

Regional Council

NOTICE IS GIVEN

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

Thursday, 27 September 2018 commencing at 9.30 am.

Fiona McTavish
Chief Executive
20 September 2018



Regional Council

Terms of Reference

Purpose

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

Membership

All councillors are members of the Regional Council.

Quorum

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

Meeting frequency

Six-weekly.

Role of Council

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

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

Delegations from Council to Committees

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

It is accepted in making these delegations that:

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

Powers that cannot be delegated

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

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

Public Forum

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

Membership

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

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

Agenda

E te Atua nui tonu, ko mātau ēnei e inoi atu nei ki a koe, kia tau mai te māramatanga ki a mātau whakarite mō tēnei rā, arahina hoki mātau, e eke ai te ōranga tonu ki ngā āhuetanga 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

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Resolution to exclude the public

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

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

General Subject of Matter to be Considered	Reason for passing this resolution in relation to this matter	Grounds under Section 48(1) LGOIMA 1987 for passing this resolution
10.1 Public Excluded Regional Council minutes - 6 September 2018	Refer to the relevant section in the open minutes	Good reason for withholding exists under Section 48(1)(a)
10.2 Pare-Hauraki Deed of Settlement	Disclosing the information may prejudice the maintenance of the law	Good reason for withholding exists under Section 48(1)(a)

10.3 Opotiki Harbour Transformation	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)
10.4 Third Party Infrastructure Funding Request - Sir Howard Morrison Centre	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)
10.5 Regional Property Update	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)
10.6 Quayside Holdings Limited - Director Appointment	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)
10.7 Chief Executive's KPIs 2018-19 <i>(to be distributed closer to the date of the meeting)</i>	To protect the privacy of natural persons, including that of deceased natural persons	Good reason for withholding exists under Section 48(1)(a)

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10.5 Regional Property Update	271
10.6 Quayside Holdings Limited - Director Appointment	289
APPENDIX 1 - Quayside Directors Appointment Schedule - Confidential	293
10.7 Chief Executive's KPIs 2018-19	
This report will be circulated separately following the Executive Employment and Remuneration Subcommittee meeting on 25 September 2018	

11 Confidential Business to be Transferred Into the Open

12 Readmit the Public

13 Consideration of General Business

14 Closing Karakia

Previous Minutes

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 6 September 2018 commencing at 9.30 a.m.

Present:

Chairman: D Leeder

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

In Attendance: Bay of Plenty Regional Council: Fiona McTavish – Chief Executive; Sarah Omundsen, General Manager Regulatory Services; Chris Ingle, General Manager Integrated Catchments; Mat Taylor, General Manager Corporate Performance; Greg Corbett – Biosecurity Manager; Emma Purnell – Business Analyst & Australasian Management Challenge Team; Stephanie Macdonald – Community Engagement Team Leader; Stephen Lamb – Natural Resources Policy Manager; Yvonne Tatton – Governance Manager; Karen Aspey – People & Capability Manager; Chris Wood – Health & Safety Manager; Tone Nerdrum-Smith – Committee Advisor

Other: Department of Conservation: Mike Jones, Lynn Hansberry, Clint Savage, Jeff Milham, Anne Mackersey and Margaret Metcalfe. Eastern Bay of Plenty Regional Growth Leadership Group: David Cunliffe; Mayor Bonn; Mayor Forbes

Apologies: J Nees (Deputy Chairman)

1 Karakia

A Karakia was provided by Cr Tahana.

2 Apologies

Resolved

That the Regional Council:

- 1 Accepts the apology from Cr J Nees tendered at the meeting.

Leeder/Thompson
CARRIED

3 **Public Forum**

3.1 **Youth Jam Video – Emergency Management**

Stephanie Macdonald – Community Engagement Team Leader introduced the video.

Key Points

- Noted the awards for this CDEMG initiative
- Next year's event would focus on climate change.

3.2 **Pufferfish and Pineapples - Australasian Management Team**

PowerPoint Presentation – Objective Reference A2955998

Chairman Leeder provided an introduction of the Council team who had won the 2018 Australasian Management Challenge held in Canberra, Australia.

The team, consisting of Emma Purnell, Nic Newman, Daniel Smith, Hamish Dean, Chris Brewer and, with apologies for today's meeting, Harry Singh and Katherine Coup, spoke to the presentation regarding their experiences and key learnings from the Challenge.

Key Points of Presentation

- Let's Recap
- What happened in Canberra?
- Enjoy the learning
- Aim to win
- We are what we want Council to be
- Be memorable – be the difference
- Development Opportunity at BOPRC
- What's next for Pufferfish and Pineapples?

4 **Acceptance of Late Items**

Nil

5 **General Business**

Noted the following items for discussion under General Business later in the meeting:

- Discharge Consent - Rotorua
- Passing of Former Council Staff Member
- Eastern BoP Regional Growth Leadership Group Presentation
- Rotorua Lakes Council Court Hearing

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

Nil

7 **Declaration of Conflicts of Interest**

Nil

8 Previous Minutes

8.1 Regional Council Minutes - 02 August 2018

Resolved

That the Regional Council:

- 1 Confirms the Regional Council minutes - 02 August 2018.

Leeder/Love
CARRIED

9 Statutory Committee Minutes

9.1 Draft Minutes - Tauranga Moana Advisory Group - 10 August 2018

Resolved

That the Regional Council:

- 1 Receives the draft Minutes - Tauranga Moana Advisory Group - 10 August 2018.

Von Dadelszen/Bruning
CARRIED

10 Joint Committee Minutes

10.1 Draft Minutes - SmartGrowth Leadership Group - 20 June 2018

Resolved

That the Regional Council:

- 1 Receives the draft Minutes - SmartGrowth Leadership Group - 20 June 2018.

Crosby/Leeder
CARRIED

11 Reports

11.1 Chairman's Report

Key Points

- Details regarding the 50 Fonterra catchment sites would not be made public, however information had been provided to Council
- Tarawera Sewerage project had experienced some issues with regards to locating the pipes across private land, so a decision had been made to use public land instead.

Staff Follow-up

- Chief Executive to provide Fonterra catchment list to Elected Members.

Resolved

That the Regional Council:

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

**Leeder/Clark
CARRIED**

12 Presentations**12.1 Conservation Management Strategy – Department of Conservation**

PowerPoint presentation – Objective Reference A2956762

A presentation was provided by the Department of Conservation: Mike Jones, Lynn Hansberry, Clint Savage, Jeff Milham, Anne Mackersey and Margaret Metcalfe.

Key Points of Presentation

- Bay of Plenty Conservation Management Strategy (CMS) Review
- Statutory framework for the management of public conservation lands and waters
- New CMS structure
- Structure of the BOP CMS
- Part One – Region Focus
- Part Two - Place Focus
- Part Three
- Appendices
- What do you expect to see in the CMS?

Presenters in Response to Questions

- Recognised the importance of working collaboratively to meet the expectations of the community with regards to biodiversity, conservation and the impact of growth and development
- Acknowledged the cooperation between the Tarawera Lakes Trust and Council in addressing the Catfish issue
- There was a strong operational relationship between the various organisation, however further development of the strategic relationship was required
- It might be an option to appoint a Council representative on the Regional DoC Board
- Key focus was biodiversity
- All rohe in the Bay of Plenty region crossed boundaries with DoC land, so cooperation was essential
- Recognised the overlap between DoC and BOPRC in the Freshwater and Marine Space areas, however there were no clearly defined agreements with regards to the respective areas of responsibilities.

Key Points – Members

- Encouraged opportunities for cooperation and ‘pooling of resources’ between the various organisations operating within this field
- Principles of the Treaty of Waitangi would be important going forward
- Suggested the establishing of a Memorandum of Understanding which recognised both operational and governance level cooperation
- DoC owned land did not generate rates, which could impact on the financial situation of some councils (e.g. Ōpōtiki).

Staff Follow-up

- Review the existing Memorandum of Understanding, both at governance and operational levels
- Explore the possibility of appointing a Council representative on the regional DoC Board.

Cr Marr acknowledged the presenters with a Mihi.

10.40 am The meeting **adjourned**.

11.00 am The meeting **reconvened**.

13 Public Excluded Section

Resolved

Resolution to exclude the public

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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
Expenditure Report for the twelve months to 30 June 2018	To prevent improper gain or advantage	Good reason for withholding exists under Section 48(1)(a)
Presentation from Quayside Holdings Ltd on Annual Financial Statements for the year ended 30 June 2018	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)

**Leeder/Crosby
CARRIED**

14 Public Section - Continued

15 Presentations

15.1 Eastern BoP Regional Growth Leadership Group

PowerPoint Presentation – Objective Reference A2956735

A presentation was provided by members of the Eastern Bay of Plenty Regional Growth Leadership Group: David Cunliffe, Mayor Bonne and Mayor Forbes.

Key Points of Presentation

- Eastern Bay of Plenty Regional Growth Leadership Group (RGLG) – Stakeholder Strategies
- Purpose: RGLG project aims to help the crown invest in the region
- Baseline Outlook: EBOP continuing to fall behind unless projects can be realised
- Baseline growth rate has lagged BoP & NZ
- Expected future growth is concentrated in social services, which is mostly centrally funded
- EBOP's non-economic statistics are equally confronting
- Over 65 projects in developing sectors indicate a massive opportunity
- Methodology: Analysis focused on estimating local attributable direct and indirect jobs
- Opportunities: Four principal clusters are highlighted by the report
- Opotiki aquaculture investment unlocked large connected seafarm projects
- Horticulture cluster is job rich and provides high potential leverage to PGF (Provincial Growth Fund) investments
- PGF provides valuable output expansion to KPID scale commercial manufacturing cluster
- Whakatāne tourism/wharf cluster provides long term focus for regional tourism services
- Opotiki aquaculture is the largest attributable job creator and does so relatively resource efficiently

- There are many other projects in development that deserve PGF consideration
- Projects are forecast to deliver ~6,300 FTE additional local EBOP jobs by 2030 and contribute an additional \$659m local GDP per annum ...
- ...
- Overall, the PGF projects will have a marked impact on boosting local economic growth
- Constraints: Capacity needed in short-term to deliver next tranche of projects
- Recommendations: Fund four major clusters, build capacity, alleviate constraints
- Wrap-up: Help us to transform the future of the EBOP.

Presenters in Response to Questions

- Assets may not be owned by a Council, e.g. the Ōpōtiki Harbour Mussel Farm, due to financial constraints
- Detailed analysis had not yet been undertaken of the four key focus areas:
 - Ōpōtiki harbour and aquaculture development

- High value horticulture (kiwifruit, blueberry, macadamia)
- Kawerau-Putauaki Industrial Development
- Whakatāne wharf/tourism cluster
- Toi EDA had a sound base understanding of housing demands and growth projections, however further analysis was required to fully understand associated demands
- Sought Council's overall support for the application for Central Government funding, as well as recognition of the analysis that resulted in the identification of the four key areas
- Recognised that some dredging would be required for the Ōpōtiki Harbour development, however this had not been assessed as a prohibitive factor
- The funding application to the Central Government Fund, which totalled \$3000m, was not considered disproportionate in view of the poverty being faced by the Eastern Bay of Plenty
- Public-good benefits did not typically attract private investors, which was why Central Government involvement was important.

Key Points – Members

- An expectations of positive return on cost of capital meant investors would not be attracted unless a level of certainty was provided
- Recognised that Eastern Bay of Plenty had unsuccessfully approached Central Government for funding on earlier occasions.

1.24 pm The meeting **adjourned**.

2.00 pm The meeting **reconvened** and it was noted that Cr Bruning had **withdrawn** from the meeting.

