

Regional Council

NOTICE IS GIVEN

that the next meeting of the **Regional Council** will be held via **Zoom (Audio Visual meeting)**, **Bay of Plenty Regional Council, Virtual Meeting Room** on:

Friday, 17 April 2020 commencing at 9.30 am

This meeting will be held via Zoom (Audio Visual means) and live streamed via Council's YouTube channel

Fiona McTavish
Chief Executive
14 April 2020



Council

Membership

Chairperson	Chairman Doug Leeder
Deputy Chairperson	Cr Jane Nees
Members	All Councillors
Quorum	7 Members - Refer COVID-19 Response (Urgent Management Measures) Legislation Bill
Meeting frequency	Six weekly or as required for Annual Plan, Long Term Plan and other relevant legislative requirements

Purpose

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

Role

- Address Local Electoral Act matters and Local Government Rating Act matters.
- Oversee all matters relating to identifying and contributing to community outcomes.
- Consider and agree on matters relating to significant new activities or areas of involvement such as infrastructure which are not the responsibility of a specific committee.
- Provide regional leadership on key issues that require a collaborative approach between a number of parties.
- Review and decide the Council's electoral and representation arrangements.
- Consider issues of regional significance which are not the responsibility of any specific standing committee or that are of such regional significance/high public interest that the full Council needs to decide on them.
- Adopt Council's Policy on Significance and Engagement Policy.
- Develop, adopt and implement the Triennial Agreement, Code of Conduct and Standing Orders.

- Consider and agree on matters relating to elected members' remuneration.
- Appoint the Chief Executive, and review their contract, performance and remuneration at least annually.
- Approve all delegations to the Chief Executive, including the authority for further delegation to staff.
- Oversee the work of all committees and subcommittees.
- Receive and consider recommendations and matters referred to it by its committees, joint committees, subcommittees and working parties.
- Approve membership to external bodies and organisations, including Council Controlled Organisations.
- Develop, adopt and review policies for, and monitor the performance of, Council Controlled Organisations.
- Monitor and review the achievement of outcomes for the Bay of Plenty Community.
- Review and approve strategic matters relating to the sale, acquisition and development of property for the purposes of meeting Council's organisational requirements and implement Regional Council policy.
- Address strategic corporate matters including property and accommodation.
- Consider and agree on the process to develop the Long Term Plan, Annual Plan and Annual Report.
- Adopt the Long Term Plan, Annual Plan and budgets variations, and Annual Report.
- Adopt Council policies as required by statute (for example Regional Policy Statement and Regional Land Transport Strategy) to be decided by Council or outside of committee delegations (for example infrastructure policy).
- Develop, review and approve Council's Financial Strategy and funding and financial policies and frameworks.
- Institute any proceedings in the High Court that are not injunctive proceedings.
- Exercise the powers and duties conferred or imposed on Council by the Public Works Act 1981.

Delegations from Council to committees

- Council has a role to monitor the functioning of all committees.
- Council will consider matters not within the delegation of any one Council committee.
- Council may at any time, revoke or modify a delegation to a Council committee, either permanently, for a specified time or to address a specific matter, if it considers there is good reason to do so.
- The delegations provided to committees may be further delegated to subcommittees unless the power of further delegation is restricted by Council or by statute.
- It is accepted in making these delegations that:
- The committees, in performing their delegated functions, powers or duties, may, without confirmation by the Council, exercise or perform them in a like

manner and with the same effect as the Council itself could have exercised or performed them.

- The delegated powers given shall at all times be subject to their current policies and principles or directions, as given by the Council from time to time.
- The chairperson of each committee shall have the authority to exercise their discretion, as to whether or not the delegated authority of the committee be used where, in the opinion of the chairperson, circumstances warrant it.

Powers that cannot be delegated

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

- Make a rate.
- Make a bylaw.
- Borrow money or purchase or dispose of assets, other than in accordance with the long-term plan.
- Adopt the long-term plan, annual plan, or annual report.
- Appoint a chief executive.
- Adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
- Adopt a remuneration and employment policy.

Public Forum

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

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

Agenda

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

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

1 Opening Karakia

2 Apologies

3 Public Forum

4 Acceptance of Late Items

5 General Business

6 Confidential Business to be Transferred into the Open

7 Declarations of Conflicts of Interests

8 Previous Minutes

8.1 Regional Council Minutes - 24 March 2020 13

Proposed Amendment: Minute Item 6.2 - Adoption of the Proposed Flood Protection and Drainage Bylaws 2020 Statement of Proposal for Formal Consultation ADD Cr Bill Clark as a member to the Hearings Panel to hear submissions on the proposed Flood Protection and Drainage Bylaws 2020 (refer resolution 3, pg. 3 of the minutes).

