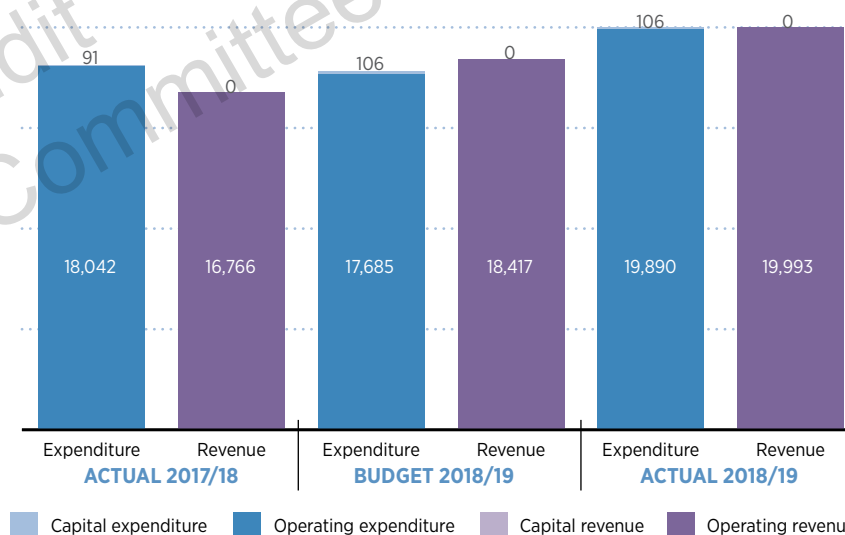
Comment: The target for 2018/19 was exceeded, with 100% being achieved

Budget

Resource Regulation and Monitoring received additional \$1.6 million revenue, offset by an additional \$2.2 million in expenditure. The Biosecurity Activity had additional revenue and expenditure as a result of the Biocontrol Programme administered on behalf of other councils. Expenditure was also higher than budgeted due to the discovery of catfish in Lake Rotorua at the end of 2018.

The Resource Consents Activity incurred additional costs to meet increased demand for processing consent applications. These costs have been offset by a corresponding increase in revenue collected through fees and charges.

HOW MUCH IT COSTS - RESOURCE REGULATION & MONITORING



Transportation

Ikiiki

● *A vibrant region*

Activities

- Passenger Transport
- Transport Planning



We plan, contract, fund and monitor passenger transport services in the region, including the Bayhopper services, and concessionary fare schemes such as Total Mobility.

We also support national and local road safety programmes and fund on-going maintenance of an existing stock truck effluent facility. We provide transport planning to meet our obligations under the Land Transport Management Act 2003: our plans are laid out in the Regional Land Transport Plan, which we develop in partnership with the local councils and the New Zealand Transport Agency. Our aim is to support an effective and efficient transport.

Delivery highlights

We continued to provide bus services for Tauranga, Rotorua and rural areas with over 2.71 million passenger trips recorded during the year.

In December 2018, the public transport system in Tauranga underwent significant change with the implementation of the Western Bay of Plenty Public Transport Blueprint (the Blueprint), which implemented a variety of changes to the bus network including the number, frequency and routing of bus routes. That change also resulted in a change in bus contractor.

Following implementation of the Blueprint, significant challenges were experienced with the delivery of a reliable public transport system in Tauranga. The most challenging and pressing aspects of the start of the new contracts was the number of missed trips due to operational and contractual performance failures and a shortage of bus drivers. During December 2018 and January 2019, missed trips mostly occurred on the weekend. However, performance failures reached critical levels at the start of the school year, with several instances of multiple consecutive school time trips missed from the urban network while the contractor diverted resources into covering school bus runs. We worked closely with the new contractor (NZ Bus) to address as many of the issues as quickly as possible, with the performance of the bus network improving over the last quarter of 2018/19. The delivery of our bus services will continue to remain a priority for Council across the region through 2019/20.

During the year we implemented a number of other changes to bus routes including starting a one year trial of fare-free bus services for school students in Welcome Bay which will continue into 2019/20. Concession bus fares on the Rotorua CityRide urban service were also implemented and the Waihi Beach trial passenger transport service was continued as a permanent two day a week service. Council also agreed to implement and fund passenger Wi-Fi on Rotorua and Eastern Bay bus services. Usage of the public Wi-Fi system on Tauranga buses continued to increase as confidence grows in the system. By the middle of 2019 there were around 6,500 unique devices that accessed the system and public Wi-Fi is available on 91 buses in Tauranga. Fare free bus travel was provided for special events during the year, including the Bay of Plenty Steamers' game against Canterbury, AIMS Games in Tauranga, and the royal visit of the Duke and Duchess of Sussex to Rotorua.

We also looked at and consulted on improving the level of service for passenger transport as part of the Annual Plan 2019/20. Following consultation, a decision was reached to hold a one year trial of tertiary and commuter services (provided we receive co investment from partners) across the Bay of Plenty, and to also trial fare-free bus travel for school students in Tauranga.

The Western Bay of Plenty Public Transport Implementation Plan was developed during the year and will be finalised in 2019/20 in conjunction with Tauranga City Council, Western Bay of Plenty District Council and the New Zealand Transport Agency. This plan coordinates existing projects that are already identified or underway and provides a structure for collaboratively working together to achieve the desired outcomes from the Western Bay of Plenty Public Transport Blueprint. The Implementation Plan will also cover activities that need to be implemented to support growth in public transport.

During the year, the Urban Form and Transport Initiative (UFTI) was formed. UFTI is a collaborative project led by SmartGrowth and the New Zealand Transport Agency and involves Western Bay of Plenty District Council, Tauranga City Council, Bay of Plenty Regional Council, iwi, and community leaders. The key focus of UFTI is to find answers for housing capacity, intensification, multi-modal transport (such as public transport and cycleways) and network capacity. Along with other teams in Council, our Transportation Planning Activity is involved in this work.