16 Reports - Continued

16.1 Making Operative Change 3 (Rangitāiki River) to the Regional Policy Statement

Resolved

That the Regional Council:

- 1 **Receives the report, Making Operative Change 3 (Rangitāiki River) to the Regional Policy Statement;**
- 2 **Effects approval of Change 3 (Rangitāiki River) to the Bay of Plenty Regional Policy Statement, under clause 17(3) of Schedule 1 to the Resource Management Act 1991, by affixing the seal of the Bay of Plenty Regional Council to the approved change.**
- 3 **Amends the operative Regional Policy Statement, under clause 20A of Schedule 1 to the Resource Management Act 1991, to correct minor errors as shown in Appendix 3.**
- 4 **Delegates to the Chief Executive the authority to set the date on which Change 3 (Rangitāiki River) to the Bay of Plenty Regional Policy Statement,**

when approved, becomes operative and to publicly notify that date in accordance with clause 20(2) of Schedule 1 to the Resource Management Act 1991.

Thompson/Cronin
CARRIED

16.2 The Proposed Regional Pest Management Plan

PowerPoint Presentation – Objective Reference A2956082

Chris Ingle - General Manager Integrated Catchments, Greg Corbett – Biosecurity Manager and Stephen Lamb – Natural Resources Policy Manager presented this item.

Key Points

- Proposed Regional Pest Management Plan (RPMP)
- Leading up to this point – Council decisions
- The proposed RPMP reflects
- The proposed RPMP is just one piece of the biosecurity picture
- Consultation as a continuing process
 - Report back to RDD in December.

Presenters in Response to Questions

- In order to meet the public demand for control of Catfish, funding had been re-directed from the Gorse control budget
- A public submission and hearings process on the Proposed Plan would be undertaken
- 1080 was not in use at the moment, nor was it funded by Regional Council
- Wallaby management would fall within the operational rules of the Plan.

Key Points – Members

- Suggested that Gorse control be clearly identified as a priority in the Proposed Plan.

Resolved

That the Regional Council:

- 1 Receives the report, The Proposed Regional Pest Management Plan;**
- 2 Approves the Proposed Regional Pest Management Plan for notification on 25 September 2018.**
- 3 Delegates to the General Manager, Strategy and Science the authority to approve any minor changes, including grammatical and formatting, to the Proposed Regional Pest Management Plan prior to its release for notification.**
- 4 Notes the accompanying report Regional Pest Management Plan for the Bay of Plenty Region: Meeting the Biosecurity Act requirements supports the Proposed Regional Pest Management Plan.**

- 5 Is satisfied the requirements of Section 70 of the Biosecurity Act have been complied with.
- 6 Approves the Proposed Regional Pest Management Plan consultation approach to be undertaken as required by section 72(5) of the Biosecurity Act (see section 5 of this Report).
- 7 Approves the alternative approach to summarising submissions and formal hearings involving staff discussions with submitters, providing recommendations to Council on how to address submission points and proposing amendments to the Proposed Regional Pest Management Plan.
- 8 Agrees that Gorse and Woolly Nightshade be tested against the rules within the Proposed Regional Pest Management Plan alongside the consultation process and reported back to the Regional Direction and Delivery Committee.

Von Dadelszen/Thurston
CARRIED

16.3 Recommendations Report: Adopt Regional Public Transport Plan

Key Points – Members

- Recognised that the Plan would be subject to ongoing review and considerations
- The 'how' relating to achieving the desired outcome should be further explored as a priority.

2.26 pm Cr Bruning entered the meeting.

Resolved

That the Regional Council:

- 1 Receives the report, Recommendations Report: Adopt Regional Public Transport Plan.
- 2 Adopts the recommendation to adopt the Regional Public Transport Plan with an effective date of 10 December 2018.

Thurston/Marr
CARRIED

16.4 Councillor Expenditure July 2017 to June 2018

Yvonne Tatton – Governance Manager presented the Councillors' expenditure for the period 1 July 2017 to 30 June 2018.

Key Points

- Noted that a LGOIMA request had been received by the media relating to the expenditure
- Ideally, all expenditure should be claimed within the relevant financial year.

Resolved

That the Regional Council:

- 1 Receives the report, Councillor Expenditure July 2017 to June 2018;**

**Winters/Leeder
CARRIED**

16.5 Contract for Aids to Navigation Maintenance and Log Recovery

Sarah Omundsen - General Manager Regulatory Services advised that Rotorua Lakes were covered by the contract.

Resolved

That the Regional Council:

- 1 Receives the report, Contract for Aids to Navigation Maintenance and Log Recovery;**
- 2 Approves the Procurement Plan for navigational aid and debris removal;**
- 3 Approves going to market to invite tenders as set out in the Procurement Plan;**
- 4 Delegates to the Chief Executive, through acceptance of the Procurement Plan, the ability to approve the tender for the Marine Navigation Maintenance and Log Retrieval contract;**
- 5 Confirms that the decision has a low level of significance.**

**Bruning/Thompson
CARRIED**

16.6 Health, Safety and People Report

Karen Aspey – People & Capability Manager and Chris Wood – Health & Safety Manager presented this item.

Key Points

- A small number of fixed-term contractors were remunerated below the living wage
- There was no Local Government benchmarking with regards to incidents
- The reported incidents did not cause concerns as no trends had been identified
- Council was currently exploring satellite based technology as an alerting system for increased staff safety

- More detailed exit interviews had been implemented to gather information regarding why staff left the organisation.

Resolved

That the Regional Council:

- 1 Receives the report, Health, Safety and People Report;
- 2 Notes the information set out in the reports.

Love/Thurston
CARRIED

16.7 Amendment to Chief Executive's Financial Delegation

The report was withdrawn as it would instead be presented to the next meeting of the Audit and Risk Committee.

17 Public Excluded Section

Resolved

Resolution to exclude the public

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

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

General Subject of Matter to be Considered	Reason for passing this resolution in relation to this matter	Grounds under Section 48(1) LGOIMA 1987 for passing this resolution
17.2 Public Excluded Regional Council Minutes – 2 August 2018	Please refer to the relevant section in the open minutes	Good reason for withholding exists under Section 48(1)(a)
17.5 Rotorua Catchments Land Use Advice and Support Service - Procurement Plan for Land Use Advisors	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)
17.Awatarariki Fanhead Indicative Business Case	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)

Leeder/Bruning

CARRIED**18 General Business****Discharge Consent - Rotorua**Key Points - Staff

- A discharge consent that was considered controversial had been sought within the Rotorua catchment
- Noted that the Chief Executive had delegated authority to approve the consent
- If granted, the consent was likely to be appealed to Environment Court.

Passing of Former Council Staff MemberKey Points - Members

- Recognised that a previous staff member, Megan Scott, had passed away and that the funeral would take place tomorrow. Flowers would be sent by Council.

Eastern BoP Regional Growth Leadership Group PresentationKey Points - Chief Executive

- The matter of Council's support of the developments in Eastern Bay of Plenty would be presented to Council at the 27 September 2018 meeting.

Rotorua Lakes Council Court HearingKey Points - Chief Executive

- The Court hearing was scheduled for January 2019.

The meeting closed at 3.18 pm

Confirmed DATE

Chairman D Leeder
Bay of Plenty Regional Council

Reports

Receives Only – No Decisions



Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Douglas Leeder, Council Chairman

Chairman's Report

Executive Summary

Since the preparation of the previous Chairman's Report (for the 6 September 2018 Council meeting) I have attended and participated in a number of meetings and engagements as Chairman on behalf of the Bay of Plenty Regional Council.

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

Recommendations

That the Regional Council:

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

1 Purpose

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

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

2 Meetings and Engagements

Date	Meeting/Engagement	Comment
30 August	Bay of Plenty Regional Council staff organisation day - <i>Rotorua</i>	Attended, to speak and present long service awards to staff.
31 August	Regional Sector Group Meeting - <i>Wellington</i>	This is covered in more detail in the following section.

Date	Meeting/Engagement	Comment
1 September	NZ Chambers of Commerce Eastern Bay Business Vitality, Horizon Energy Group Business Excellence Awards 2018 - <i>Whakatane</i>	Presented the Bay of Connections sponsored, Excellence in Sustainable Practices Award.
3 September	Official Welcome and powhiri for Marty Grenfell, CE of Tauranga City Council – <i>Tauranga</i>	Attended.
5 September	Bay of Plenty Civil Defence Emergency Management Response Seminar – <i>Tauranga</i>	The theme was " <i>Understanding the role of Support Agencies in Emergency Management</i> ".
7 September	SmartGrowth Leadership Group Workshop – <i>Tauranga</i>	Attended.
	Food Matters Aotearoa Lunchtime Talk: Dr Jonathan Latham - <i>Tauranga</i>	Dr Latham spoke about Advanced Gene Editing in agriculture, food and biosafety regulation.
9 September	Draft Plan Change 14 (OSET) Matata (Maintenance Zone) community consultation session - <i>Matata</i>	Councillors Clark and Marr also attended.
12 September	Breakfast meeting with Tauranga City Council and Western Bay of Plenty District Council Mayors - <i>Tauranga</i>	Attended.
	Fresh Water Iwi Hui – <i>Rotorua</i>	Attended.
19 September	SmartGrowth Leadership Group Meeting- <i>Tauranga</i>	Attended.

3 Matters of Potential Interest

3.1 Regional Sector Group (RSG) Meeting

At the RSG meeting on 31 August 2018, for regional/unitary council Chairs/Mayors and Chief Executives, a variety of topics were discussed with a focus on items covering:

- Biosecurity – discussion on the Biosecurity Strategy 25 and Wilding Conifer Control Programme. The latter has a good partnership model between the Ministry for Primary Industries and regional councils.
- Dung Beetles – Dung Beetle Innovations spoke about dung beetles being used as an additional tool to improve water quality and soil degradation and its loss.

Minister of Local Government, Hon Nanaia Mahuta attended the meeting and spoke about the Three Waters Review and the National Policy Statement for Indigenous Biodiversity (NPSIB).

In regards to the Three Waters Review, the government will look first at drinking water and environmental regulation. This will be followed by economic regulation. The local government sector indicated that we want to work with central government to ensure the evidence base used to make their decisions is as robust as possible, particularly when any changes to the current framework for environmental regulation and the delivery of the three waters services are considered.

The Biodiversity Collaboration Group has been developing the NPSIB which they will present to the Minister. Regional Councils will work with central government officials to test the NPSIB before it is finalised for consultation.

Doug Leeder
Chairperson

for Council Chairman

18 September 2018



Receives Only – No Decisions

Report To: Regional Council
Meeting Date: 27 September 2018
Report From: Fiona McTavish, Chief Executive

Chief Executive's Report

Executive Summary

The purpose of this report is to provide Council with a regular update on progressing council strategic issues as well as identifying the related Council papers in this agenda.

It shows that the current focus is on several strategic issues and there are also related Council agenda papers on these issues.

This report will continue to evolve based on Councillor feedback.

Recommendations

That the Regional Council:

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

1 Purpose

The purpose of this report is to provide Council with a regular update on progressing council strategic issues as well as identifying the related Council papers in this agenda.