9 Reports

9.1 COVID-19: Essential Services and Emergency Response 21

9.2 COVID-19: Economic Recovery Plan

This report will be distributed under separate cover.

9.3 COVID-19 Rotorua District 2019/20 Quarter Four Rates Deferral 27

10 Public Excluded Section 33

Resolution to exclude the public

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of Matter to be Considered	Reason for passing this resolution in relation to this matter	Grounds under Section 48(1) LGOIMA 1987 for passing this resolution
10.1 Quayside Holdings Limited Half Yearly Report 2019/20 and Draft Statement of Intent 2020/21	To protect the privacy of an individual	Good reason for withholding exists under Section 48(1)(a)
10.2 COVID-19: Financial Update (to be distributed under separate cover)	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)

10.1 Quayside Holdings Limited Half Yearly Report 2019/20 and Draft Statement of Intent 2020/21 35

APPENDIX 1 - Quayside Holdings-Half Year Report_2019 37

APPENDIX 2 - Quayside Holdings Letter to Council re. draft SOI 2019-20 59

APPENDIX 3 - Quayside Holdings Final draft SOI for July 2020 to June 2021 63

10.2 COVID-19: Financial Update

This report will be distributed under separate cover.

11 Confidential Business to be Transferred into the Open

12 Readmit the Public

13 Consideration of Late Items

14 Consideration of General Business

15 Closing Karakia

Previous Minutes

Minutes of the Regional Council Meeting held in the Council Chambers, Regional House, 1 Elizabeth Street, Tauranga on Tuesday, 24 March 2020 commencing at 9.30 am

Present:

Chairman: Doug Leeder

Deputy Chairman: Jane Nees

Councillors: Paula Thompson, Norm Bruning, Stuart Crosby, Andrew von Dadelszen, Stacey Rose, David Love
Audio Visual Attendance: Lyall Thurston, Matemoana McDonald, Toi Rākau Iti, Te Taru White, Kevin Winters,

In Attendance: Fiona McTavish – Chief Executive, Mat Taylor – General Manager Corporate, Yvonne Tatton – Governance Manager, Tone Nerdrum Smith – Committee Advisor

Apologies: Cr Bill Clark

1 Karakia

A karakia was provided by Cr Iti.

Chairman Leeder’s Introduction:

- Noted that the business on today’s agenda was significantly affected by the increasingly serious COVID-19 situation and its impact on New Zealand.
- In accordance with Central Government directives, the physical attendance at this meeting was kept to a minimum (achieving a quorum) and noted the audio visual attendance by Councillors, staff and media throughout the region.
- Amended resolutions would be presented throughout the agenda, in response to the move towards COVID-19 Alert Level 4.

2 Apologies

Resolved

That the Regional Council:

- 1 Accepts the apology from Cr Clark tendered at the meeting.

**Leeder/Nees
CARRIED**

3 Acceptance of Late Items

Nil.

4 **General Business**

Nil.

5 **Declaration of Conflicts of Interest**

Nil.

6 **Reports**

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

Key Points

- In light of the increased COVID-19 alert status, this matter would no longer be released for public consultation
- There would be no changes to the existing RMA Charges' schedule.

Resolved

That the Regional Council:

- 1 **Receives the report, Adoption of the 'Statement of Proposal: proposed changes to Bay of Plenty Regional Council's Resource Management Act charges' for public consultation;**
- 2 **Withdraws the Statement of Proposal proposed changes to Bay of Plenty Regional Council's Resource Management Act charges.**

**Nees/Rose
CARRIED**

6.2 **Adoption of the Proposed Flood Protection and Drainage Bylaws 2020 Statement of Proposal for Formal Consultation.**

Chief Executive - Key Points

- The Bylaws represented an essential public service and consultation was required as part of the review process.

Key Points – Members

- Sought inclusion of Councillors with rural experience and involvement, as well as Councillors with RMA Commissioner Certificate as members of the Panel.

Resolved

That the Regional Council:

- 1 **Receives the report, Adoption of the proposed Flood Protection and Drainage Bylaws 2020 Statement of Proposal for formal consultation.**

- 2 Adopts the Statement of Proposal and the proposed Flood Protection and Drainage Bylaws document for formal consultation.**
- 3 Appoints the following Councillors to the Hearings Panel to hear submissions on the proposed Flood Protection and Drainage Bylaws 2020: Cr Bruning, Cr Love, and Cr Winters with Cr von Dadelszen as the Chair.**

**Crosby/Rose
CARRIED**

6.3 Annual Plan 2020/21 - Adoption of Consultation Document for Public Consultation

Chief Executive - Key Points

- In light of the escalating COVID-19 situation, staff recommended that there be no consultation on the Annual Plan 2020/21
- The allocated \$45k towards climate change remained in the budget
- Council was not required to consult on its Annual Plan, however this was a requirement for the Long Term Plan (LTP)
- Pre-LTP 2018/28 community engagement would be undertaken in preparation for the LTP process.