A significant milestone was achieved during the year with the adoption of the Regional Land Transport Plan in December. The Plan combines the thinking from

all the Councils in the region into a single strategic document for land transport investment. It is also the way the region as a whole seeks central government funding for transport related activities (including road safety, walking and cycling infrastructure, public transport and road improvements), and it sets the direction for the region's land transport system for the next 30 years.

Phase 1 of the investigation into passenger and freight rail in the Bay of Plenty (Bay of Plenty Passenger and Freight Rail Phase 1 Investigation) was completed. It included a review of current information, evidence and expertise needed to update our knowledge in this area. It was endorsed by the Regional Transport Committee. The second phase will look at what this means with respect to a rapid transit system for Tauranga.

A review of the role of the Regional Transport Committee was completed, which led to an update of the Terms of Reference for the committee. The Regional Land Transport Plan Annual Report Card which tracks a range of transport indicators to enable trends, was also completed.

Performance Measure

We met the target for two out of the three performance measures for the Transportation Group of Activities during the year. Where a target has not been achieved, commentary is provided below the result.

LEVEL OF SERVICE

Provide a quality cost-effective public transport system

Key Performance Measure: Number of passenger transport trips taken in the region

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	2,800,000	2,712,930	●

Comment: The patronage target of delivering 2,800,000 passenger transport trips during the year was not achieved. The final result missed the target by 3.1 percent. Some of the missing patronage is a result of responding to the Tauranga service outages at the start of 2019, where some buses did not have operative ticketing equipment installed, or it was being used improperly

Across the 11 services operated across the region, patronage has grown on five of the services with patronage increasing for the Tauranga Bayhopper urban, Ōhope, Te Puke and Katikati/Ōmokoroa services. Declines were seen on the remaining services in particular the Tauranga Bayhopper Schools and Rotorua bus services.

It has been positive to see patronage increases for a number of services some services growing including the Tauranga Bayhopper urban service which is the largest service operated by Council. We expect to see an increase in the use of the Tauranga Bayhopper Schools following the introduction of fare free bus service trial for Tauranga school children beginning in 2020, and a review of the Rotorua bus network that is underway in 2019.

Note: One measure under this Group of Activity is not due to be reported on in 2018/19. The measure 'Percentage of Tauranga and Rotorua bus users whose overall satisfaction with the bus service is rated as satisfactory or higher (triennial survey)', is next due to be reported in 2020/21.

Key Performance Measure: New Zealand Transport Authority (NZTA) Audit recommendations implemented

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	100%	100%	●

Comment: The target for 2018/19 was achieved.

Key Performance Measure: Percentage of planning and policy reports that are rated satisfactory or higher via an independent assessment process

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	80%	100%	●

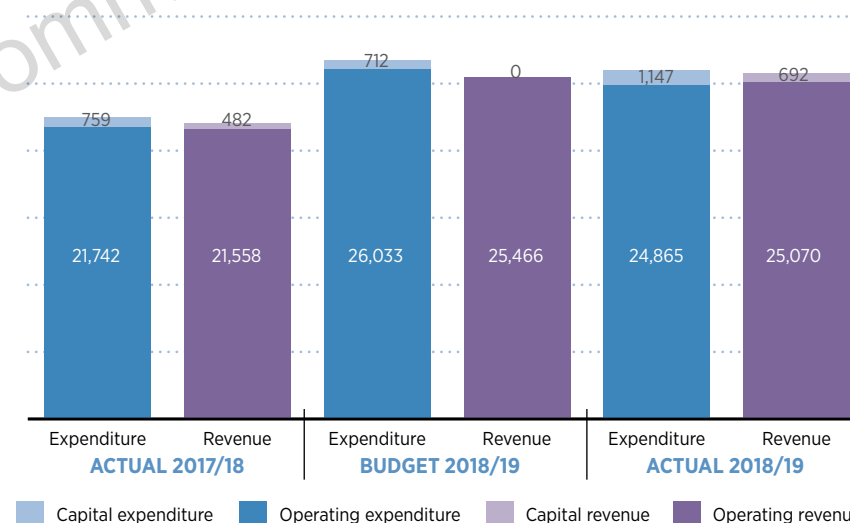
Comment: The target for 2018/19 was exceeded, with 100% being achieved

Budget

Operating revenue during the year was \$0.4 million lower than budget due to a subsidy not claimed due to lower expenditure for bus shelter construction and maintenance and road safety. Tauranga school buses have not received revenue as ticketing machines had to be reallocated for the additional services provided.

Operating expenditure is \$1.2 million lower than budgeted due to the introduction of the new bus services contract for Tauranga and adjustments in the timing of the implementation of the new ticketing system and the Real Time Passenger Information system. Capital expenditure for the Regional Integrated Ticketing System (RITS) was carried forward from 2017/18 to the electronic ticketing project. NZTA subsidises 65 per cent of the costs associated with the RITS, increasing the anticipated revenue in the current year compared to budget.

HOW MUCH IT COSTS - TRANSPORTATION



Regional Development

Whanaketanga ā-Rohe

● *A vibrant region*

Activities

- Regional Infrastructure
- Regional Economic Development
- Regional Parks



Our Regional Development work involves collaborating with Māori and a variety of community stakeholders to develop initiatives to improve the Bay of Plenty – socially, culturally, economically and environmentally. We want to make sure our region grows in a way that keeps its values safe for future generations.

Delivery highlights

In 2018/19, our support of regional economic development continued through Bay of Connections.

