

Workshop Report of the Regional Council Workshop held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Friday, 3 February 2017 commencing at 11.12 a.m.

Present:

Chairman: D Leeder

Deputy Chairman: J Nees

Councillors: J Cronin, T Marr, L Thurston, P Thompson, D Love, N Bruning, A Tahana (via V/C), W Clark, K Winters, A von Dadelszen

In Attendance: M Macleod (Chief Executive), E Grogan (GM Regulatory Services), F McTavish (GM Strategy and Science), M Taylor (GM Corporate Performance), C Ingle (GM Integrated Catchments), M Langridge (Chief Information Officer), S Lamb (Natural Resources Policy Manager), P De Monchy (Kaituna Catchment Manager), G Corbett (Biosecurity Manager), A Dixon (Strategic Accountant), C Burger (Management Accountant), S Baker (Senior Planner)

Apologies: S Crosby

1 Introduction

The Chairman opened the workshop. Ms Macleod outlined that the objective of the workshop was to present a range of issue papers to Council for direction. These issue papers were prepared based on initial direction from the workshop held on 13 December 2016. Direction received from this workshop will be used to prepare draft budgets and the community engagement document for Draft Annual Plan 2017/18

Ms Macleod informed Councillors of the proposed timeline for development of the Annual Plan 2017/18.

An overview paper and 12 Issue Papers were presented and considered.

2 General Discussion

Councillors discussed several strategic issues including:

- Investment in Local Government Futures work
- Public Transport
- Equity of user pays and targeted rates
- Economic development in Rotorua
- Infrastructure funding
- Quayside Holding Ltd information

Mr Taylor clarified that the Annual Plan (AP) is a shorter term planning document that highlights differences from the adopted Long Term Plan (LTP), whereas the LTP covers a longer period and is reviewed every three years.

Ms Macleod noted upcoming workshops would enable discussion on wider longer term and strategic issues, and on the principles of funding infrastructure.

3 **Overview and Financials**

Mr Taylor presented the Overview and Financial paper which provided an overview of the current and projected financial position. The changes in rates reflected the changes in spending and the position of a number of large projects. However, the Total Real Rates Revenue figures are very similar to the estimates for year 3 of the LTP 2015-2025.

4 **Issue Papers**

4.1 **Kopeopeo Canal Remediation**

Mr Ingle introduced the Kopeopeo Canal Remediation issue paper and provided background to the project and indicated the areas affected on a map. Councillors discussed the feasibility and timeline of the work programme.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Kopeopeo Canal Remediation Option 3 – Increased Extent of Works
- Deferring \$1.9 million of capital expenditure from 2016/17 to 2017/18
- Increased capital budget of \$5.3 million
- Informing the community of the proposed changes to Kopeopeo Canal Remediation project timing, area of works, cost, and potential for new revenue from the Ministry for the Environment.

4.2 **Kaituna River Re-diversion**

Mr De Monchy introduced The Kaituna Re-diversion issue paper and provided an overview of the key challenges to the project and noted that there are favourable indications for potential funding from the Ministry for the Environment (MfE).

Councillors discussed the work programme and implications should the MfE not approve funding.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Kaituna River Re-diversion Option 1: Pursue Ministry co-funding and defer majority of Capital Works until 2017/18 financial year
- Deferring \$2.9 million of capital expenditure from 2016/17 to 2017/18
- Informing the community of the proposed changes to the Kaituna River Re-diversion project timing and the potential for revenue from the Ministry for the Environment.

4.3 **Brown Bullhead Catfish**

Mr Corbett introduced the Brown Bullhead Catfish issue paper and described the background to the catfish incursion. It was noted that current methods have not been successfully used to eradicate a population from a large water body. However, containment is possible, and research will assist in long term eradication.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Brown Bullhead Catfish Option 2 – Control and Eradication Research,
- Increased operational budget of \$200,000
- Informing the community of the proposed changes to control Brown Bullhead Catfish in Lake Rotoiti.

That the ongoing management and control of Brown Bullhead Catfish is further reviewed as part of the Long Term Plan process.

4.4 **Consents and Pollution Prevention Resourcing**

Mr Grogan introduced the Consents and Pollution Prevention Resourcing issue paper. He noted that changes to the Section 36 Fees and Charges can be made in the upcoming review, which could reduce the overall financial impact.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Resource Consent and Pollution Prevention operating expenditure is increased by \$400,000 and operating revenue is increased by \$350,000.
- Reviewing the Fees and Charges policy for 2017/18 to refine the operating revenue impact.
- Informing the community of the proposed changes to improve consistency of customer service.

4.5 **Nutrient Discharge Management System**

Mr Langridge introduced the Nutrient Discharge Management System issue paper. It was noted that a nutrient discharge system is needed, however, there are no “off the shelf” systems available. There is a nutrient management system for Taupō, however, this utilises manual spreadsheets, requires significant resources and is prone to input error.

