

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Tuesday, 26 September 2017 commencing at 9.30 a.m.

Present:

Chairman: D Leeder

Deputy Chairman: J Nees

Councillors: A von Dadelszen, N Bruning, W Clark, T Marr, M McDonald, P Thompson, L Thurston;

Attendance in part: J Cronin, K Winters

In Attendance: M Macleod (Chief Executive), M Taylor (General Manager Corporate Performance), C Ingle (General Manager Integrated Catchments), F McTavish (General Manager Strategy & Science), E Grogan (General Manager Regulatory Services), J Graham (General Manager Corporate Solutions), G Maloney (Manager Transport Policy), D Hyland (Finance Manager), S Craig (Communications Manager), S Hey (Manager Chief Executive's Office), D Llewellyn (In-House Legal Specialist), Y Tatton (Interim Governance Manager), S Kameta (Committee Advisor)

Apologies: A Tahana, S Crosby, D Love, J Cronin (late arrival), K Winters (late arrival)

1 **Opening Karakia**

Councillor T Marr.

2 **Apologies**

Resolved

That the Regional Council:

- 1 **Accepts the apologies of Councillors: A Tahana, S Crosby and D Love and apologies for late arrival from Councillors: J Cronin and K Winters tendered at the meeting.**

Leeder/von Dadelszen
CARRIED

3 **General Business and Tabled Items**

3.1 **Late and Tabled Items**

Council was advised of the following tabled items for consideration and the reasons why they were not on the agenda and could not be delayed:

1) Public Excluded Agenda Item 12.2 – Public Excluded Council Minutes 5 September 2017 (refer Tabled Document Number 1)

The reason the item was not on the agenda was that it was not available at the time the agenda was published. The reason why it cannot be delayed until a subsequent meeting is that it forms part of a contractual arrangement.

2) Public Excluded Late Item 12.10 – Executive Employment and Remuneration Subcommittee Recommendation (refer Tabled Document Number 2).

The reason the item was not on the agenda was that the information was not available at the time the agenda was published. The reason why the matter cannot be delayed until a subsequent meeting is that it forms part of a contractual arrangement.

The following replacement documents were tabled to replace incorrect documentation that had been included in the agenda:

3) Public Excluded Agenda Item 12.3 - Council Performance Monitoring Report Confidential Appendix 1: Investment Performance Report 2017/18 Months 1 to 2 (refer Tabled Document Number 3)

4) Public Excluded Agenda Item 12.4 - Council Performance Monitoring Report Confidential Appendix 2 - Investment Fund Valuation and Report for August 2017 (refer Tabled Document Number 4)

Resolved

That the Regional Council:

Pursuant to section 46A of the Local Government Official Information and Meetings Act 1987, considers the following late and tabled items at the meeting:

Tabled Document Number 1	Public Excluded Agenda Item 12.2	Public Excluded Council Minutes - 5 September 2017
Tabled Document Number 2	Public Excluded Late Item 12.10	Executive Employment and Remuneration Subcommittee Recommendation Report
Tabled Document Number 3	Public Excluded Agenda Item 12.3	Council Performance Monitoring Report Confidential Appendix 1: Investment Performance Report 2017/18 Months 1 to 2
Tabled Document Number 4	Public Excluded Agenda Item 12.4	Council Performance Monitoring Report Confidential Appendix 2 - Investment Fund Valuation and Report for August 2017

Leeder/von Dadelszen
CARRIED

4 **Petition**

4.1 **A Living Wage for Bus Drivers – Mr Alan Matthews**

Refer Tabled Document Number 5.

Mr Alan Matthews, accompanied by First Union Auckland Strategy Co-ordinator Louisa Jones, presented a petition (refer Tabled Document Number 3) that urged Council to consider moving towards ensuring a living wage for bus drivers by changing tendering processes for Council-contracted bus services. Mr Matthews advised that bus drivers had rallied at the Red Square, Tauranga on Saturday, 9 September and marched to Regional Council's office on First Avenue, where the petition was received on behalf of Council by Cr Thompson.

Mr Matthews noted the high stress, challenging working environment that bus drivers endured and difficulties with achieving a reasonable work-life balance due to varied work hours and conditions. Mr Matthews informed members that the annual CPI wage increase that was built into the current contract, did not keep up with living costs and considered it unethical. He noted that Go Bus was a reasonable employer, who bus drivers were currently in negotiations with for a collective agreement for a living wage however, it was hoped that Council would consider building the requirement into bus tender contracts.