2 Strategic Issues Update

Strategic Issue	Update	Key Focus for Past Month
<p>Confirming BOPRC Role and Priorities</p>	<p>People and culture changes are progressing within Council with the new organisation Kekewai Day completed and Leadership Team now confirmed. The Leadership Team are implementing the following LTP priorities: Consents processing timeframes, managing growth/effects of growth Transport, preparation for the impacts of climate change, REM2020 and Capital Works.</p>	<p>Yes</p>
<p>Climate Change</p>	<p>The key focus for staff has been progressing the Draft Climate Change Action Plan. Staff are making progress towards CEMARS certification which will provide baselines and targets for a number of internal activities (such as energy use and vehicle fleet management). Certification requires the development of an Energy and Carbon Management Policy and Plan.</p> <p>COBOP, as a regional forum, is looking at what multi agency response on climate change would be beneficial. Action planning across local government in the Bay of Plenty is also being looked at within COBOP to share learnings and to look for consistency where possible.</p> <p>There continues to be a number of opportunities to increase staff knowledge around the climate change topic (such as LGNZ symposiums). Central Government is currently seeking views on the review of the ETS.</p> <p>Appointment processes are currently underway for two LTP positions: a Climate Change Adaptation Advisor (Engineering) and a Climate Change Planner (Natural Resources Policy).</p>	<p>Yes</p>

Strategic Issue	Update	Key Focus for Past Month
Biosecurity and Urban Growth	<p>Focus has been on sustainable urban growth in the Western Bay and progressing the Urban Form and Transport Initiative. The SmartGrowth Strategic Leadership Team is due to approve related recommendations at its 19 September meeting.</p> <p>Council made key decisions on the Regional Pest Management Plan at the earlier September meeting and there is a report back on investigating working with Department of Conservation planned for later this calendar year.</p>	Yes
Regional Development	<p>Staff have been working towards Progressing the Eastern Bay of Plenty Regional Leadership Group Report. I met with the Provincial Growth Fund Independent Advisory Panel on 17 and 18 September and toured the Eastern bay with this panel. There are related council agenda items for this strategic issue.</p>	Yes
Uncertain Operating Environment	<p>Work is being prioritised to enable key staff to be involved in national water advisory groups.</p>	Yes
Managing Iwi Expectations	<p>There are separate agenda items on this council agenda to update on Treaty claims and settlements in the region. A focus for the past month is working with the Te Arawa Lakes Settlement Trust on how we strengthen partnership protocols.</p>	Yes

Strategic Issue	Update	Key Focus for Past Month
Strategic Conversations/Partner Consequences	<p>A key highlight was meeting with the external audit team to provide feedback into the 2017/2018 Annual Report. Approving this annual report is a key agenda item for this meeting and has also been considered by the Audit and Risk Committee.</p> <p>Key conversations include with the Western Bay Territorial CEOs, Upper North Island Strategic Alliance as well as the Port of Tauranga. There is a related Council agenda item on the proposed Western Bay of Plenty District Council Boundary Alteration-Tauriko West.</p>	Yes

Fiona McTavish
Chief Executive

19 September 2018



Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Mat Taylor, General Manager, Corporate Performance

Annual Report and Annual Report Summary for 2017/18; and Capital Expenditure Budget Carry Forward from 2017/18 to 2018/19

Executive Summary

This report presents the Annual Report and Consolidated Financial Statements, and Annual Report Summary for the year ending 30 June 2018 to Council for adoption and provides an overview of the non-financial and financial performance in the reports.

The Annual Report contains both Council and Group results. Group results include our 100% Council-owned subsidiary, Quayside Holdings Limited. Quayside Holdings has a 54.14% share in the Port of Tauranga Limited.

The 2017/18 financial year ended with a Council operating deficit of \$18 million, compared to a budgeted deficit of \$26.7 million. We delivered our work programme through operating expenditure of \$118.3 million (2016/17: \$105.1 million) which was \$6.4 million less than the budget of \$124.7 million. We also delivered a significant capital works programme with capital expenditure of \$36.5 million (2016/17: \$16.7 million) which was \$ 6.9 million less than the budget of \$ 43.4 million.

The Group recorded an operating surplus of \$74.9 million after income tax (2016/17: \$62.4 million). This was an increase of \$12.5 million compared to last year.

We also measured Council's performance through 46 Key Performance Indicators (KPIs). We achieved 40, did not achieve six, therefore we achieved 87% of our KPIs for 2017/18 (2016/17: 82%).

The main reasons for financial and non-financial variations are outlined in sections 3 and 4 of this report.

This report also includes a summary of the rates remissions by territorial authority for 2017/18 in section 7, in addition to the capital expenditure budget carry forward request from 2017/18 to 2018/19 in section 8.

The draft Annual Report and draft Annual Report Summary for the year ending 30 June 2018 were presented to the Audit and Risk Committee on the 11 September 2018; important but relatively minor updates requested at that meeting have been incorporated into the attached draft documents. The Committee endorsed the draft Annual Report and draft Annual Report Summary for the year ending 30 June 2018, for adoption by Council.

At the time of writing this report Audit New Zealand are completing their final review of the Annual Report.

Staff anticipate receiving verbal audit clearance from Audit New Zealand prior to the Council meeting. Ben Halford (Director, Audit New Zealand) will present the audit report and audit opinion at this meeting. Audit Manager, Anton Labuschagne will also be attending the meeting.

The Annual Report (supporting document) and Summary Annual Report for the year ending 30 June 2018 (Appendix 1) are available in Stellar Library.

Recommendations

That the Regional Council:

- 1 Receives the report, Annual Report and Annual Report Summary for 2017/18; and Capital Expenditure Budget Carry Forward from 2017/18 to 2018/19;**
- 1 Receives the audit report and audit opinion from Audit New Zealand.**
- 2 Adopts the Bay of Plenty Regional Council Annual Report and Consolidated Financial Statements for the year ending 30 June 2018.**
- 3 Adopts the Bay of Plenty Regional Council Annual Report Summary 2017/18.**
- 4 Authorise the Chief Executive to make minor numerical, editorial or presentation amendments prior to final publication.**
- 5 Approves additional capital expenditure budget of \$1.4 million to be carried forward from 2017/18 to 2018/19 and that this is to be funded from external borrowing.**
- 6 Confirms that the decision has a low level of significance.**

1 Introduction

The Local Government Act 2002 s98(3) requires Council to adopt its Annual Report within four months of the financial year end. The draft Annual Report and draft Annual Report Summary for the year ending 30 June 2018 were presented for review to the Audit and Risk Committee on 11 September 2018.

Since that meeting, feedback from Councillors, further audit amendments and other enhancements have been made and incorporated into the attached documents. Any further key changes requested by Audit will be tabled at the Regional Council meeting.

At the time of writing this report, Audit New Zealand are completing their final review of the Annual Report. Staff anticipate receiving verbal audit clearance from Audit New Zealand prior to the Council meeting. Audit New Zealand will present their Audit Report and Audit Opinion at the meeting.

2 Overview of Council and Group Performance for 2017/18

During 2017/18 the focus was on delivering commitments for Year Three of the Long Term Plan 2015-2025.

The Annual Report contains both Council and Group results. Group results include our 100% Council-owned subsidiary, Quayside Holdings Limited. Quayside Holdings has a 54.14% share in the Port of Tauranga Limited.

The 2017/18 financial year ended with a Council operating deficit of \$18 million, compared to a budgeted deficit of \$26.7 million. We delivered our work programme through operating expenditure of \$118.3 million (2016/17: \$105.1 million) which was \$6.4 million less than the budget of \$124.7 million. We also delivered a significant capital works programme with capital expenditure of \$36.5 million (2016/17: \$16.7 million) which was \$ 6.9 million less than the budget of \$ 43.4 million.

The Group recorded an operating surplus of \$74.9 million after income tax (2016/17: \$62.4 million). This was an increase of \$12.5 million compared to last year.

We also measured Council's performance through 46 Key Performance Indicators (KPIs). We achieved 40, did not achieve six, therefore we achieved 87% of our KPIs for 2017/18 (2016/17: 82%).

Highlights of work delivered during the year broken down for each of the nine Groups of Activity are included in the Annual Report Summary 2017/18 (Appendix 1).

The main reasons for financial and non-financial variations are outlined in sections 3 and 4 of this report.

3 Council's Financial Results

The main reasons for Council's variances to budget are as follows:

3.1 Operating Revenue

We budgeted for \$98.1 million in operating revenue and received \$100.4 million; \$2.3 million more than budget. This is mainly due to:

- Subsidies and grant revenue - \$1.4 million less than budget. This is mainly due to the Rotorua Lakes Activity Land Use Change Incentive Scheme payments deferred from 2017/18 to 2018/19 and the corresponding funding not being received in 2017/18 from the Ministry for the Environment (MfE);
- Trading and other revenue – \$2.1 million more than budget due to an increase in user fees and charges and other revenue;
- Other gains - \$1.3 million more than budget mainly due to gain on sale of fixed assets, and investment revaluations.

3.2 Operating Expenditure

We budgeted for \$124.7 million in operating expenditure and spent \$118.3 million; \$6.4 million less than budget. This is mainly due to:

- \$3.7 million of flood work being classified as capital. This had been budgeted for as operating expenditure; and
- \$2.3 million underspend on Land Use Change Incentive Scheme payments as noted above.

3.3 Capital Expenditure

We spent \$36.5 million in capital expenditure compared to a budget of \$43.4 million; \$6.9 million less than budget.

We spent \$23.8 million on Rivers and Drainage assets, with the largest projects being the Rangitāiki floodway works, the Kopeopeo Canal Remediation Project and flood repair works. Other major capital projects included the Regional House refurbishment (\$4.2 million), Quay Street Building refurbishment (\$1.8 million) and the Tikitere Diversion Project (\$0.8 million).

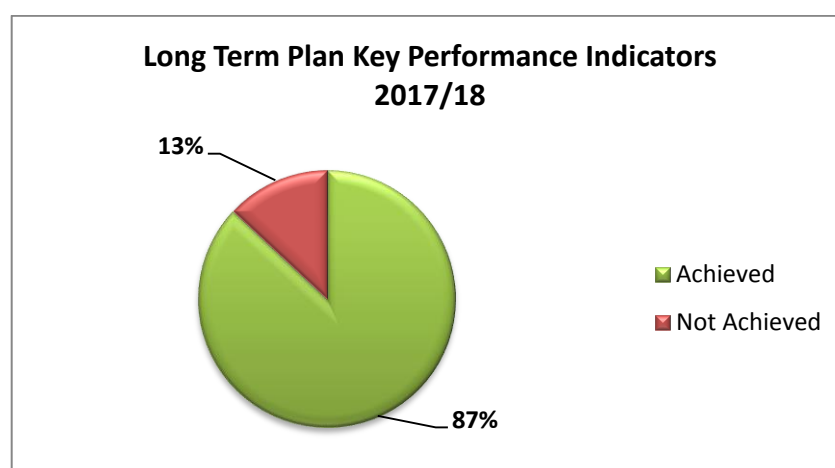
Several projects were not delivered in 2017/18 as originally planned. Budgets for some of these capital projects have been re-profiled to 2018/19 or later years through the Long Term Plan 2018-2028 process, depending on the revised project timelines. Section 8.2 of this report lists additional capital projects that are requested to be carried forward to 2018/19.

Pages 6 to 8 of the full Annual Report provide explanations for the variations to budget.

4 Council's Non-Financial Results

We measure how we are performing by monitoring and reporting against the Key Performance Indicators (KPIs) for our Levels of Service outlined in the Long Term Plan 2015-2025.

In 2017/18 we are reporting on 46 KPIs across our activities. During the year we achieved 40 of our KPIs, did not achieve six and therefore we achieved 87% of our KPIs for 2017/18.



In comparison, for 2016/17 we reported on 44 KPIs and achieved 36 (82%) targets, did not achieve six and no data was available for two KPIs.

The following table provides further information on the six KPIs that were not achieved during 2017/18.