A key focus during the year was the review and reset of the Bay of Connections framework, which saw us engage with more than 250 stakeholders. Bay of Connections 2.0 is focused on advancing economic development priorities in the four sub-regions and advancing regional opportunities that evolve from this engagement. For example, we supported a number of successful Provincial Growth Funding bids during the year, including two Rotorua-based projects identified in the Bay of Connections Visitor Economy Strategy (Lake Rotorua Lakefront Development and Whakarewarewa Forest Development).

In August we were part of the Eastern Bay Regional Leadership Group and its efforts to secure Provincial Growth Funding to advance key local priorities. As a result, the Eastern Bay of Plenty has received funding for several key projects including the Ōpōtiki Harbour Development Project, Whakatāne Tourism and Wharf Development and the Whakatāne Waterfront and Town Centre Regeneration.

We also continued to administer the Regional Infrastructure Fund and other Third Party Infrastructure projects, with the following milestones reached during the 2018/19 financial year:

- The first stage of the \$11.4 million Tauranga Harbour Marine Precinct development at Sulphur Point was completed (and opened) in August 2018. The Regional Infrastructure Fund contributed \$5 million to the project.
- The new University of Waikato Tauranga Tertiary Campus was opened for the 2019 academic year. This project was jointly funded by the Bay of Plenty

Regional Council, Tauranga Energy Consumer Trust, Tauranga City Council and the University of Waikato. The Regional Council contributed \$15 million to the project.

- Construction began on the Scion Innovation Hub in Rotorua, with funding drawdowns expected in 2019/20. The Regional Council contribution to the project is \$2.5 million.
- Wastewater schemes were progressed with drawdowns for the Ongare Point wastewater scheme completed and the first drawdown for the Rotoiti/Rotomā reticulation scheme made.

We also continued our role in management and maintenance work of our two regional parks (Pāpāmoa Hills and Onekawa Te Mawhai). Stage 1 of our Pāpāmoa Hills Revitalisation Project (Te Whakarauoratanga o Te Rae o Pāpāmoa) was completed. This stage outlines the capital improvements that will be made to the park over the next two years, particularly to the carpark, track and signs. New stockyards and woolsheds were also completed during the year. During 2018/19, 106,383 people visited the park.

Core operational work also continued at Onekawa Te Mawhai Regional Park with highlights including the planting of 1400 trees, and the installation of a pedestrian counter to assist with monitoring visitor numbers in the future.

Performance Measures

We met the target for both of the performance measures for the Regional Development Group of Activities during the year.

Note: One measure under this Group of Activity is not due to be reported on in 2018/19. The measure 'Percentage of industry stakeholders who are satisfied with Bay of Connections (biennial survey)', is next due to be reported in 2019/20.

LEVEL OF SERVICE

Facilitate regional economic development

Key Performance Measure: Sector strategies are reviewed and updated every three years

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
1	1	1	●

Comment: The target for 2018/19 was achieved

Manage our Regional Parks sustainably

Key Performance Measure: Number of visitors to our Regional Parks

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	100,000	106,383	●

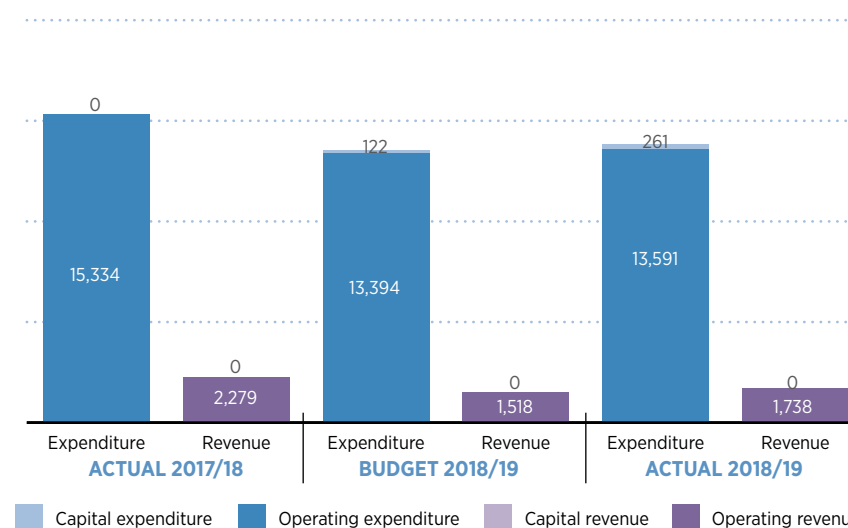
Comment: The target for 2018/19 was achieved

Budget

Actual expenditure of \$13.6 million was close to the budget of \$13.4 million. Changes to what was budgeted include the Scion Innovation Hub in Rotorua now expected to be completed in the 2019/20 financial year, resulting in a \$1.4 million carry forward to 2019/20. An additional \$1.9 million was paid during the year for the Rotoiti/Rotomā wastewater reticulation scheme due to the scheme delivering ahead of schedule.




The Regional Economic Activity consultant costs were \$0.2 million higher than budget for the Toi Moana BOP Economic Action Plan and the Bay of Connections review. These cost are funded by the Ministry of Business, Innovation and Employment, and the Provincial Growth Fund.

HOW MUCH IT COSTS - REGIONAL DEVELOPMENT



Regional Planning and Engagement

Te Hanga Mahere ā-Rohe
me te Whakawhitiwhiti

-  *A healthy environment*
-  *Freshwater for life*
-  *A vibrant region*

Activities

- Regional Planning
- Māori Policy
- Geothermal
- Community Engagement
- Governance Services

Our Regional Planning and Engagement work provides planning and policy advice and informs our overall strategic direction.

This work informs the management of natural and physical resources, supports the development of Māori capacity to contribute to council decision making processes and supports our democratic structure and processes. We also actively engage with the community, building awareness and facilitating involvement.