Key Points – Members

- Recognised the significant effort of the Chief Executive, Leadership Team and staff in adapting to the rapidly changing COVID-19 situation and present amended options for consideration on such short notice.

Items for Staff Follow-up

- Pre-amble/opening section to be included in the Annual Plan 2020/21 to clearly set out the extraordinary circumstances created by COVID-19, including the specific measures undertaken by Council in response.
- The opening section to be circulated to Councillors for comment.

Resolved

That the Regional Council:

- 1 Receives the report, Annual Plan 2020/21 - Adoption of Consultation Document for public consultation;**
- 2 Approves additional budgeted operating expenditure of \$10.2 million and additional budgeted capital expenditure of \$9.2 million in the draft Annual Plan Budget 2020/21 as discussed in this report.**
- 3 Agrees that a formal consultation procedure will not be followed for Annual Plan 2020/21 and that staff prepare and publish an information document outlining proposed changes from Year 3 of the Long Term Plan 2018-2028 for the draft Annual Plan 2020/21.**
- 4 Approves \$30.0 million of new lending to pre-funding future capital expenditure; \$15.0 million for 2021/22 and \$15.0 million for 2022/23.**

- 5 Approves that there will be no change (0%) to forecast general rates revenue for the draft Annual Plan 2020/21, which is lower than the forecast increase of 2.7% for Year 3 of the Long Term Plan 2018-2028.
- 6 Directs staff to maximise the use of remaining targeted rates current accounts to minimise any forecast increase in targeted rates for 2020/21.
- 7 Notes the total forecast borrowings as at 30 June 2021 of \$171 million assumes Quayside Holdings Limited repays \$50.0 million of on-lending.
- 8 Notes Council's total forecast cash investments as at 30 June 2021 is \$158 million.
- 9 Agrees that, pursuant to section 95 2A of the Local Government Act (2002), the variances from Year 3 of the Long Term Plan 2018-2028 are not significant or material enough to require a full special consultative procedure.
- 10 Notes that the draft Annual Plan Budget 2020/21 is unbalanced, mainly due to our funding contributions to infrastructure projects through the Regional Fund, the Infrastructure Fund, and the Rotorua Lakes Deed Funding reserve; as well as the use of the Equalisation Reserve and targeted rates current accounts to reduce the amount we need to collect in rates in 2020/21.
- 11 Notes that staff will continue to investigate options and alternatives for a rates relief package relating to the impact of COVID-19 and provide a report to a future meeting.
- 12 Notes that final deliberations on the draft Annual Plan 2020/21 are scheduled to take place on 2 June 2020 and the final adoption of the Annual Plan 2020/21 and setting of rates for 2020/21 is scheduled for late June 2020.

Thompson/Rose
CARRIED

6.4 Emergency Provisions for COVID-19

Chief Executive - Key Points

- Outlined the proposed amendments to the report recommendations in that all Councillors would be appointed as alternate members, rather than this being limited to the Chairperson of the Core Committees

Yvonne Tatton – Governance Manager - Key Points

- The rationale behind a quorum of two was to enable decision making in extreme situations where only a limited number of Councillors were available to attend a meeting
- If the Chairman or Deputy Chairman was unable to physically attend, the Committee would appoint a Chairperson for that particular meeting, as per Standing Orders 14.2.

Resolved

That the Regional Council:

- 1 Receives the report, Delegations and Meeting Arrangements for COVID-19;

- 2 Establishes an Emergency Committee, with a membership of three, consisting of the BOPRC Chairman Doug Leeder as the Committee Chairperson, Deputy Chair Jane Nees as the Committee Deputy Chairperson and one Councillor as determined by the Chair and Deputy Chair. All Councillors are appointed as alternate members to ensure a committee of three is available.
- 3 Adopts the Emergency Committee's Terms of Reference;
- 4 For the purposes of the COVID-19 emergency, delegates to the Chairman, in conjunction with the Deputy Chair, the authority to activate the Emergency Committee and by resolution of the Emergency Committee, suspend all other core committees of the Council.
- 5 For the purposes of the COVID-19 emergency, approves the Chief Executive's financial delegation be set at \$1million, to allow for any unanticipated urgent expenditure. Any such unanticipated expenditure to be reported back to the Emergency Committee.
- 6 Delegates the authority and powers of the Chief Executive to:
 - a. Chris Ingle, General Manager: Integrated Catchment as Acting Chief Executive, in the event that the Chief Executive is unable to fulfil her duties due to COVID-19; and
 - b. agrees where the delegated Acting Chief Executive is unable to fulfil such duties due to COVID-19, the Chief Executive's delegated authority and powers will deescalate to the next designated General Manager:
 - Mat Taylor: General Manager: Corporate
 - Sarah Omundsen: General Manager: Regulatory Services
 - Namouta Poutasi: General Manager: Strategy & Science
 - Karen Aspey: People & Capability Manager.