KPIs not achieved in 2017/18:

Activity	Level of service	Key Performance indicator	2017/18 Target	Comments
Tauranga Harbour	The Council works with iwi, landowners and the community groups to improve Tauranga Harbour's indigenous biodiversity, including coastal margins	Number of additional kilometres of waterway margin in the Tauranga Harbour catchment protected to reduce sediment, nutrient and/or bacterial contamination of water.	50	<p>The target for this KPI was not achieved for 2017/18. In total 35 km of waterway margin was protected this year.</p> <p>Over the past three years, 153 km of riparian margin has been protected. This exceeds the cumulative target of 150 km set for the first three years of the Long Term Plan 2015-2025.</p> <p><u>Previous result 2016/17</u> Target: 50 Result: 50</p>
Rotorua Lakes	Water quality in the Rotorua lakes makes long-term progress towards each lakes Trophic Level Index (TLI) in the Regional Water and Land Plan.	Percentage reduction in exports of nitrogen from the Lake Rotorua catchment in accordance with the Integrated Framework and engineering solutions target.	13%	<p>The 13% target has not been achieved, with a 9.3% reduction achieved. This represents 30 tonnes of nitrogen (actual reduction achieved at lake) calculated as a percentage of 320 tonnes of nitrogen (total reduction required by 2032 as set out in Regional Policy Statement). Note: the 30 tonnes Nitrogen (tN) reduction includes; 0.41 tN - gorse agreements, 18.89 tN – incentives agreements, 9.74 tN - wastewater reticulation or OSET upgrades, and 1.23 tN - lake protection agreements.</p> <p>Although tracking behind target, progress has been made to deliver the large reductions required in the coming years to achieve the 2032 target including through completion of land use incentives agreements which have nitrogen reductions locked into title deeds. Note that once an Incentives Agreement and Deed is signed, the reduction is deemed achieved.</p> <p><u>Previous result 2016/17</u> Target: 12% Result: 5.4%.</p>

Rotorua Air Quality	Air quality in the Rotorua Local Air Management Area (LAMA) meets the National Environmental Standard for Air Quality.	Number of exceedences of PM ₁₀ in the Rotorua LAMA (exceedences of the NESAQ standard).	3	<p>The target of a maximum of 3 exceedences was not achieved. A total of 7 exceedences were recorded for the year. The target of 3 is set by central government under the National Environmental Standards for Air Quality (NESAQ) regulations.</p> <p>The trend for PM10 concentrations reducing over the past ten years is positive, and the Rotorua Air Activity remains focused on working towards the National Environmental Standard for Air Quality time frame and targets for 2020.</p> <p>In 2017/18, we supported the conversion of 148 solid fuel heaters to clean heat devices through the Hot Swap and Low-Income Heating Grants schemes. This brings the total number of conversions we have supported through Council's clean heat programmes to 2,782. To meet the National Environmental Standards for Air Quality, it is estimated that a total of 7,650 non-compliant solid fuel burners need to be retrofitted. In addition to the conversions supported by Council, it is expected that the majority of conversions will be undertaken without assistance from Council. From 31 January 2020 all remaining non-compliant solid fuel burners use will be prohibited.</p> <p><u>Previous result 2016/17</u> Target: 3 Result: 15</p>
Resource Consents	Decisions on resource consent applications are made in a timely manner following a robust process.	Percentage of applications processed within statutory timeframes.	99%	<p>276 of 500 (55%) consents for which decisions were made during the period were processed within statutory timeframes. Applications are prioritised to minimise impacts on consent applicants. For example, applicants who can continue to operate under their previous consents will be a lower priority.</p> <p>This target was not achieved due to a number of factors, these include; constraints on resourcing, an increase in complexity of resource consents, additional Iwi consultation requirements and a greater volume of consents to be processed, driven by unprecedented growth throughout the region, particularly in the Western Bay of Plenty.</p> <p>In 2018/19 Council will focus on seeking opportunities for improving systems and timeframes for processing Resource Consents.</p> <p><u>Previous result 2016/17</u> Target: 99% Result: 67%</p>

Passenger Transport	The Council provides a quality public transport system where fares cover a reasonable proportion of operating costs.	Fare Recovery Ratio	36%	<p>The annual regional fare recovery ratio was 28.6%, 7.4% below target. This is a reflection of the reductions in patronage across all services and a high concession-fare passenger mix in Tauranga.</p> <p>Over the past few years Council have increased the extent and frequency of bus services across the region in response to population growth. In addition, following public consultation in 2017, the Western Bay of Plenty Public Transport Blueprint was confirmed which will mean more buses, more frequently, on improved routes for many in Tauranga and the western Bay, increasing the level of service provided.</p> <p><i>Previous result 2016/17</i> <i>Target: 35%</i> <i>Result: 31%</i></p>
Passenger Transport	The Council provides a quality public transport system where fares cover a reasonable proportion of operating costs.	Percentage of Tauranga and Rotorua bus users whose overall satisfaction with the bus service is rated as satisfactory or higher (Triennial survey).	77%	<p>This Key Performance Indicator was not achieved, with 56% of Tauranga and Rotorua bus users rating their overall satisfaction with the bus service as satisfactory, or higher (rating 8 or higher on a scale of 0 to 10).</p> <p>Over the past few years Council have increased the extent and frequency of bus services across the region in response to population growth. In addition, following public consultation in 2017, the Western Bay of Plenty Public Transport Blueprint was confirmed which will mean more buses, more frequently, on improved routes for many in Tauranga and the western Bay, increasing the level of service provided.</p> <p><i>Previous result 2016/17</i> <i>No result recorded for 2016/17</i></p>

5 Audit Opinion

Staff anticipate receiving verbal audit clearance from Audit New Zealand prior to the Council meeting. Ben Halford (Director, Audit New Zealand) will be present at this meeting, and will provide the audit opinion.

6 Next steps – Annual Report 2017/18

The Local Government Act requires Council to release the Annual Report and Summary to the public within one month of being adopted.

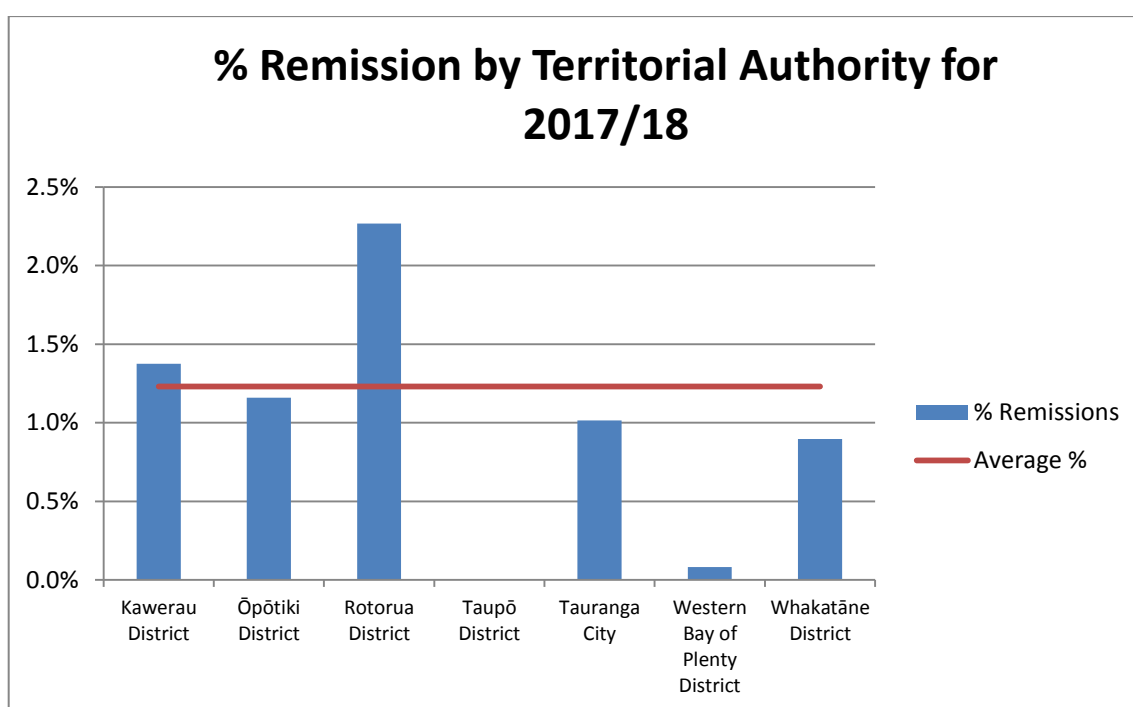
It is planned that the documents will be released on the website within a week, and printed copies will be available within a fortnight.

7 Rates Remission 2017/18 Summary

Total remissions of \$0.5 million were given during 2017/18 which equates to 1.1% of the total rates collected of \$39.5 million.

The following table and graph shows the rates remissions approved per territorial authority as a percentage of rates collected.

Territorial Authority	Total Rates \$000	Total Remissions	% Remissions
Kawerau District	\$ 498	\$ 7	1.4%
Ōpōtiki District	\$ 1,824	\$ 21	1.2%
Rotorua District	\$ 9,700	\$ 220	2.3%
Taupō District	\$ 147	\$ -	0.0%
Tauranga City	\$ 14,070	\$ 143	1.0%
Western Bay of Plenty DC	\$ 5,750	\$ 5	0.1%
Whakatāne District	\$ 7,558	\$ 68	0.9%
Offshore Island	\$ 24	\$ 24	100.0%
Total	\$ 39,571	\$ 487	1.2%



8 Expenditure carry forward requests

8.1 2017/18 Capital Expenditure Budget

The capital expenditure budget for 2017/18 was \$43.4 million. During 2017/18, through the in-year financial monitoring Council Performance Monitoring Report (CPMR) a further \$4.9 million capital expenditure was approved by Council resulting in a revised capital expenditure budget of \$48.3 million. Actual expenditure was \$36.5 million, which resulted in a variance against revised budget of \$11.8 million.

The variation of actual capital expenditure to the Annual Plan 2017/18 budget is shown in the table below.

2017/18	Annual Plan \$m	Revised Budget \$m	Actual \$m	Variance to Annual Plan \$m	
Capital Expenditure	43.4	48.3	36.5	(6.9)	Underspend

8.2 Additional Capital Items to be Carried Forward into 2018/19

Since the finalisation of the Long Term Plan 2018-2028, \$1.4 million now requires Council's approval to be carried forward to 2018/19 and to be funded by external borrowing.

Activity	Description	2018/19 \$000	Rationale
Rivers & Drainage Schemes	Kaituna - Ford Road	88	Work programme reprioritised and work rescheduled for 2018/19.
Rivers & Drainage Schemes	Rangitaiki Tarawera - Modelling	66	Work programme reprioritised and work rescheduled for 2018/19.
Rivers & Drainage Schemes	Waioeka Otago - Renewals	100	Work programme reprioritised and work rescheduled for 2018/19.
Rivers & Drainage Schemes	Whakatane Tauranga - Stopbank	112	Work programme reprioritised and work rescheduled for 2018/19.
Rivers & Drainage Schemes	Rangitaiki Drainage - Section 109 canal	294	Work programme reprioritised and work rescheduled for 2018/19.
Data Services	Engineering flow stations, Aquarius modelling, Laboratory equipment, Annual upgrade	62	Work reprioritised into 2018/19 and decision it was prudent to wait for lab re design.
Geospatial	Spatial Modelling	50	Project rescheduled for 2018/19.
Information and Communication Technology	End User Computer - Property Upgrade	140	Work rescheduled to align timing with building construction work.
Information and Communication Technology	Accela	83	Carry over for completion of project.
Information and Communication Technology	Data/Business Intelligence Projects	87	Work to support delivery of the new website
Passenger Transport	Real-time bus tracking	119	Implementation of Real-time bus tracking rescheduled, impacted by contract/ establishment of new routes.
Passenger Transport	Electronic Ticketing (net of subsidy)	200	Roll out of Regional Integrated Ticketing System delayed.
Total Capital Expenditure to be carried forward (funded by debt)		1,401	

9 Financial Implications

9.1 Current Budget

An additional \$1.4 million capital expenditure carry forward is required from 2017/18 to 2018/19. This will be funded from external borrowing.

There are no further current budget implications resulting from the Annual Report 2017/18.

9.2 Future Implications

There are no future budget implications relating to the Annual Report 2017/18 and Summary in addition to those identified within the report.

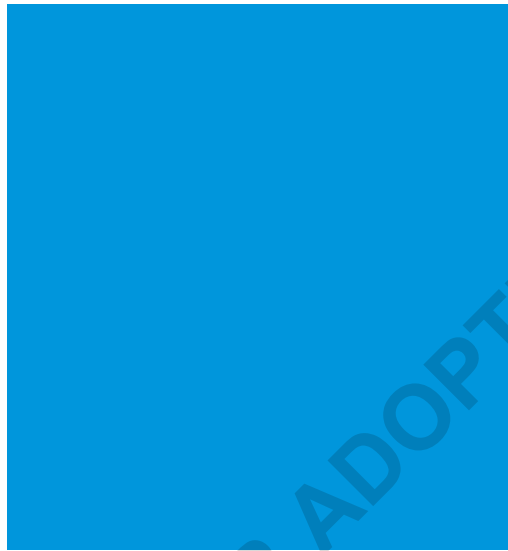
Debbie Hyland
Finance and Corporate Planning Manager

for General Manager, Corporate Performance

19 September 2018

APPENDIX 1

Annual Report 2017-18 Summary - for adoption



Annual Report Summary

Te Mahere ā-Tau whakarāpopoto

For the financial year 1 July 2017 to 30 June 2018



**BAY OF PLENTY
REGIONAL COUNCIL
TOI MOANA**



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Our year in review

Our focus has been on delivering what we said we would do for Year Three of our Long Term Plan 2015-2025 while planning for the future.