Delivery highlights

All of the activities in the Regional Planning and Engagement Group (Regional Planning, Māori Policy, Geothermal, Community Engagement and Governance) progressed their respective areas of work for Council. Key highlights for 2018/19 include:

- The Urban Form and Transport Initiative (UFTI) project was launched – a new partnership between SmartGrowth and the New Zealand Transport Authority. The core focus of UFTI is to find answers for housing capacity, intensification, multi-modal transport and network capacity in the western Bay of Plenty sub-region.
- Council's Climate Change Action Plan was adopted on 25 June. This plan brings together the various streams of work connected with climate change across Council and focuses them into a coordinated and coherent approach, covering both mitigation and adaptation. Council also declared a climate emergency and committed to working with the community on transitioning to a low carbon future and adapting to our changed climate.
- The groundwater model was calibrated and initial modelling runs were completed. Groundwater accounts were updated and made available online.
- Updates and independent reviews of the Tauranga and Rotorua Geothermal Reservoir Models were completed.
- A joint research project with GNS (supported by Te Arawa Lakes Trust), involving lake bed metallotelluric surveys on four Rotorua lakes was completed and presented to the public. An Issues and Options Discussion Document and Science Snap Shot report was also prepared for the Rotorua Geothermal System to support community engagement.



- Staff reviewed the implications on Council's work of Central Government's blueprints for freshwater: *Essential Freshwater: Healthy Water, Fairly Allocated* and *Shared Interests in Freshwater* which were released in October 2018.
- Progress was made on the following plan changes:
 - New rules were notified in February 2016 to limit the amount of nitrogen entering Lake Rotorua from land use in order to improve water quality (Plan Change 10). The Environment Court has been considering appeals to those rules in two stages with a hearing held in March 2019. In August 2019 the Environment Court released an interim decision (stage 1) in favour of Regional Council's nitrogen allocation method.
 - The Proposed Regional Coastal Environment Plan was adopted by Council, and was referred to the Minister of Conservation for approval.
 - Decisions on Air Quality (Plan Change 13) were released, and work continues to progress with respect to appeals that were lodged.
 - Work on the Region-wide Water Quantity Plan Change (Proposed Plan Change 9), in response to 14 appeals lodged continues. Pre-mediation discussions are complete, and responses have been prepared.
 - Kaituna-Pongakawa-Waitahanui and Rangitāiki Water Management Areas (Plan Change 12) freshwater quality scenario modelling completed and draft results prepared.
 - The Geothermal Plan Change process was initiated in Rotorua (Ōkurei) through a series of hui, iwi engagement and the establishment of an Ahi Kaa Working Group.
 - Our Draft On-Site Effluent Treatment Plan Change (Plan Change 14) to the Bay of Plenty Regional Natural Resources Plan was released for public feedback between July and October 2018.

Highlights from our Kotahitanga Strategic Engagement work include:

- The development of a guideline for staff - *Taking into Account Iwi Planning Documents under the Resource Management Act 1991*, and supported the Consents Team in the development of Standard Operating Procedures for tangata whenua engagement.
- Komiti Māori endorsed the development of *He Korowai Mātauranga (Mātauranga Māori Framework)* - an internal document that aims to recognise mātauranga Māori in decision making processes. Final drafting of He Korowai Mātauranga Implementation Plan is nearing completion.

- Māori Policy supported tangata whenua in our community including providing high level advice to Te Arawhite on two comprehensive Treaty of Waitangi negotiations for two iwi in the Bay of Plenty region, and hosted four Resource Management Plan training sessions for tangata whenua in the region.
- Student representatives from 13 secondary schools provided recommendations for the Regional Action Plan on Climate Change through the annual Taiohi Taiao Youth Jam event led by Bay of Plenty Regional Council and supported by local authorities, agencies and community organisations.
- \$269,000 of Environmental Enhancement Funding was granted to 13 projects across the region with another three projects still in assessment.
- A workshop was held for councillors on Council-Māori relationships in a changing landscape, challenges and opportunities.
- Six Komiti Māori meetings were facilitated during the year.
- Administrative support was provided via our Governance Activity to Council meetings held during the year, including full Council, committee and extraordinary meetings. Changes were also made to our agenda management process to make it more efficient, and work is underway on preparing a new agenda management system for Council.

Performance Measures

We met the target for all of the seven performance measures for the Regional Planning and Engagement Group of Activities during the year.

Commentary for all the performance measures is provided below.

LEVEL OF SERVICE

Provide robust and legislatively compliant planning and policy (Regional Planning and Geothermal)

Key Performance Measure: Percentage of planning and policy reports that are rated satisfactory or higher via an independent assessment process

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
100% (Achieved)	80%	100%	●

Comment: The target for 2018/19 was exceeded, with 100% being achieved

LEVEL OF SERVICE

Building Māori participation in Council decision making

Key Performance Measure: Level of satisfaction of Komiti Māori that the information provided meets their terms of reference

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	80%	100%	●

Comment: The target for 2018/19 was exceeded, with 100% being achieved

Key Performance Measure: Percentage of Kaupapa Māori that are raised at Komiti Māori are actioned, resolved (within the scope and mandate of the Komiti) and reported back to Komiti

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	80%	100%	●

Comment: The target for 2018/19 was exceeded, with 100% being achieved

LEVEL OF SERVICE

Support community projects which help improve our environment

Key Performance Measure: Percentage of completed projects that have achieved their measured goals

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
98% (Achieved)	80%	100%	●

Comment: The target for 2018/19 was exceeded, with 100% being achieved

LEVEL OF SERVICE

Promote good governance and democratic decision making

Key Performance Measure: Percentage of Council and Committee meeting agendas for all scheduled meetings that are available at least two working days before meetings

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
96% (Achieved)	95%	100%	●

Comment: The target for 2018/19 was achieved

Key Performance Measure: Percentage of draft Council and Committee meeting minutes that are published on the Council website within 10 working days after the meeting