Mr Grogan noted that as versions change, the system inputs need to automatically change. Council's current IT systems do not have this capability.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Nutrient Discharge Management System Option 3 – configuration and extension of Accela to address nutrient management requirements.
- Increased capital budget of \$950,000

- Increased operating budget of \$25,000
- That the Nutrient Discharge Management System is not included in the Annual Plan 2017/18 Community Engagement Document.

That a full business case for the Nutrient Discharge Management System should be presented to Council.

4.6 **Maritime –Summer Patrols**

Mr Grogan introduced the Maritime Summer Patrols issue paper. Community engagement undertaken as part of the Navigation Safety Bylaw has shown that the community would like additional patrols for education and enforcement.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Maritime Summer Patrols – Option 2 Increased Patrols
- Increased operating budget by \$77,000 for patrols.
- Increased operating budget of \$15,000 for installation of signage for the Bay of Plenty Regional Navigation Safety Bylaw 2017.
- Informing the community of the proposed changes to Maritime summer patrol frequency and coverage areas.

4.7 **Rangitāiki – The Tuna Plan**

Mr Ingle introduced the Tuna Plan issue paper. Councillors queried whether there was robust science behind the Rangitāiki River Strategy and whether other partners were making contributions. Staff noted that partners such as Trust Power would be building fish passage structures and were expected to provide funding once the research has been completed.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Option 3 – Fund Implementation of the Tuna Plan
- Increased operating budget of \$40,000.
- That the Tuna Plan Implementation is included in the Annual Plan 2017/18 Community Engagement Document to inform the community that implementation of the Tuna Plan is being commenced.

Note: That the Environmental Enhancement Fund policy and financial tracking is presented to the Regional Direction and Delivery Committee.

4.8 **Marine Spatial Planning**

Ms McTavish introduced the Marine Spatial Planning issue paper. It was noted that a workshop may be required, and that further information about what a Marine Spatial Plan is should be provided.

Direction given

A decision on the funding of Marine Spatial Planning is deferred until a later planned workshop in April/May 2017 where more detailed information about Marine Spatial Planning can be provided.

4.9 Natural Hazards

Ms McTavish introduced the Natural Hazards issue paper. Staff noted that if no funding was provided for 2017/18, then the effect would be to delay the work and another funding request would be needed for the following year.

Councillors queried whether there was funding from other Councils. Staff explained that there were a variety of projects being undertaken, and that these projects were very collaborative in nature. The proposed project is related to research and information gathering. Ms Macleod noted that decisions relating to engagement with other Councils would be needed as part of the Long Term Plan process.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Natural Hazards Research Option 2 – Regional, Western Bay of Plenty and Ōpōtiki assessment
- Increased operational budget of \$200,000.
- Informing the community of the proposed changes, including the scope and timing of the project.

4.10 Electronic Ticketing

Ms McTavish introduced the Electronic Ticketing Paper. Electronic Ticketing is currently proceeding through a procurement process, and detailed information on expected costs will not be available until that process had progressed further.

It is expected that staff will re-visit this issue in May, once further information is available. A request for additional funding may be made at that time.

Direction given

A decision on updated budgets for Electronic Ticketing is deferred until a later planned workshop in May 2017.

That Electronic Ticketing is included in the Annual Plan 2017/18 Community Engagement Document as a key project for delivery, without discussion of the financial issues.

4.11 Stock Truck Effluent Facility

Ms McTavish introduced the Stock Truck Effluent Facility Paper.

Councillors discussed site identification and staff responded that no sites had been specifically identified. Councillors requested this project be advanced and for the budget to reflect this.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on a budget of an additional operating budget of \$80,000.

4.12 Water Policy Resourcing

Ms McTavish introduced the Water Policy Resourcing Paper. This paper was the next stage of funding identified in the 2016/17 Annual Plan.

Councillors raised the need for a robust discussion around managing water policy. A separate Water workshop planned for March 2017 would provide an opportunity for further discussion. There was a general discussion relating to the current Havelock North water issues and whether there were any lessons that could be learned in the Bay of Plenty.

Direction given

That draft Annual Plan 2017/18 budgets and community engagement materials should be prepared based on:

- Regional Plan Water Policy Option 3 - Staged Approach
- Increased operating budget of \$212,000.
- That the Regional Water Policy Staged Approach is not included in the Annual Plan 2017/18 Community Engagement Document however specific water policy work is included as key projects.

4.13 Significance and Materiality

The net impact of the changes from the issue paper was determined to not be significant or material.

5 Funding and Rates

Councillors considered the Total Real Rates Revenue increase. The Total Real Rates Revenue increase estimated for AP 2017/18 was similar to the LTP 2015-2025 year 3 forecast.

Within the Total Real Rates Revenue increase, the balance between General and Targeted Rates had changed. AP 2017/18 estimated include a relatively higher percentage General Rates increase, and relatively lower percentage Targeted Rates increase.

Councillors discussed the implications of the rates increases for various districts.

Direction given

- That a special dividend of \$1 million is to be requested from Quayside Holding Ltd.
- Consider options relating to the Regional Fund balance to reduce general rates increases in 2017/18.
- That the deliverability review scheduled as part of the lead up to the May 2017 AP 2017/18 workshop is to be completed.

The workshop closed at 2.37 pm.