Love/Crosby
CARRIED

7 Closing Karakia

A closing karakia was provided by Cr Iti.

The meeting closed at 10.08 am.

Confirmed DATE

Doug Leeder
Chairman Bay of Plenty Regional Council

Reports



Receives Only – No Decisions

Report To: Regional Council

Meeting Date: 17 April 2020

Report From: Sarah Omundsen, General Manager, Regulatory Services

COVID-19: Essential Services and Emergency Response

Executive Summary

In the current Level 4 of the COVID-19 state of emergency, people have been instructed to stay at home and businesses are required to stay closed except for essential services and lifeline utilities. The Bay of Plenty Regional Council plays a critical role in our rohe. We have remained open for business, and continue to ensure we deliver our essential services.

This paper provides detail on the essential services we are delivering, as well as our continued core business and priority work.

Recommendations

That the Regional Council:

- 1 Receives the report, COVID-19: Essential Services and Emergency Response;**

1 Background

All of New Zealand is currently (at the time of writing) in Level 4 of a four-level COVID-19 Alert System which specifies public health and social measures to be taken to protect the community from the pandemic. Level 4 and its associated requirements came into effect on 26 March and is due to expire on 23 April. The intent for Level 4 is to eliminate the disease, and amongst other things, people are instructed to stay at home and businesses are required to stay closed except for essential services and lifeline utilities.

The Bay of Plenty Regional Council plays a critical role in our rohe. We have remained open for business, and continue to ensure we deliver our essential services. However, the way in which we have had to work has been different through the state of emergency, with most staff across the region working remotely from home. The way we work will continue to look different as we move through Level 3, 2 and 1, as well as into the future.

This paper provides Councillors with an update on our delivery of these essential services as well as our core business and priority work.

2 Essential services for Bay of Plenty Regional Council

The key public services we have continued to provide include:

- Civil Defence Emergency Management
- Sampling and analysis of drinking water for public safety
- Public transport (following guidance from Central Government)
- Ensuring maritime navigational safety
- Incident and pollution response
- Maintenance of biosecurity
- Controlling lake levels
- Natural hazard event monitoring, response and recovery (for example our flood and drought monitoring and management programmes).
- Operation and maintenance of flood protection and land drainage infrastructure
- Monitoring our State of the Environment network for public safety.

3 Details on the delivery of Essential Services

Civil Defence Emergency Management: our Group Emergency Coordination Centre been activated and is supporting the Ministry of Health as the lead agency for the pandemic response. The Centre is based in our First Ave offices, but is run virtually with most staff working from home. We have also established a Welfare Call Centre to ensure people in the community have access to the household goods and services they need. Approximately 80 Regional Council staff have been deployed to support the Coordination and Call Centres.

Drinking water sampling and analysis: Our laboratory services have continued to operate in a reduced capacity to provide analysis required for public health. Lab and sample collection services have also been offered to all TAs to help them meet their drinking water obligations.

Public transport: Services continue to operate, but at a reduced level. Staff are working closely with operators to ensure services are meeting the needs of the community and are focussing on customer and driver health and safety.

Ensuring maritime navigational safety: Staff continue to ensure a 24/7 response to maritime navigational safety, particularly as commercial vessels continue to operate with the Port of Tauranga an Essential Service.

Incident and pollution response: staff continue managing the 24/7 pollution hotline, and in the first week of lockdown received 69 calls. At this stage, discharges to air, water and land are being prioritised for site inspections, and a number of warning letter, abatement notices and infringements have been issued.

Maintenance of biosecurity: staff continue priority surveillance for new incursions and maintaining the eradication and exclusion pest management programmes to avoid long term costs to the community.

Controlling lake levels: staff continue to monitor lake levels including managing the Lake Ōkāreka to Lake Tarawera pipeline.

Natural hazard event monitoring, response and recovery: staff continue to manage flood warning services and lake levels. Monitoring of flows has also continued. In the event of a heavy rain event, flood room monitoring and emergency response, will activate as required. The current drought situation is being closely monitored and action will be taken if required.

Operation and maintenance of flood protection and land drainage infrastructure: staff continue to maintain the land drainage and flood protection networks within the region.

Monitoring our State of the Environment network for public safety: our air quality network is being actively monitored and maintenance undertaken if required given the implications of air quality on human health. We are also monitoring specific issues where public safety is an issue (e.g. blue green algae).