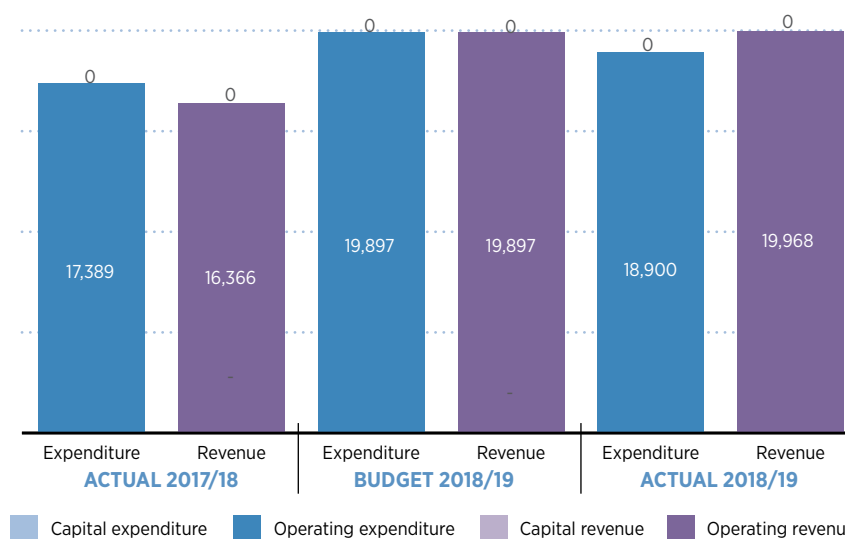
2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
40% (Not achieved)	95%	97%	●

Comment: Significant improvement was recorded regarding the percentage of draft Council and Committee meeting minutes that were published on the Council website within 10 working days. During 2018/19 97% of the meeting minutes were published within the stipulated timeframe, up from only 40% in last year (2017/18)

Budget

The Regional Planning and Engagement Group result of \$18.9 million expenditure was \$1 million lower than budget. This is due to lower than forecast expenditure for the Environment Enhancement Fund (EEF). Grants for the EEF were fully allocated for the financial year; however as at 30 June a number of community groups had not drawn the available funding. In addition, changes to the timing for delivering the Iwi Management contract as well as efficiencies realised as a result of the fit for purpose review resulted in reduced expenditure.

HOW MUCH IT COSTS - REGIONAL PLANNING AND ENGAGEMENT



Emergency Management

Te Whakahaere Mate
Whawhati Tata

● *Safe and resilient communities*

Activities

- Emergency Management



Our Emergency Management Activity provides Civil Defence Emergency Management (CDEM) services to the communities of the Bay of Plenty, 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 CDEM Group. Bay of Plenty Regional Council is also the administering authority for the Group. The Bay of Plenty CDEM Group establishes and maintains arrangements that ensure coordination and communication happens, and that support is available when it's needed.

Alongside the Bay of Plenty CDEM Group, Emergency Management Bay of Plenty is a shared service arrangement between councils in the region for delivery of some CDEM activities and working with our communities to increase their understanding and awareness of our hazard-scape.

Through the Group Emergency Management Office, we support the implementation of the Bay of Plenty CDEM Group Plan. We also provide the facility and staff for a Group Emergency Coordination Centre for coordinating responses to emergencies. We invest in growing the capacity and capability of the Bay of Plenty Regional Council to respond to emergencies through staff training and exercises.

We also work on identifying and reducing the risk from hazards by building and improving knowledge, skills and resilience within communities and businesses to prepare for, get through and recover from emergencies. This includes working with communities and volunteers to develop Community Response Plans and Marae Preparedness Plans.

Delivery highlights

A significant piece of work completed during 2018/19 was the development and approval of the new Bay of Plenty CDEM Group Partnership Agreement. The Agreement reaffirms the operational arrangements for CDEM within the Bay of Plenty and defines our collective and individual roles and responsibilities for delivery of CDEM outcomes before, during and after emergencies.

During 2018/19, there were a number of small scale events for the Bay of Plenty CDEM Group. These events were largely responded to by Local Authorities without requiring the activation of coordination centres.

Some non-traditional responses were required during the year to support various efforts including the:

- Ministry of Primary Industries-led Mycoplasma Bovis response,
- District Health Boards during the nurses strike, and the
- Ministry of Civil Defence & Emergency Management support to understanding pan-agency responses in the aftermath of the Christchurch shootings of 15 March 2019.

In a more traditional response manner, the Bay of Plenty CDEM Group deployed six staff – three staff from Emergency Management Bay of Plenty and three staff from Bay of Plenty Regional Council – to support the Nelson-Tasman CDEM Group with the response to the Pigeon Valley fires. Emergency Management Bay of Plenty also managed a number of tsunami advisories including an actual threat in June 2019 where a public notification was issued, and maintained an awareness of the ongoing volcanic fluctuations at Whakaari/White Island.

Whilst there were no declared emergencies, there were:

- 11 separate periods of severe weather (including heavy rain and thunderstorm events) where warnings were disseminated,
- six separate tsunami advisories received with one of the advisories (16 June 2019) developing into a warning which was subsequently cancelled,
- seven separate Volcanic Alert Bulletins issued for Whakaari/ White Island, and
- 25 social media advisory/warning posts to our communities via Facebook/Twitter.

Seventy one Bay of Plenty Regional Council staff collectively participated in Exercise Ranginui and Exercise Ngatahi. These exercises were realistic, scenario based activities that provided staff an opportunity to embed their CDEM knowledge and strengthen their understanding of operational processes and procedures for working with Territorial Authority Emergency Operations Centres and our partner agencies (i.e. NZ Police, Fire and Emergency New Zealand, District Health Boards) in an emergency response setting. Bay of Plenty Regional Council

staff also attended a number of other training courses including the Integrated Training Framework – Intermediate course (29 staff), and Psychological First Aid Training (11 staff).