In response to questions, Mr Matthews and Ms Jones considered that incentive-performance based schemes did not provide a reasonable wage for all drivers; would favour individuals over others and cause friction between employees. They commented that a living wage was needed and would motivate the performance of all drivers. Mr Matthews advised that bus drivers held a heavy licence and had to make decisions to ensure the safety of passengers throughout the course of driving hours. He acknowledged there was a lack of younger bus drivers due to the extremely low wage; currently \$17.10 per hour, noting the minimum wage was \$15 per hour. He noted Napier bus drivers had held a similar protest and the Hawkes Bay Regional Council had agreed to revisit the living wage.

The Chairman and members thanked Mr Matthews and Ms Jones for their address and acknowledged the abuse and attitudes of people that bus drivers had to experience. It was noted that the matter raised would be the subject of a report being considered later on the agenda.

Resolved

That the Regional Council:

- 1 Receives the petition from Mr Alan Matthews on A Living Wage for Bus Drivers.**

**Thurston/Leeder
CARRIED**

5 **Public Forum**

5.1 **Smart Transport - Carole Gordon**

Refer Tabled Document Number 6 and PowerPoint Presentation Objective IDs A2711815 and A2706484.

Carole Gordon addressed Council requesting consideration be given to longevity challenges of an ageing population within current transport planning opportunities. Ms Gordon highlighted the need for a culture shift and to look for innovation opportunities to improve suitability of public transport that would encourage age-friendly use, which the current policy had not grasped. Ms Gordon gave a presentation and provided a paper for Council to consider (refer Tabled Document Number 6), which outlined examples of innovation being implemented elsewhere and included a proposal for establishing a collaborative project for "Getting Older People on the Bus".

Ms Gordon commended Council for establishing the Western Bay of Plenty Public Transport Stakeholder Focus Group. She acknowledged her proposal had come late, but hoped it could be incorporated into the Western Bay Network Blueprint transport planning project.

The Chairman and councillors thanked Ms Gordon for her address and commitment as an advocate for the aged population. Staff confirmed they would be engaging with Ms Gordon on the matter raised. It was noted and acknowledged that due consideration was also needed towards providing disability mobility.

6 Declaration of conflicts of interest

Cr Thompson declared a pecuniary interest in relation to Agenda Item 12.9, 'Quayside Holdings Limited - Councillor Director Appointment'.

Cr Thompson and Cr Nees declared an interest in relation to Agenda Item 11.1, 'Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2017'.¹

7 Previous Minutes

7.1 Regional Council Minutes - 17 August 2017

Matter Arising

Regarding minute item 3.1, Public Forum 2017 Mashup Competition Presentation, a request for Council to revisit the future direction of innovation funding was raised.

Resolved

That the Regional Council:

- 1 Confirms the Regional Council Minutes of 17 August 2017, as a true and correct record.

Thompson/Leeder
CARRIED

8 Statutory Committee Minutes

8.1 Te Maru o Kaituna River Authority minutes - 11 August 2017

Correction

¹ Correction, refer Regional Council Meeting 2 November 2017.

Minute item 6, Election of Chairperson and Deputy Chair – five references made to “Councillor Flavell” within Resolution one and body of the minute were incorrect and were to be amended with “Dean Flavell”.

Matter arising

Regarding minute item 7.1, Change of membership – it was clarified that the jointly appointed seat of Tapuika Iwi Authority Trust and Te Kapu o Waitaha currently stood vacant and that the scheduled meeting of Te Maru o Kaituna on 4 October had been cancelled while the matter was being resolved.

Resolved

That the Regional Council:

- 1 Receives the Te Maru o Kaituna River Authority Minutes of 11 August 2017, noting the foregoing correction to be made.**

**Nees/McDonald
CARRIED**

Order of Business

To accommodate the arrival and timing constraints of external presenters, the Chairman advised that Public Excluded Item 12.5, ‘Presentation: Quayside Holdings Limited Annual Financial Statements for Year Ended 30 June 2017’ would be received next on the agenda.

9 Public Excluded Section

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
Item 12.5 Presentation: Quayside Holdings Limited Annual Financial Statements for Year Ended 30 June 2017	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Good reason for withholding exists under Section 48(1)(a).

**Thurston/Leeder
CARRIED**

Attendance

Cr J Cronin entered at 10.21 am during the above public excluded part of the meeting.

Adjournment

The meeting adjourned at 11:26 am and reconvened at 11.44 am.

10 **Chairman's Report**

The report updated Council on the Chairman's activities, upcoming events and items of interest.

In response to a query raised on Fonterra's business, strategy and plan for water, the Chief Executive advised she would be seeking clarification on the matter in due course.