In addition to these specific essential service activities, staff in the Corporate Group have been providing a wide range of support to ensure these services can continue to be provided to the community. This includes:

- IT Support – staff been supported setting up their home working environment with the technology to enable them to continue to do their jobs. On a daily basis there are approximately 400 users remotely accessing our systems.
- Facilities and Fleet Management – we have some essential services staff working in the Whakatāne and Tauranga offices, mainly in the emergency response centre.
- Call Centre operations – Calls to our general 0800 line have reduced by two thirds since Alert Level 4 began, although calls to the Pollution Hotline have remained steady.
- Accounts Receivable and Accounts Payable – The payments to all suppliers have been brought forward to help with immediate cash flow needs, especially for small businesses in our community.
- Treasury – There is ongoing monitoring of Council’s liquidity, investments and borrowing strategy.
- Project Upgrade – General construction work on our building upgrade project is on hold until Alert Level 4 is lifted. There are two components of the project partially completed which are deemed to be essential works:
 - Completion of the front entranceway of Regional House, to enable our emergency management and key services staff safe entry and egress from the building.
 - Completion of Stage 3 of our Whakatāne site consisting of the Emergency Flood Room, and the adjacent office for flood management, and civil defence and emergency management purposes.
- Payroll and people related advice - staff are successfully processing payroll from home, and processing changes following the new CEA Union agreement.
- Legal – There has been an increase in advice to the Civil Defence and Emergency Management Group primarily relating to legal requirements

around health and safety and privacy. A range of legal contractual issues arising from Alert Level 4 are also being worked through across the organisation.

- Procurement – Prioritised support is being given to those working in essential services with a number of requests requiring immediate turn around.
- Governance support – The Governance Team are continuing to support councillors, and our appointed members, during these challenging times.

4 Continued core business and priority work

In addition to delivering Essential Services and deploying staff to support the civil defence emergency management response, a number of our core business activities and priority work have continued through staff working remotely from home. This is summarised below.

4.1 Strategy and Science

- Staff are continuing with the development of Freshwater Management 2020 and Regional Natural Resources Plan review work programme, and are continuing to manage the District Council applications advice work for resource consents lodged with structure planning and district plan changes.
- Work continues on OSET, a submission to the proposed amendments to NES Air Quality (noting the submission date has been extended to 31 July), assessing a possible PC Air Quality for the Mount Airshed, RPS Change 5 (Kaituna River), coastal plan and natural hazards implementation work.
- Staff are supporting the technical work on UFTI to produce a draft final report by the end of May. Staff are also supporting the technical work required to deliver an agreed spatial plan that implements UFTI. These will be consulted via a LGA 2002 Special Consultative Procedure process late in 2020 or early 2021 or through the Regional Land Transport Plan.
- There are a number of projects that feed into UFTI that staff are working on – these include mode shift plans, the role of public transport, Western Bay System Plan and TNL northern corridor.
- A Bay of Connections internal team is looking at how to support regional economic recovery - initially through coordination, information and resourcing, refer to separate Regional Economic Recovery paper.
- Regional Land Transport Plan is a statutory requirement and we are following the National Transport Special Interest Group process to streamline our approach. Project planning is underway.
- Science staff are providing technical reviews and advice to consents and compliance, assisting with work related to NPS implementation and water shortage directions, and providing data and information to science and modelling consultants working on established projects. Work on Mātauranga development and research support also continues.
- Staff are finalising the Freshwater Māori Relationship and Engagement Strategy. Staff are also maintaining the Accela contacts database as well as keeping in touch with Māori organisations.

4.2 Integrated Catchment Management

- Some limited catfish work (delivered by TALT) continues with a skeleton crew. Operationally planning work to support the new Regional Pest Management Plan and Inter-regional Marine pest pathway planning continues. Work is ongoing on: inter-regional marine pathway plan support, exclusion/eradication of pests where biologically significant, and responding to new incursions.
- While all field work is suspended for land management officers, liaison with our volunteer groups continue. Staff are preparing focus catchment plans and co-ordinating any other work that does not have a field component.
- Rivers and Drainage Asset Management staff continue with the Bylaw review formal consultation process. Staff have been responding to several enquiries per day on this with most people very supportive of this work.
- Also continuing is the Rivers & Drainage Asset Management Plan review and LTP financial planning work.
- The Te Rahu pump station repair works and preparations for the left bank Rangitāiki River stopbank raising capital works (below Thornton rd) are continuing. The Stage 7 floodway works have been reviewed and it has been decided to continue this work as it is an essential service and can continue to be conducted safely according to covid19 guidelines.
- Many of the maintenance works and flood repair jobs (at less critical sites) are on hold including willow maintenance jobs and riverbed weed spraying work. Priority field work continues provided it meets the essential service definition and can be conducted safely using the accepted guidelines.
- Engineering staff services continue including: District Council application advice, working with TLAs around new urban growth proposals, modelling work (including Ngongotahā modelling and fine tuning of options process), and geotech advice for the Bylaw review.