The CDEM Youth Ambassadors Programme was held in March 2019. More than 50 Year 10-11 students from across the region attended the programme, gaining greater understanding of our regional hazard risks, and how they could be more engaged in CDEM within their schools and communities. The programme was an extension of the successful 2018 CDEM Youth Ambassador's programme that was run as part of Taiohi-Taiao Youth Jam 2018.

RECOGNITION OF A JOB WELL DONE

In July 2018, Emergency Management Bay of Plenty and Te Puni Kōkiri were jointly awarded two awards in the category 'Partners in Preparedness' by the International Association of Emergency Managers (IAEM) for the Marae Emergency Preparedness Project; a partnership between the Bay of Plenty CDEM Group and the Ministry of Māori Development. The project won the 2018 IAEM-Oceania in Preparedness Award and the 2018 IAEM-Global Partners in Preparedness Award. The international success was recognised in a media release by the Minister of Civil Defence, Hon Kris Faafoi.

The annual Emergency Media & Public Affairs (EMPA) New Zealand Awards were presented in Wellington on 22 August 2018. The Bay of Plenty CDEM Group won the EMPA NZ Award for Excellence in Emergency Communication – Readiness and Resilience 2018 for the Taiohi-Taiao Youth Jam 2018.

Performance Measure

We met the target for two of the three performance measures for the Emergency Management Group of Activities during the year. Commentary for each of the performance measures is provided below.

LEVEL OF SERVICE

Provide emergency management response and community initiatives

Key Performance Measure: Percentage of roles that have been identified and staffed for 24 hour operation of the Emergency Coordination Centre

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
90% (Achieved)	85%	89%	●

Comment: The target for 2018/19 was achieved

Key Performance Measure: Percentage of staff identified for roles in the Emergency Coordination Centre that are trained to an appropriate level agreed by the Group

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
79% (Achieved)	85%	64%	●

Comment: An increase in the level of training required to meet the 'trained' standard has contributed to this target not being achieved in 2018/19

A programme is in place to offer this training to all Emergency Coordination Centre staff and significant improvements have been seen during the year with the level of trained staff increasing from 18% at the start of the year to 64% at the end of the year. Council will continue to focus on building the percentage of staff trained to an appropriate level and meeting the target in 2019/20.

Key Performance Measure: Number of Council delivered initiatives to promote community resilience and safety

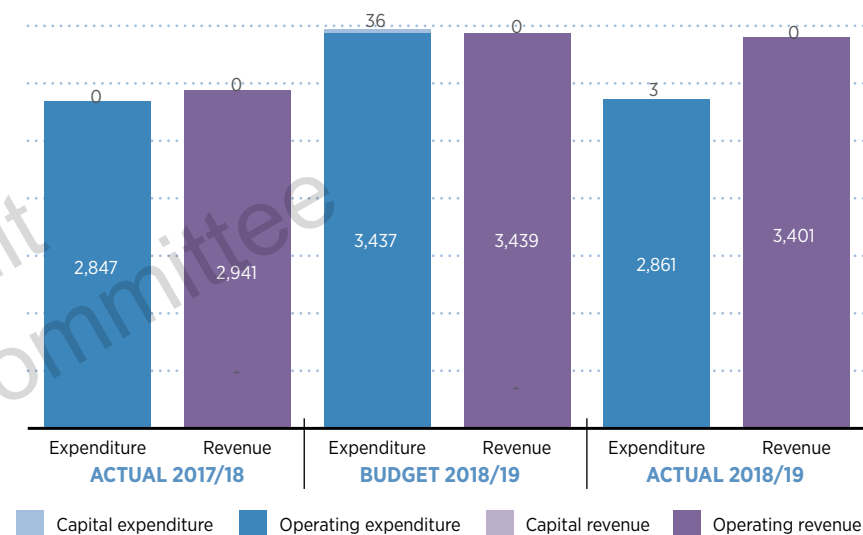
2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
8 (Achieved)	8	8	●

Comment: The target for 2018/19 was achieved

Budget

Operating expenditure is \$0.58 million lower than budget. This is due to the recruitment of new staffing positions being deferred until 2019, following the result of a service delivery model review undertaken during the year.

HOW MUCH IT COSTS - EMERGENCY MANAGEMENT



Technical Services

Ngā Ratonga Hangarau

- *A healthy environment*
- *Freshwater for life*
- *Safe and resilient communities*
- *A vibrant region*

Activities

- Geospatial
- Engineering
- Data Services
- Science

Our Technical Services work includes technical advice, information and services to Council and direct to the community.