Resolved

That the Regional Council:

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

**Leeder/Nees
CARRIED**

11 **Chief Executive's Report**

11.1 **Annual Report and Annual Report Summary for 2016/17, and Capital Expenditure Budget Carry Forward from 2016/17 to 2017/18**

Refer Supporting Documents: Annual Report and Annual Report Summary for 2016/17; and Tabled Document Number 7 - Objective IDs A2704218, A2704219, A2712183.

The report presented the 2016/17 Annual Report and Consolidated Financial Statements and Annual Report Summary for Council adoption and provided an overview of non-financial and financial performance in the reports. As noted on page 2 of the report, a schedule of changes to the 2016/17 Annual Report was provided (refer Tabled Document Number 7), which would be incorporated into the Annual Report.

General Manager Corporate Performance Mat Taylor introduced Audit New Zealand Director Ben Halford and Manager Anton Labuschagne. Mr Halford gave his verbal report that advised of his un-modified audit opinion and effective controls operating in particular in the key business focus areas, which included payments to the Regional Infrastructure Fund and Rotorua Te Arawa Lakes Programme land use change incentives.

Mr Halford considered Council's Annual Report format was comprehensive, in particular the statement of service performance. He advised that the audit process had run smoothly and that Bay of Plenty Regional Council was only the second Council to have completed their year-end and received an audit report and opinion from the audit director. He thanked Mr Taylor and his team for their efforts and assistance during the review.

Resolved

That the Regional Council:

- 1 Receives the report, Annual Report, and Annual Report Summary for 2016/17, and Capital Expenditure Budget Carry Forward from 2016/17 to 2017/18;**
- 2 Receives the audit report and audit opinion from Audit New Zealand.**

- 3 **Adopts the Bay of Plenty Regional Council Annual Report and Consolidated Financial Statements for the year 2016/17.**
- 4 **Adopts the Bay of Plenty Regional Council Annual Report Summary 2016/17.**
- 5 **Authorise the Chief Executive to make minor numerical, editorial or presentation amendments prior to final publication.**
- 6 **Approves additional capital expenditure of \$1.167 million to be carried forward from 2016/17 to 2017/18.**
- 7 **Confirms that the decision has a low level of significance.**

**Nees/Bruning
CARRIED**

12 **External Presentation: Priority One Strategy**

Due to the delay in timing of the Priority One Strategy presentation, the item was deferred to the next meeting of Council on 2 November 2017.

Resolved

That the Regional Council:

- 1 **Due to timing delays, agrees to defer the Priority One Strategy presentation to the next scheduled meeting of Council on 2 November 2017.**

**Leeder/Nees
CARRIED**

13 **Chief Executive's Reports**

13.1 **Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2017**

The report provided a review on the performance of Quayside Holdings Limited for the year ended 30 June 2017 and sought Council adopt the Annual Report and financial statements of Quayside Holdings Limited for the year ended 30 June 2017.

Regarding the aggregate remuneration pool for Quayside Holdings Limited directors, General Manager Corporate Performance Mat Taylor advised that Council's Chief Executive did not receive remuneration for her role as a director of Quayside.

Resolved

That the Regional Council:

- 1 **Receives the report, Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2017;**
- 2 **Adopts the Annual Financial Statements for Quayside Holdings Limited for the period ended 30 June 2017.**

- 3 Reappoint the Office of the Auditor-General, as the Auditors of the Company, and authorise the Directors of Quayside Holdings Limited to negotiate with the Office of the Auditor-General pursuant to the Public Audit Act 2001 to fix the Auditor's remuneration for the ensuing year.
- 4 Agrees that, on the basis of seven directors, the aggregate remuneration pool for Quayside Holdings Limited directors remains unchanged at \$190,000.00 (plus GST if any), and that it be noted that Quayside Holdings Limited intends to approve an equivalent limit to be divided between directors of Quayside Holdings Limited's subsidiaries – Quayside Securities Limited and Quayside Properties Limited.
- 5 Confirms that the decision has a low level of significance.

Leeder/Cronin
CARRIED

13.2 Council Performance Monitoring Report 2017/18 July to August, Months 1 to 2

The report provided Council with information to review financial and non-financial performance for all activities for the two months ending 31 August 2017. General Manager Corporate Performance Mat Taylor advised further reporting and revised full year forecasts on projects would be provided through-out the year.

In response to concerns raised on staff providing early indications in the monitoring report of potential capital project delays and cost escalations of physical works, members were advised of the impacts and effects from bad weather conditions, market constraints and holding costs placed on contractors. The need for due consideration on project timing, forecasting and costs implications was acknowledged and it was noted that the Audit and Risk Committee would be monitoring affected capital projects carefully.