Our operating environment continued to change, and that influenced our work programmes during the year. Throughout the year we developed and consulted with our community on our Long Term Plan 2018-2028 consultation document. This gave us the opportunity to engage with a wide range of stakeholders including the general public, iwi, local authorities, community boards, and business and helped inform how we will deliver our activities for our community over the next 10 years. This included an aim to future-proof the region against Climate Change by supporting adaptation measures across all Council activities.

We also maintained a strong focus on water management, with progress made implementing the Government's National Policy Statement for Freshwater Management. This included finalising values and objectives for Kaituna and Rangitaiki Water Management Areas (Plan Change 12) while continuing modelling work. This contributes to setting limits for policy to care for water quality and quantity in the region.

Improving water quality in Rotorua's lakes continued to be a significant part of our work during the year. The Lake Rotorua Incentives Scheme progressed, with six incentive agreements put in place that, when fully implemented, will see 11.5 tonnes of nitrogen permanently removed from Lake Rotorua.

The Tauranga Harbour Catchment saw strong progress throughout the year, with 340 tonnes of sea lettuce and 1,000 kg of rubbish removed from foreshores, streams and estuaries.

Repairs on our flood defence assets continued in the wake of the flooding experienced in April 2017, particularly in Edgecumbe, but also in other areas throughout the region. Repair works have been progressing ahead of the original programme schedule and 119 (23%) of the highest priority work sites have been completed.

Remediation of the Kopeopeo Canal continues to be a high priority project for Council. Early progress on works has commenced, including the construction of two containment sites, two flood control structures

and dredging contaminated sediment of 1.8 kms of the overall 5.1 km canal length.

Significant progress has been made to support the Kaituna River Re-diversion and Ongatoro/Maketu Estuary Enhancement Project and more than 100 people, including representatives from six Te Arawa iwi gathered at Tukotahi Marae to celebrate the start of construction work on 12 June 2018. In conjunction, the Papahikahawai Island Biodiversity Management Plan is on track with 90% of all plants now in, as a result of 20,000 new plants put in during the winter of 2018.

Bus services continued for Tauranga, Rotorua and rural areas with over 2.9 million passengers boarding the services throughout the year. The Western Bay of Plenty Public Transport Blueprint was completed and approved. The Transport Planning Activity completed a review of the Regional Land Transport Plan and submitted this to the New Zealand Transport Agency.

Māori have continued to make a significant contribution to the region and over the past year, we have continued to collaborate with Māori through our work across the region. We are also continuing to support the capacity of Māori to participate in council decision making processes including through Komiti Māori Council Meetings and support for iwi members on Treaty co-governance forums.

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. Our performance was monitored and reported through 46 Key Performance Indicators (KPIs) during the year and we achieved 40 (87%) of our KPIs for the year.

We delivered our work programme through operating expenditure of \$118.3 million compared to a budget of \$124.7 million. We also delivered a significant increase in our capital works programme with capital expenditure of \$36.5 million, compared to \$16.7 million in 2016/17.

As we look ahead to 2018/19, we are excited about building on the progress we have made to date and to deliver on our new Long Term Plan.



Douglas Leeder
Chairman



Fiona McTavish
Chief Executive

Our vision

Tā mātau matakitenga

Thriving together – mō te taiao, mō ngā tāngata

Our vision reinforces the connection between our environment and our people. Our focus is on ensuring both thrive.

We need to protect and maintain our unique environment because natural resources, such as water, air and land, are vital to how we live. They are what give us sustenance, form the basis of our economy and generate our sense of community. We have an obligation to balance enjoying and using this environment now with protecting it for future generations.

In achieving our vision, our work is focused under five community outcomes:

Water Quality and Quantity

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

Environmental Protection

We maintain and enhance regional biodiversity and our air, land, freshwater, geothermal and coastal resources for the benefit of our communities. We support others to do the same.

Resilience and Safety

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

Regional Collaboration & Leadership

We have established the region's priorities and strategic direction with our partners and communities. We have collaborated to achieve integrated planning across the Bay of Plenty.

Economic Development

We facilitate and enable initiatives that boost the region's economic performance.

For more information on the Vision, Strategic Issues and Community Outcomes refer to LTP 2015-2025 pages 16, 17, 21, 22.

Working with Māori

The Bay of Plenty has a rich cultural dynamic. There are 37 iwi, approximately 260 hapū and around 224 marae.

As Treaty partners, Māori make a significant contribution to the region through their: ownership of significant investment portfolios; contribution to economic development; participation in co-governance arrangements with councils; and their growing influence in the conservation, preservation and management of natural resources.

We continue to support Māori participation in the decision making processes via Council's Komiti Māori meetings with five hui held in 2017/18. These meetings occurred alongside the approval and implementation of He Korowai Mātauranga Māori – the Mātauranga Māori Framework – which aims to recognise mātauranga Māori in decision making processes. In support of the Mātauranga Māori Framework, Māori staff assisted iwi members on Treaty co-governance forums, namely Te Maru o Kaituna and the Rangitāiki River Forum, facilitated Resource Management Act discussions with iwi and supported Māori constituent councillors and their contributions to Council, further enhancing the understanding of Māori values.

We funded and lodged four iwi/hapū resource management plans while supporting the Office of Treaty Settlements in discussions with Whakatōhea, Ngāti Rangitihi and Te Whānau-a-Apanui on their respective Treaty settlements.

We also received the first Mana Whakahono a Rohe invitation from the Tapuika Iwi Authority, the first invitation received across New Zealand. This was followed by Ngāti Rangiwewehi and Ngāti Te Rangiteaorere forming a collective Mana Whakahono a Rohe in April 2018.

We integrated the Tauranga Moana Iwi Management Plan policies into project outcomes for the Tauranga Moana Programme and supported iwi leadership, representation and partnership opportunities in Bay of Plenty Civil Defence Emergency Management services. We also provided ongoing Resource Management Act advice and support to the National Planning Standards - particularly in regard to the tangata whenua provisions and GIS mapping information and training.

Education opportunities for Māori were provided through the facilitation of another successful programme of activities during Māori Language Week, including contributions to 21 community events through the Te Hapai Ora fund. We also engaged four summer students to assist iwi environmental work programmes while supporting these students through He Toka Tumoana – the Toi Moana Environmental Scholarship Fund.



Integrated Catchment Management

Te Rōpū Whakahaere Whaitua Awa

Integrated Catchment Management
Summary of how we did:

14 Targets achieved

2 Targets not achieved

Overall, we achieved 14 of the 16 targets for the Integrated Catchment Management Group Key Performance Indicators (KPIs) for the 2017/18 year. The targets not achieved were:

- The number of additional kilometres of waterway margin in the Tauranga Harbour Catchment. However, 153 km of riparian margin has been protected and this exceeds the cumulative three-year target of 150 km set.
- The percentage reduction in exports of nitrogen from the Lake Rotorua Catchment.

What we do

The Integrated Catchment Management Group integrates services in five geographic areas of the Bay of Plenty (Tauranga Harbour, Rotorua Lakes, and Kaituna, Rangitāiki, and the Eastern Bay catchments) to assist landowners and community volunteers in protecting the natural character of the land, waterways, harbours and associated forest, wetland and coastal environments in the catchments.

The key benefits that the Integrated Catchment Management activities aim to deliver are water quality and quantity management, erosion control and soil conservation, biodiversity protection and enhancement and coastal dune resilience.

What we did

More than 144 additional kilometres of waterway margin was protected, and biodiversity was actively managed at 80 high value ecological sites and 121 other ecological sites across the five catchments in

the region.

We made further progress on the National Policy Statement for Freshwater Management requirements, by finalising our values and objectives for Kaituna and Rangitāiki Water Management Areas (Plan Change 12) while progressing the modelling work to support limit setting. We focused on our biodiversity programme with the Department of Conservation by starting work on a new biodiversity policy, while completing the production of a regional map to provide site management prescriptions. We also sponsored a number of industry events and used these as a way to communicate and support our biodiversity and sustainable land use projects.

The Rotorua Lakes Activity has continued to deliver a co-ordinated programme of work through the Rotorua Te Arawa Lakes Programme. We partner with Te Arawa Lakes Trust and Rotorua Lakes Council in the Programme, which is part-funded by the Ministry for the Environment and focused on managing long-term water quality via nutrient reduction targets, primarily nitrogen, set in the Regional Policy Statement for Lake Rotorua and other lake action plans.

The Land Use Advice and Support service assists landowners in the Lake Rotorua Catchment with the development of Nitrogen Management Plans, to help ensure they remain under their allocated Nitrogen Discharge Allowance.

This service has become part of our core business and by the end of the financial year there were more than 143 farming enterprises registered for the service, and 80 Nutrient Management Plans in process, or complete.

The Lake Rotorua Incentives Scheme was established to encourage land use change to permanently remove nitrogen from entering the lake. Work to support this scheme progressed throughout the year with five incentive scheme agreements signed in 2017/18, which will result in 11.5 tonnes of nitrogen being permanently removed from Lake Rotorua, once they are fully implemented.

Farm Environment Plans have been developed in the Tarawera Catchments, funded by Council and are a joint project with the Project Rerewhakaitu Incorporated Society, Beef and Lamb New Zealand and Fonterra.

Other highlights from the year included the implementation of lake water quality action plans, the investigation of lake restoration options, supporting the Chair in Lakes Water Quality at the University of Waikato and monitoring interventions.

Activity in Tauranga Harbour Catchment progressed well during 2017/18. 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 continued to implement 136 Environmental Programme agreements, of which 26 were new this year, to protect water quality and biodiversity sites with landowners, while successfully engaging with landowners to begin negotiations for water quality improvements upstream of Kaiate Falls. Through our Environmental Programmes, 35 kms of waterway margins have been protected and 112 ha of land use change implemented. We also worked with the Uretara Estuary Managers to secure \$250,000 of Ministry for the Environment funding for catchment work in four Katikati catchments.

Other significant work during the year included completing the Opureora Channel dredging; a successful Happy Harbour Fun Day event; completing a review of the Te Awanui Tauranga Harbour programme; removing 340 tonnes of sea lettuce from the harbour; planting 31,000 coastal plants while using more than 4,200 volunteer hours and removing 1,000 kg of rubbish during seven stream and estuary litter clean-ups.

We have continued to work with tangata whenua, district and city councils, Government agencies and community organisations, to deliver a coordinated programme of work to care for land, water and wildlife in the Tauranga Harbour Catchment, while supporting registered Care Groups and Estuary Care Groups.

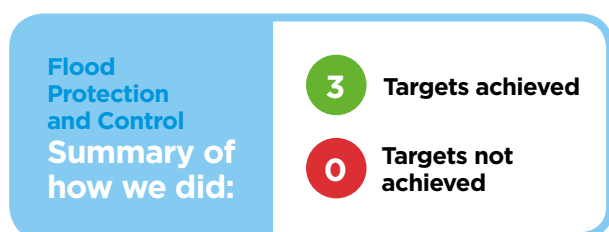
In the Kaituna Catchment, significant progress has been made to support the Kaituna River Re-diversion and Ongatoro/Maketu Estuary Enhancement Project. Stage Two construction procurement has been completed and more than 100 people, including representatives from six Te Arawa iwi gathered at Tukotahi Marae to celebrate the start of construction works on 12 June 2018. In conjunction, the Papahikahawai Island Biodiversity Management Plan is on track with 90% of all plants now in, as a result of 20,000 new plants put in during the winter of 2018.