4.3 Regulatory Services

- Consents processing is considered a priority. Most parts of the consents process can be undertaken by staff working from home, and the team have been set up to maintain this service. Applications continue to be received, and decisions have continued to be made. Where an application cannot be progressed without a site visit, we are contacting the applicant(s) to discuss putting the application on hold. Where an application requires cultural impact assessments and these can't be done given the current situation, we are also putting the applications on hold.
- Maritime staff continue to provide the priority work of incident support and complaint response. Staff are receiving numerous calls from public regarding use of recreational boats on water. Licensing work also continues. Mooring audit, servicing, and general education programmes have been put on hold in the meantime.
- Data management, reporting and analysis continues for the Data Services team, including provision of the live monitoring on our website, and managing our automated monitoring sites throughout the region.
- Additional lab services are being provided where required (e.g. pollution incidents, water quality risks).

- Compliance monitoring continues, includes maintaining all monitoring report assessments, continued scheduled visits to high-risk sites (earthworks, industrial, geothermal) and making decisions on matters where applicants have advised they won't be able to comply with consent conditions.
- Enforcement continues, guided by recent Crown Law advice as well as statutory timeframes. We have issued a number of warning letters, infringements and abatements.

5 Implications for Māori

Council continues to deliver provide essential and emergency services and work that support Māori. Council also continues with work that involves engagement with Māori. Staff recognise that that iwi and hapū will, in many cases, have reduced capacity to engage with Council during the COVID-19 response.

6 Budget Implications

6.1 Current Year Budget

Where there are current year budget implications from delivering our Essential Services and activating the Group Emergency Coordination centre, staff will provide specific reports through to Council.

6.2 Future Budget Implications

There are no future budget implications from delivering our Essential Services, but the way in which we work in the future may change and this will be assessed through the upcoming Long Term Plan process.

7 Community Outcomes

Our Essential Services and emergency response directly contributes to all four community well-beings - A Healthy Environment, Freshwater for Life, Safe and Resilient Communities and A Vibrant Region in the Council's Long Term Plan 2018-2028.

Sarah Omundsen
General Manager, Regulatory Services

14 April 2020



Report To: Regional Council
Meeting Date: 17 April 2020
Report From: Mat Taylor, General Manager, Corporate

COVID-19 Rotorua District 2019/20 Quarter Four Rates Deferral

Executive Summary

On 3 April 2020, Rotorua Lakes Council decided to implement a new rates postponement initiative in response to COVID-19. This is a short-term postponement that allows for payment of 2019/20 quarter four rates instalments to be paid in 2020/21 and any penalties may be remitted.

Rotorua Lakes Council is a rates collection agent for Bay of Plenty Regional Council, but the new postponement initiative does not automatically apply to Bay of Plenty Regional Council rates in the Rotorua Lakes constituency. This is because each Council must adopt their own postponement and remission policies.

It is administratively difficult and potentially confusing for ratepayers if the collection agent is operating two different sets of postponement and penalty rules. It is therefore recommended that Bay of Plenty Regional Council agrees for Rotorua Lakes Council to apply their 2019/20 quarter four rates postponement initiative for COVID-19, to Regional Council rates that they collect.

While this initiative is inconsistent with the Remission and Postponement of Rates Policy, the financial impact is currently assessed as relatively low cost and the Bay of Plenty Regional Council can adopt this under the Local Government Act (2002) s80.

Current SOLGM and LGNZ advice for the COVID-19 Local Government Response is to carefully consider the long-term financial implications of new policies for rates postponements or remissions before setting these, which Bay of Plenty Regional Council is doing as part of the Financial Frameworks Review. Instead, SOLGM and LGNZ advise Councils to focus on payment flexibility and reducing penalties.

Bay of Plenty Regional Council Councillors have already given direction to limit any rates increases for 2020/21 to reduce the rates impact for all regional ratepayers.

Recommendations

That the Regional Council:

- 1 Receives the report, COVID-19 Rotorua District 2019/20 Quarter Four Rates Deferral;**
- 2 Notes the action taken by Rotorua Lakes Council to approve a rates postponement initiative for the 2019/20 financial year quarter four rates instalment due in May 2020 in response to COVID-19.**
- 3 Agrees that postponing collection of the Rotorua Lakes constituency 2019/20 financial year fourth quarter rates instalment is inconsistent with the Remission and Postponement of Rates Policy because it extends eligibility to non-residential ratepayers and offers different payment terms.**
- 4 Agrees that applying the Rotorua Lakes Council rates postponement initiative for the 2019/20 financial year fourth quarter rates instalment to Bay of Plenty Regional Council rates is efficient for ratepayers because Rotorua Lakes Council collect rates on behalf of Bay of Plenty Regional Council.**
- 5 Agrees that Rotorua Lakes Council may apply their rates postponement initiative to Bay of Plenty Regional Council rates that they collect for the 2019/20 financial year fourth quarter instalment due in May 2020, with the following options available to suitably qualified ratepayers:**
 - a) Defer payment of the instalment amount to the first quarter of the next financial year, payable in August 2020; or**
 - b) Defer payment of the instalment amount and spread payments over the balance of the next financial year ending 30 June 2021.**
- 6 Agrees that Rotorua Lakes Council may agree to remit any penalties incurred by ratepayers who are entitled to rates postponement under the initiative.**
- 7 Agrees that the Remission and Postponement of Rates Policy is part of the financial frameworks review for the Long Term Plan 2021-2031 and this will include consideration of whether changes should be made to financial hardship rules.**