Resolved

That the Regional Council:

- 1 Receives the report, Council Performance Monitoring Report 2017/18 July to August, Months 1 to 2;
- 2 Notes the financial and non-financial performance monitoring information provided, including variations from the budget.

Thompson/von Dadelszen
CARRIED

13.3 Western Bay Public Transport Blueprint bus network approval

The report sought approval of recommendations from the Public Transport Committee (PTC) for the Western Bay of Plenty Blueprint bus network. The report provided further advice and recommendations on customer service outcomes and hybrid or electric vehicles in new bus contracts for the Western Bay sub-region, in response to additional requests made by the PTC.

General Manager Strategy & Science Fiona McTavish and Transport Policy Manager responded to questions that confirmed:

- 1) The recommendations provided flexibility to make adjustments to the Western Bay Blueprint. Staff would provide status reports to the PTC on progress made.
- 2) The recommendations relating to customer service incentives would not increase the wages of bus drivers across the board, but proposed good performance being rewarded via an incentive scheme.
- 3) Hawke's Bay Regional Council had indicated it was in the process of considering a request for a Living Wage for Bus Drivers and would provide a future report to their council..
- 4) The NZ Transport Agency procurement approach required services procured to achieve value for money. The current basis which bus contracts were adjusted for inflation, recognised movement in wages. If additional funding for customer service incentives were approved by Council, it may need to further demonstrate to the Agency that the cost of the Blueprint would continue to represent value for money.
- 5) Figures outlined under section 8 of the report were accurate and differed from cost estimates provided in the PTC report of 25 August 2017 that excluded associated costs of proposed bus contract extensions.
- 6) Regarding the Travel Safe and Crossing Guard proposals, staff envisaged these may be delivered for Council by Tauranga City Council through existing systems. The current recommendations for these proposals did not take into account investment from Tauranga City Council and were based on a finite term, with the proposals not expected to continue past that.
- 7) An increase in targeted rates would need to be carefully considered through the Long Term Plan process.

Council considered the recommendations in part and resolved as follows.

Resolved

That the Regional Council:

- 1 Receives the report, Western Bay Public Transport Blueprint bus network approval.**

Public Transport Committee Recommendations

- 2 In regard to the recommendations relating to the 'Western Bay Public Transport Blueprint Bus Network Approval':**
 - a. Agrees that consultation through the 2018 - 2028 Long Term Plan process will address issues relating to the funding of passenger transport services across the region including the outcomes of the Regional Fare Review.**
 - b. Agrees that further consultation on the Tauranga Urban, school services, and Western Bay District services will not be required through the 2018 - 28 Long Term Plan process.**
 - c. Agrees to fund the Western Bay of Plenty District bus network as described in Part 5 of the Public Transport report 25 August 2017 (refer Appendix 1) as the preferred network. The estimated gross operating**

cost estimate for 2018/19 is \$560,000 per annum and the estimated funding gap to Council is \$122,000 per annum.

- d. Agrees to fund the Tauranga urban service as described in section 8.4 of the Public Transport report 25 August 2017 (refer Appendix 1) as the preferred network. The estimated gross operating cost estimate for 2018/19 is \$13.2 million per annum and the estimated funding gap for Council is \$1.5 million.
- e. Agrees to fund Tauranga school buses as described in Part 7 of the Public Transport report 25 August 2017 (refer Appendix 1). The estimated gross operating cost for 2018/19 is about \$2.0 million dollars and the estimated cost to Council is \$630,000.
- f. Agrees to fund a new Travel Safe bus programme for Year 7 and 8 students to encourage independent bus travel at an unbudgeted cost to Council of \$100,000 per annum for Years 1 through 3 of the 2018 - 2028 Long Term Plan.
- g. Agrees to fund a trial crossing guard programme for schools to improve safety of school students and encourage independent travel at an unbudgeted cost to Council of \$30,000 in Year 1 of the 2018 - 2028 Long Term Plan.

Thurston/von Dadelszen
CARRIED

More environmentally friendly buses

- 3 Approves the requirement in the Western Bay of Plenty Public Transport Blueprint tender specification for the provision of five hybrid buses for the start of the new contracts at an estimated additional gross cost of about \$260,000 per annum.
- 4 Agrees that the procurement approach seeks prices for these hybrid buses to be included or excluded so that further work can be completed on other entities buying or leasing these vehicles over the term of this contract.
- 5 Notes that it is intended that the new contracts will be agile and flexible in order to respond to an ever changing operating environment (particularly technological).
- 6 Agrees to signal in the Western Bay of Plenty Public Transport Blueprint tender specification that Council intends to increase the hybrid bus fleet composition through the term of the new contracts.