Progress continued throughout the year on the Rangitāiki River Forum and industry/iwi partnership projects, with Te Ara Whānui O Rangitāiki – Pathways to the Rangitāiki, and success in including provisions into Council's Regional Policy Statement.

We continued work on the Ōhiwa Harbour Implementation Forum and industry/iwi partnership projects, with the Ōhiwa Harbour Strategy continuing to be delivered. During 2017/18, two hui and two workshops were held with the Ōhiwa Harbour Implementation Forum reporting on the implementation of the Ōhiwa Harbour Strategy and wider catchment issues.

Flood Protection and Control

Te Rōpū Kaupare me te Whakahaere Waipuke



We achieved all of the three targets for the Flood Protection and Control Group Key Performance Indicators (KPIs).

What we do

We are responsible for managing the rivers and drainage schemes for five major, and 37 minor river and drainage schemes in the region. Our responsibilities include providing flood protection stop banks, flood pump stations, floodgates and erosion control structures and constructing floodways. We carry out regular maintenance of structures, stream clearing and lake level monitoring and management for Lakes Rotorua and Rotoiti. Additionally, we provide leadership, management, information and advice on flood related issues in order to help manage flood risks and flood hazards in the Bay of Plenty.

The Kopeopeo Canal Remediation Project is also delivered under this Activity.

What we did

In April 2017, our region experienced a significant weather event (Cyclone Debbie) resulting in serious flooding, particularly from the Rangitaiki River at Edgecumbe, but also in other areas throughout the region. The event caused extensive damage to our flood defences and subsequently the work to carry out repairs has been a priority during 2017/18. Repair works have been progressing ahead of the original programme schedule and 119 (23%) of the highest priority work sites have been completed. Council has

incurred costs for flood repairs that are expected to be partially recoverable in future years from the Government and insurance. In addition, flood risk coordination works have continued to be developed to support the flood protection works. This includes optioneering, river and geotechnical analysis, surveying and modelling.

Remediation of the Kopeopeo Canal continues to be a high priority project for the Council. The project is co-funded by the Ministry for the Environment and early progress on works has commenced, including the construction of two containment sites, two flood control structures and sediment dredging of 1.8 kms of the overall 5.1 km canal length. Ongoing community engagement continues via the regular Community Liaison Group Meetings, updates to the project website and reporting to stakeholder groups.

Work on the Rangitāiki Floodway project continued during the year with Stage 4 well underway and resource consents for variations within the project have been lodged.



Resource Regulation and Monitoring

Te Rōpū Whakarite Rawa me te Aroturuki

Resource Regulation and Monitoring
Summary of how we did:

6 Targets achieved
2 Targets not achieved

We achieved six of the eight targets for the Resource Regulation and Monitoring Group Key Performance Indicators (KPIs). The targets not achieved were the percentage of applications processed within statutory timeframes in the Resource Consents Activity; and the number of exceedances of the Rotorua air quality target. One KPI from this group of activities was not due to be reported on this year.

What we do

Our Resource Regulation and Monitoring Group provides a range of services direct to the community, including:

- Biosecurity – provides regional leadership in pest plant and pest animal management.
- Rotorua Air Quality – improves the quality of the Rotorua urban airshed.
- Resource Consents – processes and makes decisions on resource consent applications under the Resource Management Act 1991 and/or rules in our regional plans.
- Pollution Prevention – ensures development activities involving water, geothermal, air, land and coastal resources do not negatively impact on the natural environment or put people's health at risk.
- Maritime – ensures navigation safety and maritime oil spill response is provided 24/7 in the Bay of Plenty region.

What we did

We continued to deliver on core business activities

including the implementation and review of the Marine Biosecurity Management Plan and the continued management of the Mediterranean fanworm and clubbed tunicate in the Tauranga Harbour. We also detected and investigated Asian paddle crab incursions in Tauranga Harbour.

We progressed with the delivery of the Regional Pest Management Plan and identified several new pest incursions, including a significant expansion of catfish within Lake Rotoiti.

We significantly reduced the abundance of Noogoora bur and had success in initial controls of Spartina at Maketū. We also undertook biological controls with releases of Tradescantia rust, Privet lacebug, and broom gallmite. Other agents, including the woolly nightshade lacebug and Californian green thistle beetle were redistributed around the region from established sites.

A number of actions in the wallaby programme have been completed in support of the goal to contain the spread of dama wallaby. This programme is a collaboration between Bay of Plenty Regional Council, Waikato Regional Council, and the Department of Conservation. Achievements this year included:

- Development of a national business case to support potential central government funding of wallaby management and a continued focus on the containment of wallabies.
- Control work at Kaharoa has almost completely eradicated the population and the Matahina operation continues.
- An operation at Rotoehu forest has resulted in a 97% reduction in wallaby numbers.

We continued to administer the Rotorua Air Quality Working Party involving Rotorua Lakes Council, Housing New Zealand and the Bay of Plenty District Health Board. We coordinated Council's voluntary targeted rate scheme (the Rotorua Hot Swap Scheme) which supports the rules by allowing property owners, including landlords, to replace their heating and insulation. We also administered the Low-Income



Heating Grant Scheme to give heat pumps or ultra-low emission burners to eligible, low-income owner occupiers in exchange for their non-compliant fires.

Resource consent work increased by 11% from the previous year with 500 applications processed in 2017/18.

We have successfully managed Council's involvement as a consent authority through a number of significant consents and hearings, including:

- Completing an Environment Court hearing for the Rena Consents, with a final decision to uphold Council's decision to grant consent for the remainder of the wreck to remain in place.
- Granting consents to the Rotoiti/Rotomā Sewerage Scheme, the expansion of a water bottling consent at Otakiri Springs, and the construction of the Tauranga Northern Link following public processes.

Pollution Prevention work continued during 2017/18, with 2,834 complaints being received via the Pollution Hotline, an increase of 4% from the previous year.

We continued to deliver a high level of service to customers, responding to 100% of all urgent complaints within 12 hours of receipt of the initial complaint.

We inspected and assessed resource consent compliance, carrying out 2,638 compliance inspections relating to 1,514 individual resource consents. Of these, 75% were fully compliant with consent conditions.

We continued to administer the Waste Resources Advisory Group by allocating \$7,500 of an available \$50,000 funds to the Waste Management Institute New Zealand (\$5,000) and On-Site Effluent Treatment Water New Zealand (\$2,500).

Maritime operations work carried out during 2017/18 included completing both an internal review of the Port and Harbour Safety Code and the safe boating programme for a second year. We also increased the number of summer patrols across the region, provided for full patrols in Ohiwa for the first time and conducted navigational aid maintenance throughout the region.

Transportation

Te Rōpū Ikiiki

Transportation
Summary of
how we did:

- 1 Targets achieved
- 2 Target not achieved

We achieved one of three Transportation Group Key Performance Indicators (KPIs) in 2017/18. The two targets not achieved were the Fare Recovery Ratio and the percentage of Tauranga and Rotorua bus users whose overall satisfaction with the bus service is rated as satisfactory, or higher.

What we do

We provide public passenger transport across the region and mobility for those with limited transport options. We also support national and local road safety programmes and provide transport planning to meet our obligations under the Land Transport Management Act 2003. We aim to support an effective and efficient transport network and establish a more collaborative approach to providing public transport.

What we did

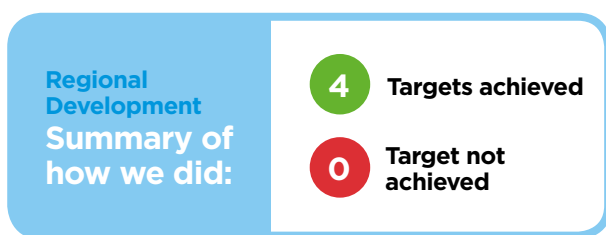
We continued to support the development, implementation and marketing of contracted passenger transport services and regional road safety campaigns during 2017/18. Bus services continued for Tauranga, Rotorua and rural areas with over 2.9 million passengers boarding the services throughout the year, while an additional public transport service was trialled between Waihi Beach, Waihi and Katikati. The Western Bay of Plenty Public Transport Blueprint was completed and approved, incorporating a review of the Tauranga bus network with a new contract awarded in April 2018.

A review of the Regional Land Transport Plan was carried out during the year and this was submitted to the New Zealand Transport Agency. A high level of interest was shown by the community through consultation on the draft plan.



Regional Development

Te Rōpū Whakawhanaketanga ā-Rohe



We achieved all four targets for the Regional Development Group Key Performance Indicators (KPIs) for 2017/18.

What we do

We work collaboratively with a variety of stakeholders to support the development of the Bay of Plenty region. Our efforts centre around three key activities:

- Regional Infrastructure – we provide funding for infrastructure projects, delivered by third parties, to improve economic performance. Funding assistance is provided through direct funding, or through the contestable Regional Infrastructure Fund.
- Regional Economic Development – we provide leadership, facilitation and support across the region for economic development. This is directed through delivery of the Bay of Connections Economic Development Strategy with partner organisations.
- Regional Parks – we provide ownership and management of two key pieces of land (Pāpāmoa Hills Regional Park and Onekawa Te Māwhai Regional Park) for cultural heritage protection, natural environment protection and enhancement, and the long-term enjoyment and benefit of the region's residents and visitors.

What we did

We continued to administer the Regional Infrastructure Fund and provided funding to third party infrastructure projects that have regional significance. This year, Council made contributions towards the Tauranga Marine Precinct, Tauranga tertiary campus and the Te Puna West sewerage scheme. The Ongare Point, Lake Rotoma and Lake Rotoiti sewerage projects have been supported by Council with funding yet to be finalised.

We also completed a review of our funding of third party infrastructure in conjunction with the Long Term Plan 2018-2028, and adopted a new Third Party Infrastructure Funding Policy to assess funding requests.

The Regional Parks Activity continued to deliver planned operational maintenance throughout 2017/18, highlights included:

- Re-planting the area within the Pāpāmoa Hills Regional Park where pine forest was harvested in the summer of 2016/17, including the newly purchased 12.4 hectares.
- Fencing and water infrastructure were improved at the 25 hectare Lennard block.
- In collaboration with tangata whenua partners, substantial planning work went into the Pāpāmoa Hills Upgrade Project which is now included in the Long Term Plan for 2018-28.

We continued our role in leading and facilitating economic development in the Bay of Plenty, through the Bay of Connections portfolio. We commenced a review of the Bay of Connections Strategy, updated the Aquaculture and Rugby Sevens strategies and continued work on implementing the Maori, Energy, Forestry and Wood Processing and Freight Logistic strategies. We also continued our work on the partnership with Central Government for the Regional Growth Study.



Regional Planning and Engagement

Te Rōpū Waihanga Mahere ā-Rohe me te Whakawhitiwhiti

Regional Planning and Engagement Summary of how we did:

8 Targets achieved
0 Targets not achieved

We achieved all of our eight targets for the Regional Planning and Engagement Group Key Performance Indicators (KPIs).

What we do

Our Regional Planning and Engagement Group provides a range of services to Council and to the community, including:

- Regional Planning – provides Council with planning and policy advice.
- Māori Policy – provides advice, support and leadership on Māori relationship management.
- Geothermal – develops and implements a second generation Geothermal Planning Framework under the Resource Management Act.
- Kotahitanga/Strategic Engagement – provides support and advice on Council activities, and externally through specific programmes to build awareness, involvement, engagement and education to help achieve sustainable development of the region.
- Governance Services – ensures the Council provides good governance and accountability while conducting its business in an open, transparent and democratically accountable manner.

What we did

The Regional Planning Activity progressed a number of key planning documents and delivered a steady stream of policy work during 2017/18. Regional Policy Statement related work included:

- Council's decisions notified for the Rangitāiki River plan change.
- Appeals resolved to Proposed Change 2 – Natural Hazards.
- Treaty of Waitangi Settlement legislative requirements were met, enabling Proposed Change 3 – Rangitāiki River.
- Proposed Change 4 – Tauriko West Urban Limits – was publicly notified for submissions.