1 Background

In response to the COVID-19 outbreak, the New Zealand Government has implemented \$20 billion of fiscal support measures that have been announced to date including wage subsidies and a range of business support initiatives. Nevertheless information released this week by the Treasury outlines that the necessary public health measures are having a large negative impact on the economy. With the country under Alert Level 4, some industries (e.g. tourism, hospitality and much of retail) have essentially zero output. Treasury note that the path the economy takes from here is extremely uncertain and dependent on a number of unknown factors.

Bay of Plenty Regional Council is working with local Territorial Authorities to take a regional approach to COVID-19 recovery. Regional Councils' Councillors have previously given direction to limit any rates increases for the 2020/21 financial year for all regional rate payers. In doing so, Regional Council recognises that some of the territorial local authorities in the region may need to increase rates to support communities to recover from COVID-19.

Guidance issued by Local Government New Zealand and Society of Local Government Managers for the COVID-19 Local Government Response encourages Councils to consider all options for supporting financially stressed ratepayers and supporting economic recovery. This guidance includes: shifting penalty dates; reducing penalty rates; introducing different payment cycles for ratepayers with seasonal income; and considering how best to implement any recent revaluation.

The purpose of this paper is for Bay of Plenty Regional Council to consider the Rotorua Lakes Council decision to postpone 2019/20 financial year fourth quarter rates collection for Rotorua ratepayers, and to consider whether the initiative extends to regional rates. Regional Council has publicly recognised the circumstances for the Rotorua Lakes constituency will mean many households and businesses will be severely impacted by COVID-19 due to the abrupt stop to international tourism.

2 Rotorua Lakes Council 2019/20 Quarter Four Rates Instalment Postponement Initiative – COVID-19

On 3 April 2020, Rotorua Lakes Council (RLC) approved a new rates postponement initiative as a result of COVID-19. This is a short-term postponement that allows for payment of 2019/20 quarter four rates instalments due in May 2020, to be paid in 2020/21 and any penalties may be remitted, should certain criteria be met.

The confidential resolutions from the RLC meeting that have been shared with us are:

1. *That the report “Rotorua Lakes Council Rates Deferral Proposal – COVID-19” be received.*

Cr Yates/Cr Raukawa-Tait
2. *That Council approve the implementation of a rates deferral policy for the 2019/20 financial year fourth quarter (May 2020) instalment with the following options available to suitably qualified ratepayers:*
 - a) *Defer payment of the instalment amount to the first quarter of the next financial year, payable in August 2020; or*
 - b) *Defer payment of the instalment amount and spread payments over the balance of the next financial year ending 30 June 2021.*
3. *That Council may agree to remit any penalties incurred by ratepayers who are entitled to rates deferral.*
4. *That Council undertake an extensive information/education campaign to raise awareness within the community of the assistance available from both central government and council as a result of the COVID-19 Epidemic Notice 2020.*
5. *That the report not be made publically available*
6. *That the minutes relating to this item be made publicly available following the communication (information and education of the scheme) is made available.*

RLC staff advise that postponement will be targeted to those who have been adversely affected by COVID-19 and will be aligned to the government eligibility criteria. Eligibility criteria for the rates postponement initiative still needs to be finalised.

2.1 Impact On Bay of Plenty Regional Council Rates Collection

RLC is a rates collection agent for Bay of Plenty Regional Council. RLC's new postponement initiative does not automatically apply to Bay of Plenty Regional Council rates in the Rotorua Lakes constituency. This is because each Council must adopt their own postponement and remission policies.

In practice, councils' rating systems do not have the capability to apply the remission to just the territorial authority portion of rates assessed on a rating unit. This is why, in practice, regional councils have tended to adopt near identical rates remission and postponement policies to what the Territorial Authority has adopted.

In this situation it be extremely difficult and would also be potentially confusing for Rotorua Lakes ratepayers if the RLC is operating two different sets of postponement and penalty rules.