Leeder/Thurston
CARRIED

Customer service incentives

- 7 Approves the requirement in the Western Bay of Plenty Public Transport Blueprint tender specification of customer service incentives from 2018/19 to 2020/21 and thereafter by review, at an estimated additional gross cost of about \$100,000 per annum.
- 8 That staff and NZTA report back on how the customer service incentive scheme could work to the benefit of drivers in reflecting the skills requirement for public safety and customer service.

- 9 Confirms that engagement be pursued in terms of progressing transport needs of the aged population and disability sector.**

**Thompson/Thurston
CARRIED**

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

**Thompson/Thurston
CARRIED**

13.4 Public Transport Committee Recommendations

The report provided recommendations from the Public Transport Committee meeting held on 25 August 2017 for Council to consider in relation to 1) the procurement plan for Western Bay of Plenty Public Transport Tender and 2) Bus Fare Increase 2017/18.

Clarification was sought in regard to the inclusion of the Matapihi and Mangatawa services within the Western Bay of Plenty Bus Service Procurement Plan, outlined on page 111 and 113 of the agenda. Transport Policy Manager Garry Maloney advised this was an error and of the intent for these services to be removed, due to their low patronage.

Resolved

That the Regional Council:

- 1 Receives the report, Public Transport Committee Recommendations;**
- 2 In regard to the recommendations relating to the 'Procurement Plan for Western Bay of Plenty Public Transport Tender', approves the Procurement Plan for Western Bay of Plenty Public Transport Tender, as attached at Appendix 1.**
- 3 In regard to the recommendations relating to 'Bus Fare Increase 2017/18', agrees not to increase fares for customers of its contracted bus services in the 2017/18 financial year.**

**Thompson/Thurston
CARRIED**

13.5 Te Kawa o Te Urewera Relationship

The report sought approval for staff to explore a relationship with the Te Urewera Board on how to work together through the development of a future focused road map pertaining to Te Kawa o Te Urewera and future activities.

Council was advised of the expectations and importance to engage and foster a relationship with the Board, despite any differences in views, noting that Council's and Tūhoe Te Uru Taumatua's Chief Executives would be working together.

A query was raised regarding future budget implications and the need for a better sense of future resources that could be required.

Resolved

That the Regional Council:

- 1 Receives the report, Te Kawa o Te Urewera Relationship;
- 2 Approve staff exploring a relationship with the Te Urewera Board.

von Dadelszen/Thompson
CARRIED

14 Public Excluded Section

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
12.1 Public Excluded Regional Council Minutes - 17 August 2017	Please refer to the relevant clause in the open meeting minutes.	Good reason for withholding exists under section 48(1)(a).
12.2 Public Excluded Regional Council Minutes - 5 September 2017	To protect the privacy of natural persons, including that of deceased natural persons.	Good reason for withholding exists under section 48(1)(a).
12.3 Council Performance Monitoring Report - Confidential Appendix 1 - Investment Performance Report 2017/18, Months 1 to 2	to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Good reason for withholding exists under section 48(1)(a).
12.4 Council Performance Monitoring Report - Confidential Appendix 2 - Investment Fund Valuation and Report for August 2017	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Good reason for withholding exists under section 48(1)(a).
12.6 Public Transport Committee Recommendations	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Good reason for withholding exists under section 48(1)(a).

12.7 Local Government Information and Meetings Act 1987 Requests for the Period 1 July 2016 to 30 June 2017	To protect the privacy of natural persons, including that of deceased natural persons.	Good reason for withholding exists under section 48(1)(a).
12.8 Rangitaiki Floodway Land Procurement 2017/18	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Good reason for withholding exists under section 48(1)(a).
12.9 Quayside Holdings Limited - Councillor Director Appointment	To protect the privacy of natural persons, including that of deceased natural persons.	Good reason for withholding exists under section 48(1)(a).
Late Item 12.10 Executive Employment and Remuneration Subcommittee Recommendation Report	To protect the privacy of natural persons, including that of deceased natural persons.	Good reason for withholding exists under section 48(1)(a).


Leeder/Thurston
CARRIED

Attendance

Cr K Winters joined the meeting during the public excluded part of the meeting via video conference link from Rotorua at 1.42 pm.

The meeting closed at 3:48 pm.

Confirmed



Chairman Bay of Plenty Regional Council

2 November 2017