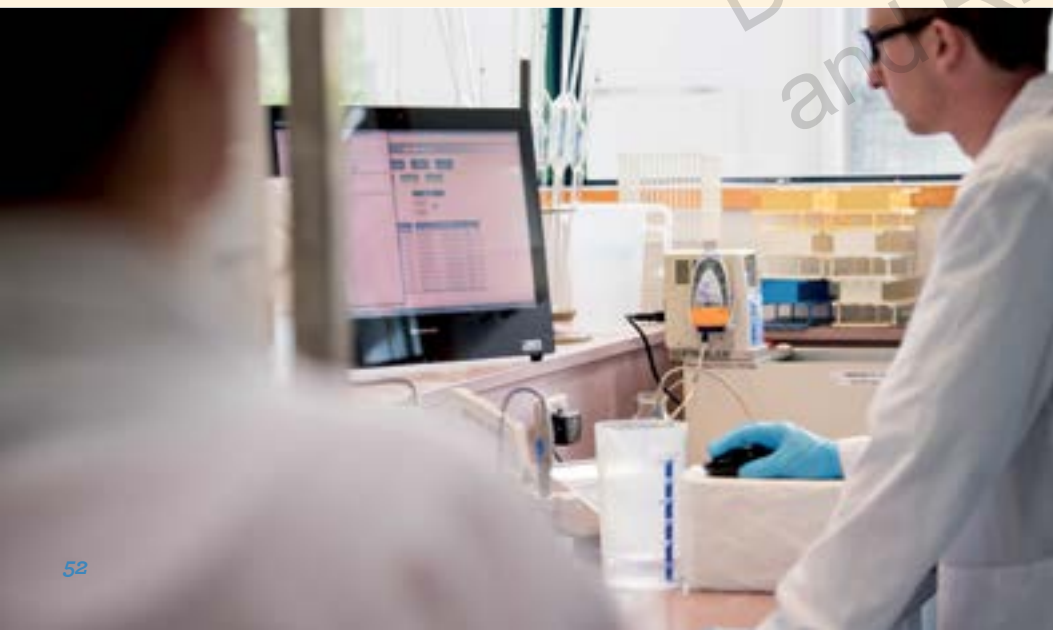
Delivery highlights

Our Geospatial Activity continued to provide key services throughout the year including online mapping tools and field capture solutions for staff, and easily accessible information for the community. Other key areas of work from the year include:

- The project to scan the entire crown archive of historic Bay of Plenty aerial images (between 1937 – 2005), in partnership with LINZ, has been completed ahead of schedule.
- The Indicative Groundwater Availability and Consented Allocation tool was made available for public use on the Council website. This tool assists users to gain an understanding of the likely availability of groundwater in a given area, and is likely to be particularly useful for those wishing to submit a resource consent application for a water take.
- The application to secure a 50% contribution to funding region wide capture of LiDAR data over the next five years to the Provincial Growth Fund, on behalf of all Bay of Plenty Councils was successful.

Through our Engineering Activity we continued to support other teams in Council, territorial authorities, as well as the general public. Highlights from the year included:

- 197 internal technical reviews for the resource consents team,
- Commented on 335 territorial authorities resource consent applications,
- Providing floor level information for over 500 requests,
- Support to territorial authorities (particularly for flood risk assessments, flood risk mitigation and storm water management),
- The addition of an online service for customers to request flood level reports, and
- Providing advice to the Council's land management teams and landowners including advice on detention dams design and stream bank erosion protection.



Our Data Services Activity delivered on its key projects and core business activities through the year. Highlights included:

- Establishing and implementing the new air quality monitoring programme in the Mount Maunganui Industrial area, and the placement of a number of automated monitoring sites around the region,
- Continuing to develop and improve information delivery tools (including added value data), and the launch of electronic dashboards for Lake Rotorua and Lake Rotoiti management and air quality, and
- Increasing the accreditation scope of the laboratory by developing methods that focus on the delivery of water quality, including the monitoring of recreational bathing sites to support the new 'swimmability' requirements under the National Policy Statement for Freshwater Management.

Our Science Activity also continued to deliver and progress key projects and core activities throughout the year. Key highlights included the development of computer based catchment models to help inform the setting of limits for water quality and quantity (specifically this included eSource catchment water quality models and MODFLOW groundwater models for the Rangitāiki and Kaituna-Pongakawa-Waitahanui water management areas). We also deployed passive sampling devices into Tauranga Harbour and surrounding waterways to detect the presence of emerging organic contaminants (EOCs). The monitoring of ECOs will help us increase our understanding of the quantity of EOCs entering waterways and their impact on our environment.

We also completed our first comprehensive Tauranga Moana State of the Environment Report, which was written co-jointly with Tauranga Moana iwi.

Performance Measures

We met the target for both of the performance measures for the Technical Services Group of Activities during the year.

LEVEL OF SERVICE

Provide the community with ready access to environmental data

Key Performance Measure: Percentage availability through website of real-time deliverable environmental data

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	95%	98%	●

Comment: The target for 2018/19 was achieved

LEVEL OF SERVICE

Provide accessible, trusted and relevant science

Key Performance Measure: Number of environmental indicators with online scorecards

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
4 (Achieved)	7	7	●

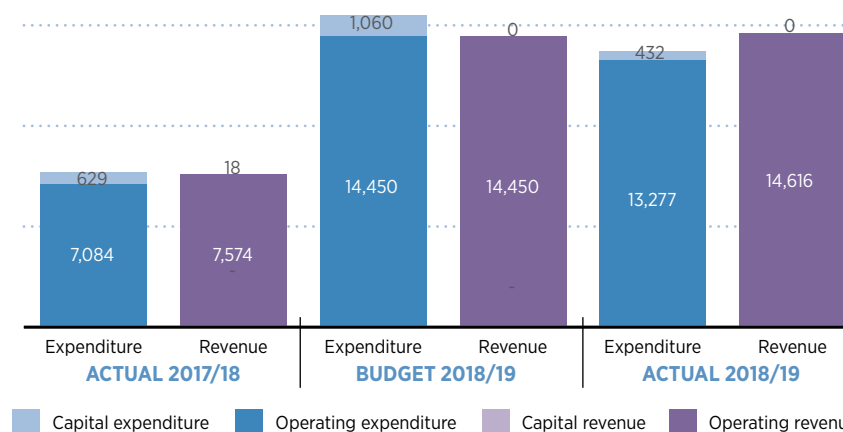
Comment: The target for 2018/19 was achieved

Budget

Operating expenditure of \$13.3 million was \$1.2 million lower than budget. This was mainly due to contract work budgeted for the periphyton monitoring programme within the Data Services activity now being carried out in-house.





Capital expenditure was \$0.43 million compared to budget of \$1 million. The underspend was due to delays in the historical imagery digitisation project and delays in new equipment for monitoring fresh and groundwater sites within the Science Activity.