Furthermore the financial impact of this short term rates postponement that has been assessed by RLC is primarily related to timing of cash-receipts. Under normal circumstances approximately \$3 million of rates revenue from RLC's 2019/20 fourth quarter rates instalment would be received in May 2020. As Bay of Plenty Regional Council maintains a large portfolio of liquid assets, and has received significant non-rates revenue through 2019/20, the financial impact of deferring payment is approximately \$10,000 to \$20,000. This is not considered to be material, despite the uncertain number of ratepayers that may be eligible for the rates postponement initiative.

As a result, staff recommend that the Bay of Plenty Regional Council should agree that RLC can extend their rates postponement initiative for COVID-19 to the regional rates they collect for the 2019/20 financial year fourth quarter instalment. In the event of a change in the rates postponement initiative or not proceeding, a further report and staff recommendations will be brought back to Regional Council.

3 Significant Plan or Policy Inconsistency

The Bay of Plenty Regional Council Remission and Postponement of Rates Policy sets the objectives and criteria that apply to various remissions and postponements. The rates remission and postponement policies for financial hardship for each constituent district of the region are the same as those of the territorial authorities for the relevant constituent district. Under normal circumstances, there are insufficient differences between the city and district council policies to warrant separate treatment for the usually lesser level of Regional Council rates. The Bay of Plenty Regional Council therefore aligns its policies on the remission and postponement of rates with the policies and objectives of each of the city and district councils.

In the Rotorua Lakes constituency, the objective of rates postponement is 'to give ratepayers a choice between paying rates now or later, subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal'. The existing postponement policy sets out a range of criteria and conditions for eligibility, the general approach is that it applies to rating units defined as residential, and used for personal residential purposes by the applicant(s) as their sole or principal residence. All rates are eligible for postponement except for: 'targeted rates for water supplied by volume (water by meter rates) and lump sum options', and postponement of current and future rates may be for many years.

Staff have considered the existing postponement policy and consider that the RLC's rates postponement initiative for COVID-19 is not captured within the existing postponement policy.

Staff have obtained legal advice from Simpson Grierson on the available options. Following receipt of the advice, it is recommended that the Bay of Plenty Regional Council agrees to extend the Rotorua Lakes Council rates postponement initiative to regional rates that they collect as an inconsistent decision under the Local Government Act (2002) s80. This requires that the inconsistent decision can be made provided that the following are clearly identified.

- a) the inconsistency; and
- b) the reasons for the inconsistency; and
- c) any intention of the local authority to amend the policy or plan to accommodate the decision.

This report meets those requirements as follows:

- a) The new rates postponement initiative includes businesses and a shorter timeframe than the current policy.
- b) The reason for the inconsistency is that RLC have adopted a new postponement rule and it is efficient for this to be applied to regional rates they collect as well.
- c) The Remissions and Postponement of Rates Policy is part of the financial frameworks review for the Long Term Plan 2021-2031 and this will include consideration of whether changes should be made to financial hardship rules.

The other options have the effect of not allowing the new RLC rates postponement initiative to apply to regional rates that they collect. These options include declining to extend the rates postponement initiative to regional rates, or consulting on the amendment to the Remission and Postponement of Rates Policy which would cause any decision to be made after the rates had been invoiced and collected.

In general, the community has been highly supportive of the government sector financial support initiatives. This includes calls for councils to minimise rates increases. Rotorua has a large tourism sector, and is likely to be facing a differential economic/financial impact than other parts of the region.

4 Next Steps

Staff will continue to monitor Rotorua Lakes Council's approach to COVID-19 rates relief including the development and implementation of the 2019/20 quarter four rates postponement initiative, and will provide an update to Regional Council as the situation evolves.

Staff will continue to work with Territorial Authorities to consider all options for supporting financially stressed ratepayers and supporting economic recovery per the guidance issued by Local Government New Zealand and Society of Local Government Managers for COVID-19 Local Government Response. This guidance includes: shifting penalty dates; reducing penalty rates; introducing different payment cycles for ratepayers with seasonal income; and considering how best to implement any recent revaluation.

In addition, staff are reviewing the Bay of Plenty Regional Council Remission and Postponement of Rates Policy as part of the Financial Frameworks Review and development of the Long Term Plan 2021-2031. This work may include consideration of updated financial hardship and/or affordability criteria.

5 Budget Implications

5.1 Current Year Budget

If the recommendations are agreed, additional rates postponements for Rotorua Lakes constituency may result in some of the \$3 million fourth quarter rates instalment being collected in the 2020/21 financial year rather than in May 2020. Bay of Plenty Regional Council has sufficient liquidity to manage this situation, and this may result in approximately \$10,000-\$20,000 of net cost.

5.2 Future Budget Implications

Council is not requested to make further decisions on rates postponements or remissions at this time.

6 Community Outcomes

This initiative indirectly contributes to all Community Outcomes in the Council's Long Term Plan 2018-2028.

Mark Le Comte
Principal Advisor, Finance

for General Manager, Corporate

14 April 2020