Regional Natural Resources Plan work included:

- The water allocation plan change was notified with submissions heard.
- The Regional Air Plan Change was notified and incorporated.
- Draft Plan Change 14 – On-Site Effluent Treatment (OSET) – approved for community consultation.

Council also facilitated the Komiti Māori Meetings while supporting Māori participation in Council activities, such as co-governance and resource management across the region.

Council sponsored three iwi members to attend hearing commissioner training, while supporting wananga, iwi management plans, kaitiaki forums and running Resource Management Act training sessions for tangata whenua.

The Environmental Enhancement Fund was also administered with 19 successful applications and \$310,000 in funding allocated. A further \$122,000 was allocated via the Community Initiatives Fund.

We continued to provide support to the Enviroschools Programme, youth programmes, and Pollution Busters work. Highlights for 2017/18 include:

- Delivering a three day Civil Defence themed Taiohi Taiao/Youth Jam to 60 students from across the region.
- Leading the Hands on Water event and an Environmental Expo attended by schools from throughout the region while supporting the Instep Young Leaders Programme.
- Facilitating the Enviroschools Programme with schools/kura/early learning centres and celebrated the first kindergarten to achieve GreenGold (Katikati).

Administrative support was also provided via our Governance Activity to 95 meetings, including full Council, committee and extraordinary meetings.



Emergency Management

Te Rōpū Whakahaere Mate Whawhati Tata



We achieved all three targets for the Emergency Management Group key performance indicators (KPIs).

What we do

The Emergency Management Group provides Civil Defence Emergency Management (CDEM) services to the Council, as well as regional emergency management leadership. This includes providing coordination and support to the Bay of Plenty CDEM Group and coordination services to the Lifelines Group.

What we did

The Emergency Management Activity continued to provide its core CDEM services, as noted above. From 1 July 2015, the operational delivery of CDEM has been delivered via Emergency Management Bay of Plenty on behalf of all participating Councils within the Bay of Plenty CDEM Group. The Council is a partner in the Bay of Plenty CDEM Group and is the administering authority for the Group. Other core activities carried out during 2017/18 included:

- The Bay of Plenty CDEM Group Joint Committee adopting the CDEM Group Annual Plan.
- The Annual Report for the 2016/17 financial year was prepared and circulated to key stakeholders, while three quarterly reports have been prepared to track progress against the 2017/18 Annual Plan.
- The Bay of Plenty Natural Hazards Programme continued to progress the implementation of the natural hazard provisions within the Bay of Plenty Regional Policy Statement.
- The upgrade work for the new Group Emergency Coordination Centre is being undertaken as part of Bay of Plenty Regional Council's office upgrade programme. Upgrade work will likely commence in 2019 with design refinement currently underway.
- Actively engaging with the community to increase the level of awareness, preparedness and resilience by undertaking eight initiatives and achieving our target.
- The Checklist Compendium was completed in May 2018 and was developed to address the key corrective actions from the exercise in Tangaroa in 2016, and after the April 2017 flooding event in the eastern Bay of Plenty.

Technical Services

Te Rōpū Ratonga Hangarau

Technical Services

Summary of how we did:



There is one Key Performance Indicator (KPI) for the Technical Services Group and this sits in the Science Activity. The KPI focuses on whether the community has ready access to State of the Environment information by publishing a number of online environmental indicator scorecards. This KPI was met for 2017/18.

What we do

Our Technical Services Group provides technical advice, information and services to the Council and direct to the community. These services include Geospatial, Engineering, Science and Data Services.

What we did

We continued to provide geospatial services to Council through online mapping tools and field capture solutions, while also providing the community with direct access to information and data that we hold about our region through BOP-Maps (maps.boprc.govt.nz). We assisted with the setup of a regional geographic information system (GIS) system for Emergency Management planning and responses. Alongside Land Information New Zealand and other Bay of Plenty Territorial Authorities, we also supported the procurement and public dissemination of aerial and historic aerial imagery.

As part of our Engineering Activity we:

- Provided updates to the Rivers and Drainage Asset Management Plan 2018-2068 and the new Infrastructure Strategy.
- Provided general technical engineering advice and supported the Tauranga Harbour Coastal Inundation Study.
- Contributed to District Plan reviews and presented at the Opotiki District Plan hearings.

- Provided capital projects support on rivers and drainage work associated with the Rangitāiki Floodway, the College Road Stopbank Realignment and the Kaituna River re-diversion and Maketu Estuary enhancement projects and undertaking modifications where necessary.
- Completed 168 technical reviews of resource consents, commented on 256 district and city Council resource consent applications and managed 384 flood level requests.

Our Data Services activity delivered a range of services through the year including:

- Accepting 10,610 laboratory samples – an increase of 10% compared to 2016/17.
- Undertaking 53 coastal beach profiles along the Bay of Plenty coast line to identify coastal erosion and accretion.
- Maintaining 160 automated monitoring stations while delivering a wide range of environmental monitoring parameters.
- A 97.7% delivery rate of real time data to the public, via the internet.
- Providing a number of flood flow measurements and analysis.

We continued to expand on our science capabilities to support good decision making. We undertook exploratory drilling in the Ōpōtiki District with the aim of investigating the geology and establishing a groundwater monitoring network.

We supported the development of computer based predictive models for catchment water quality and quantity, and groundwater in the Kaituna and Rangitāiki Water Management Areas. We completed surveys on whitebait spawning areas, and investigated the ecological health and water quality of drains in the Kaituna and Rangitāiki Plains.

We also commenced the installation of an expanded continuous air quality monitoring network in the Mount Maunganui port and industrial area and began development of an air dispersion model for the area.

Corporate Services

Te Rōpū Ratonga Tōpū

What we do

Our Corporate Services Group provides support services to all our activities. These services include Communications, Organisational Planning and Reporting, People and Performance, Support Services, Corporate Property, Finance and Information and Communication Technology.

What we did

Overall, we made significant progress during the year. In addition to delivering our regular services, key internal projects such as the building upgrade project advanced and our Long Term Plan 2018-2028 was adopted.

Project Upgrade is the name we have given to the building upgrade work happening across the organisation. The project involves the refurbishment of the Regional House building in Tauranga to centralise operations, modernisation of the Whakatāne office space, and identifying options, for when the lease on the existing building in Rotorua ends in 2020.

During the year we developed our new Long Term Plan 2018-2028. This gave us the opportunity to review our Strategic Framework and adopt a new structure of Community Outcomes and Activities, to help position the Council to better deliver for our community over the next 10 years. We consulted on the Long Term Plan 2018-2028 in February/March 2018 with more than 40 meetings and events held across the region and a series of public hearings held in April. These events enabled engagement with a wide range of stakeholders including the general public, iwi, local authorities, community boards, and business. The final plan was adopted in June and came into force on 1 July 2018.

We also implemented a drug and alcohol testing programme and improved Health and Safety due diligence reporting.



Our Financial Highlights

Group financial performance

Our consolidated group results include the operating revenue and expenses for Council and Quayside Holdings Limited (QHL), our 100 percent Council owned subsidiary. Quayside Holdings Limited holds a 54.14 percent share in the Port of Tauranga Limited.

The group recorded an operating surplus of \$74.9 million after income tax.

Council financial performance

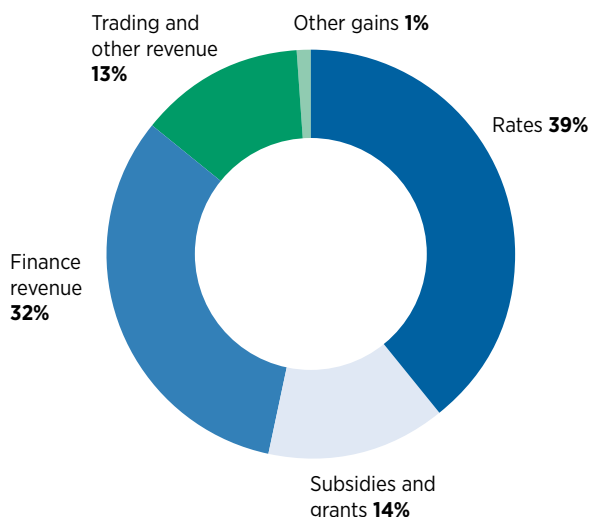
Operating overview

The 2017/18 financial year ended with a Council operating deficit of \$18 million, compared to a budgeted deficit of \$26.7 million.

Our revenue

We budgeted for \$98.1 million in revenue, and received \$100.4 million; \$2.3 million more than planned. The increase is mainly due to gains on investment and higher user fees and charges.

Where our revenue came from



Rates

This year Council received \$39.4 million from rates, which was close to our budget of \$39.0 million.

Our rates revenue is made up of general rates (based on land value) and targeted rates (levied on those who benefit from the service). General rates made up more than half of our rates revenue during 2017/18.

Total rates accounted for approximately 39 percent of Council revenue in 2017/18 (down from 40 percent in 2016/17).

Subsidies and grants

We received \$13.7 million in subsidies and grants this year, which was \$1.4 million less than budgeted. This is mainly due to the Rotorua Lakes Activity Land Use Incentive Scheme payments deferred from 2017/18 to 2018/19 and the corresponding funding not being received in 2017/18 from the Ministry for the Environment.

Finance revenue

This year we received \$32.5 million in finance revenue compared to our budget of \$32.7 million. The shortfall was created by interest rates continuing to remain low; therefore the actual interest received was lower than budgeted. Finance revenue included a dividend from QHL of \$25.5 million and \$6.8 million of other revenue from our investments.

Trading and other revenue

Our trading and other revenue is made up of user fees and charges, and other revenue. This year we received \$13.5 million; \$2.1 million more than budget.

Our operating expenditure

Operating overview

This year we spent \$118.3 million which was \$6.4 million less than budget. Operating expenditure provides services to our community as set out in our Annual Plan. The reduced expenditure was mainly due to \$3.7 million of flood work being classified as capital, and \$2.3 million underspend on land use change incentives.

How our operating expenditure was spent



- Technical Services **6%**
- Emergency Management **2%**
- Regional Planning and Engagement **14%**
- Regional Development **13%**
- Transport **18%**
- Resource Regulation and Monitoring **15%**
- Flood Protection and Control **9%**
- Integrated Catchment Management **23%**
- Corporate Services **0%**

Capital expenditure

This year we spent \$36.5 million compared to the budget of \$43.4 million.

We spent \$23.8 million on Rivers and Drainage assets, with the largest projects being the Rangitāiki floodway works, the Kopeopeo Canal Remediation Project and flood repair works.

Other large capital projects included the Regional House refurbishment (\$4.2 million), Quay Street Building refurbishment (\$1.8 million) and the Tikitere Diversion project (\$0.8 million).

Several projects were not completed in 2017/18 as originally planned. Budgets for these have been re-profiled to 2018/19 or later years, depending on the revised project timeline. The projects that have had budget carried over to 2018/19 include: Kaituna River Re-diversion, refurbishment projects 2018/19 and the Kopeopeo Canal Remediation Project.

Funding for capital expenditure

We funded our capital expenditure through the asset replacement reserve, other reserves and capital grants received from Central Government.

Certain infrastructure projects qualify for funding from the Infrastructure Reserve, which was created with the proceeds of a Perpetual Preference Share (PPS) issue.

Our balance sheet

The Council's total equity (net assets) at the end of the financial year was \$450.7 million. This is \$8.2 million less than budget.

Our assets

Our assets were \$492.5 million at the end of the financial year compared to a budget of \$472.5 million.

Our major assets include \$341.6 million in property, plant and equipment (mainly infrastructure assets) and \$130.2 million in Cash and Cash Equivalents, short and long-term financial assets.

Our liabilities

Our liabilities were \$41.8 million at the end of the year, compared to our budget of \$30.0 million. This is significantly higher than budget due to increased trade and other payables for large projects.

Our equity

Our equity consists of two categories: retained earnings and reserves. Our reserves are made up of past surpluses put aside for specific future expenditure and to reduce rate rises.