HOW MUCH IT COSTS - TECHNICAL SERVICES



Corporate Services

Ngā Ratonga Rangatōpū

-  *A healthy environment*
-  *Freshwater for life*
-  *Safe and resilient communities*
-  *A vibrant region*

Activities

- Communications
- People and Capability
- Internal Services
- Information and Communication Technology
- Finance and Corporate Planning
- Corporate Property

Our Corporate Services provides support services to all of the activities across Council.

These services include Internal Services, Finance and Corporate Planning, Corporate Property, Communications, and Information and Communication Technology.

Delivery highlights

In addition to the work achieved by the organisation as a whole, a number of projects were advanced during the 2018/19 financial year by Corporate. Highlights include:

- We continued to work on the development of our People and Culture Plan. We also completed a review of our Performance and Remuneration framework, and developed a draft performance framework (REM2020) which was been tested with some pilot groups in the organisation.
- We developed and adopted our Annual Plan 2019/20 which sets out our budget for the next financial year, and is based on the second year of our Long Term Plan 2018-2028. Through our consultation process on the draft plan, we received 317 submissions and Councillors and staff spoke to more than 600 people across the region at a range of information and Have Your Say workshop events.
- Throughout the year we have focused on being more efficient and ensuring we deliver value for money to our community. To help keep our costs low, we set ourselves a target to achieve efficiency savings in the year and have achieved \$1.2 million through reviewing the way we work, and we carried out a fit for purpose review to make sure we are focused on delivering our services in an efficient and effective manner. The savings are spread across all Groups of Activities.
- A significant amount of work was undertaken during the year on the refurbishment of our Regional House office in Tauranga and the refit of our office in Whakatāne. Environmental sustainable design features are being integrated into both offices, as well as integration of modern, flexible workspaces. We have also secured a tenancy within a new building in Rotorua.



- Information and Communication Technology design work was undertaken during the year for the Group Emergency Coordination Centre. This will provide an avenue for all emergency services (Emergency Management Bay of Plenty, Police, Fire Services, St Johns and others) to work together for future civil defence emergencies.
- We continued to provide Shared Services (technology) for Ōpōtiki District Council and Kawerau District Council.

Performance Measures

The target for the performance measure for the Corporate Services Group of Activities was not achieved.

LEVEL OF SERVICE

Reduce carbon emissions through the installation of energy efficient systems in building refurbishments

Key Performance Measure: Reduction of carbon emissions in relation to building energy use at the Tauranga and Whakatāne sites (baseline is 2016/17 emissions)

2017/18 RESULT	2018/19 TARGET	2018/19 RESULT	RESULT
New Measure	80% of baseline	Not achieved	●

Comment: Achieving this target is dependent on completion of the upgrade of the Whakatāne and Tauranga offices, as the environmentally sustainable design features being installed in each of these sites aim to significantly reduce the organisation’s energy use and carbon footprint

A range of factors impacted project delivery during the year with resulting delays to project timing meaning the reduction in building energy use has been delayed and the target not met for 2018/19.

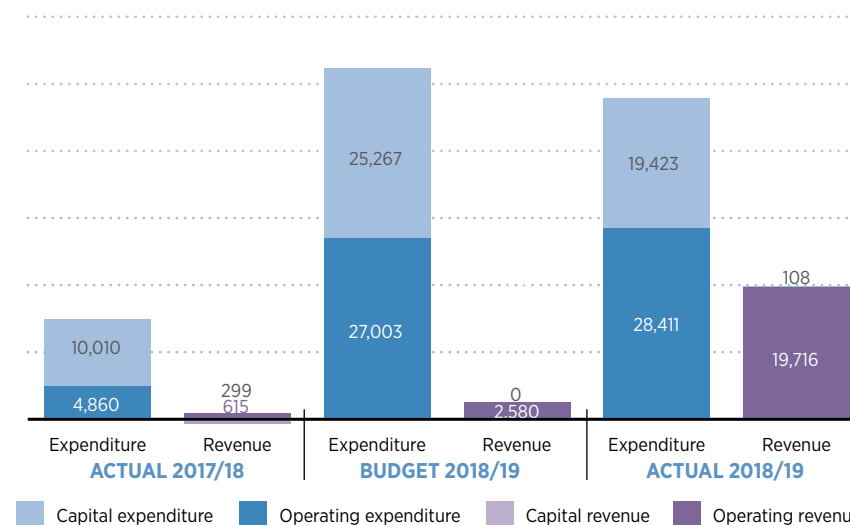
The project is on track to be completed in 2019/20 and the benefits (reduction in carbon emissions through reduced energy use) will accrue following project completion.

Budget

The Corporate Services Group recognised \$19.7 in revenue, compared to budget of \$2.5 million. A significant amount of the increased revenue is due to a gain on the revaluation of the Put Option liability from \$15 million to \$3.4 million. Council also received a total subvention payment of \$3.0 million from Quayside to achieve tax advantages within the Group. Higher than budgeted interest revenue has also been received by Council borrowing an additional \$40 million from LGFA to pre-fund capital expenditure while the borrowing rates are low, and investing surplus funds to obtain an interest enhanced position. Internal interest revenue is \$0.27 million higher than anticipated due to internal loans within the Rivers and Drainage Schemes Activity being higher than budget due to capital project delivery and associated subsidies.

Operating expenditure had minimal variance, with actual of \$28.4 million compared to budget of \$27.0 million before internal charges and recoveries. The organisation budgeted to achieve \$0.78 million in efficiency savings (\$1.2 million was achieved). These efficiency savings were achieved across the whole organisation as part of the fit for purpose review.

HOW MUCH IT COSTS - CORPORATE SERVICES BEFORE RECOVERIES AND INTERNAL CHARGES



Draft for Audit
and Risk Committee



Draft for Audit
and Risk Committee



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and Risk Committee*