Included in our equity at 30 June 2018 is a \$46.3 million Infrastructure reserve. This fund was initially established with the proceeds of the PPS in March 2008. The use is subject to a binding ruling issued by Inland Revenue. At 30 June 2018 Council had allocated all of the original \$200 million PPS share issue fund to specific expenditure.

Summary financial statements and notes to the accounts

Summary extract from the statement of accounting policies

Bay of Plenty Regional Council is a Regional Council established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Bay of Plenty Regional Council and its subsidiary, Quayside Holdings Limited (a 100% owned investment company). Quayside Holdings Limited has a 100% shareholding in Quayside Properties Limited, Quayside Unit Trust, Quayside Investment Trust, and Quayside Securities Limited. The principal activity of Quayside Securities Limited is to act as trustee for the Quayside Unit Trust and Quayside Investment Trust. Quayside Securities Limited as trustee owns 54.14% of the shares in Port of Tauranga (POTL). The Council's subsidiaries are incorporated and domiciled in New Zealand.

The group provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The information included in the summary financial statements has been prepared in accordance with PBE FRS43; Summary Financial Statements. All disclosures in the summary are extracted from the Bay of Plenty Regional Council full financial statements, authorised for issue by Council on 27 September 2018. The full financial statements have been audited by Audit New Zealand, and comply with PBE standards, receiving an unmodified audit opinion on 27 September 2018.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

Bay of Plenty Regional Council summary statement of comprehensive revenue and expense for the year ended 30 June 2018

Council 2016/17 \$'000	Group 2016/17 \$'000		Budget 2017/18 \$'000	Council 2017/18 \$'000	Group 2017/18 \$'000
Revenue					
91,509	336,071	Operating revenue	98,114	99,090	367,445
416	19,469	Other gains	-	1,281	27,753
91,925	355,540	Total operating revenue	98,114	100,371	395,198
Expenditure					
104,707	250,462	Operating expenditure	124,765	117,796	276,805
-	20,249	Finance costs	-	-	20,192
373	7,547	Other losses	-	538	5,514
105,080	278,258	Total operating expenditure	124,765	118,334	302,511
-	13,282	Share of profit of equity accounted investees	-	-	15,253
(13,155)	90,564	Net surplus/(deficit) before tax	(26,650)	(17,963)	107,940
-	28,146	Income tax expense	-	-	33,023
(13,155)	62,418	Net surplus/(deficit) after tax	(26,650)	(17,963)	74,917
Attributable to:					
(13,155)	24,822	Equity holders of the parent	(26,650)	(17,963)	32,325
-	37,596	Non-controlling interest	-	-	42,592
(13,155)	62,418		(26,650)	(17,963)	74,917

Operating revenue

Operating revenue is \$2.3 million more than planned. The increase is mainly made up of:

- User fees and charges and other revenue - \$2.1 million more than budget
- Other gains - The revaluation of investments and sale of assets \$1.3 million
- Subsidies and grant revenue: \$1.4 million less than budget. Reduced grant funding received from the Ministry for the Environment due to fewer Land Incentive contract payments made (Te Arawa Rotorua Lakes).

Operating expenditure

Operating expenditure is \$6.4 million less than budget. This mainly relates to:

- \$3.7 million flood works being classified as capital, and
- \$2.3 million underspend on land use change incentive payments.

Bay of Plenty Regional Council summary statement of other comprehensive revenue and expense for the year ended 30 June 2018

Council 2016/17 \$000	Group 2016/17 \$000		Budget 2017/18 \$000	Council 2017/18 \$000	Group 2017/18 \$000
(13,155)	62,418	Net surplus/(deficit) before tax	(26,650)	(17,963)	74,917
(2,768)	61,274	Asset revaluation and impairment charges	7,441	20,630	231,311
(2,815)	4,787	Financial asset fair value changes	(662)	(1,021)	(475)
(18,738)	128,479	Total comprehensive revenue and expense	(19,872)	1,646	305,753
		Attributable to:			
(18,738)	59,220	Equity holders of the parent	(19,872)	1,646	168,227
-	69,259	Non-controlling interest	-	-	137,526
(18,738)	128,479		(19,872)	1,646	305,752

Bay of Plenty Regional Council summary statement of changes in equity/net assets for the year ended 30 June 2018

Council 2016/17 \$000	Group 2016/17 \$000		Budget 2017/18 \$000	Council 2017/18 \$000	Group 2017/18 \$000
467,800	1,283,388	Balance at 1 July	462,361	449,062	1,355,457
(18,738)	128,479	Total comprehensive revenue and expense previously reported	(19,872)	1,646	305,753
449,062	1,411,867		442,489	450,708	1,661,210
-	14	Increase/(decrease) in share capital	-	-	(1,460)
-	(57,849)	Dividends to non-controlling interest	-	-	(58,971)
-	-	Non-controlling interest adjustments	-	-	(3)
-	1,425	Equity settled share-based payment accrual	-	-	2,117
449,062	1,355,457	Balance at 30 June	442,489	450,708	1,602,893
		Total comprehensive revenue and expense attributable to:			
(18,738)	59,220	Equity holders of the parent	(19,872)	1,646	168,227
-	69,259	Non-controlling interest	-	-	137,526
(18,738)	128,479		(19,872)	1,646	305,753

Bay of Plenty Regional Council summary statement of financial position
as at 30 June 2018

Council 2016/17 \$000	Group 2016/17 \$000		Budget 2017/18 \$000	Council 2017/18 \$000	Group 2017/18 \$000
152,506	243,700	Current assets	45,710	125,651	222,544
328,663	1,873,512	Non-current assets	426,805	366,824	2,186,585
481,169	2,117,212	Total assets	472,515	492,475	2,409,129
16,090	315,983	Current liabilities	13,888	25,575	394,235
16,017	445,772	Non-current liabilities	16,138	16,192	412,001
32,107	761,755	Total liabilities	30,026	41,767	806,236
449,062	935,427	Total equity attributable to the group	442,489	450,708	1,097,343
-	420,030	Non controlling interest	-	-	505,550
449,062	1,355,457	Total equity	442,489	450,708	1,602,893

Assets

Assets were \$20 million more than budget due to the change in timing of receipts and payments, and an increase in asset revaluation

Liabilities were \$11.7 million more than budget mainly due to an increase in accruals relating to Regional Infrastructure grants and capital expenditure.

Bay of Plenty Regional Council summary statement of cashflows
for the year ended 30 June 2018

Council 2016/17 \$000	Group 2016/17 \$000		Budget 2017/18 \$000	Council 2017/18 \$000	Group 2017/18 \$000
(3,866)	75,090	Net cash inflows/(outflows) from operating activities	(6,237)	(2,155)	75,659
23,947	(39,248)	Net cash inflows/(outflows) from investing activities	2,406	38,736	4,259
(561)	5,106	Net cash inflows/(outflows) from financing activities	(1,413)	(5)	(45,430)
-	-	Effects of exchange rate changes on cash and cash equivalents	-	-	142
19,520	40,978	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(5,244)	36,576	34,630
18,442	40,618	Cash, cash equivalents and bank overdrafts at the beginning of the year	17,679	37,962	81,596
37,962	81,596	Cash, cash equivalents and bank overdrafts at the end of the year	12,435	74,538	116,226

Net cash from operating activities was lower than budget by \$4.1 million due to lower than planned payments to suppliers.

Net cash from investing activities was higher than budget by \$36.3 million due to lower capital expenditure and infrastructure grants not released as planned.

Net cash from financing activities was lower than budget by \$1.4 million due to fewer Clean Heat loans issued.

Contingent liabilities

Financial guarantee - New Zealand Local Government Funding Agency

The Bay of Plenty Regional Council is a shareholder of The New Zealand Local Government Funding Agency Limited. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poor's have given the entity a credit rating of AA+ which is equal to New Zealand Government sovereign rating.

As at 30 June 2018 Bay of Plenty Regional Council is one of the 31 shareholders made up of 30 local authorities and central government. All 30 local authority shareholders have uncalled capital equal to their individual shareholding and totalling \$20 million in aggregate which can be called on in the event that an imminent default is identified. Also together with the other shareholders, Bay of Plenty Regional Council is a guarantor of all of NZLGFA borrowings. As at 30 June 2018, NZLGFA had borrowings totalling \$8,272 million (2017: \$7,946 million).

Financial reporting standards require Bay of Plenty Regional Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local Government legislation would enable local authorities to levy a rate, to recover sufficient funds to meet any debt obligations if further funds were required.

Uncalled capital

The Council is liable for the uncalled capital in its wholly owned subsidiary, Quayside Holdings Limited, of \$81,829,918 being 2,003,190,217 Redeemable Preference Shares at 0.000004 cents per share

Commitments

Capital commitments				
	Council 2017/18 \$000	Group 2017/18 \$000	Council 2016/17 \$000	Group 2016/17 \$000
Estimated capital commitments contracted for at balance date but not yet provided for	16,376	30,276	5,800	40,200
Total capital commitments	16,376	30,276	5,800	40,200
Operating leases as lessee				
	Council 2017/18 \$000	Group 2017/18 \$000	Council 2016/17 \$000	Group 2016/17 \$000
Not later than one year	768	768	769	769
Later than one year and not later than five years	1,147	1,147	1,779	1,779
Later than five years	267	267	428	428
Total non-cancellable operating leases	2,182	2,182	2,976	2,976
Operating leases as lessor				
	Council 2017/18 \$000	Group 2017/18 \$000	Council 2016/17 \$000	Group 2016/17 \$000
Not later than one year	77	14,956	77	22,553
Later than one year and not later than five years	308	21,207	308	23,281
Later than five years	-	33,007	-	15,629
Total non-cancellable operating leases	385	69,170	385	61,463

Related party transactions

Bay of Plenty Regional Council is the parent of the Group and controls Quayside Holdings Limited and its subsidiaries, Quayside Properties Limited, Quayside Securities Limited, Quayside Investment Trust and Quayside Unit Trust. Through the shareholding in Quayside Securities Limited as Trustee for Quayside Unit Trust, a controlling interest is held in the POTL and its subsidiaries and equity accounted investees.

Two Councillors of the Bay of Plenty Regional Council (Jane Nees and Paula Thompson) were directors of Quayside Holdings Limited, Quayside Securities Limited and Quayside Properties Limited at 30 June 2018.

The Chief Executive of Bay of Plenty Regional Council (Fiona McTavish) was appointed as Director of the above companies in effective 30 June 2018. The former Chief Executive of Bay of Plenty Regional Council (Mary-Anne Macleod) ceased as director on 29 June 2018.

The Chairman of the Bay of Plenty Regional Council (Douglas Leeder) was appointed as a director of Port of Tauranga Limited in October 2015.

Events after balance sheet date

Subsequent to balance date, Quayside Holdings has agreed a new borrowing facility of \$50 million with Bay of Plenty Regional Council.



DRAFT FOR ADOPTION

To come

You can view the full
Annual Report on
Bay of Plenty Regional
Council's website
www.boprc.govt.nz

The Annual Report Summary
report does not provide as
complete an understanding of
Bay of Plenty Regional Council's
activities as provided by the the
full Annual Report. If you would
like a copy of the 2017/18
Annual Report please visit
our website, www.boprc.govt.nz
Alternatively, call 0800 884 880
for a printed copy.



- A** 5 Quay Street, Whakatāne
1125 Arawa Street, Rotorua
87 First Avenue, Tauranga
- P** PO Box 364, Whakatāne 3158
- T** 0800 884 880
- E** info@boprc.govt.nz
- W** www.boprc.govt.nz

**SUPPORTING DOCUMENT - Draft Annual Report for
20/18 - Electronic only**



Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Namouta Poutasi, Acting General Manager, Strategy & Science

Western Bay of Plenty District Council Boundary Alteration - Tauriko West

Executive Summary

Western Bay of Plenty District Council has prepared a proposal to alter the local authority boundary between Tauranga City and Western Bay of Plenty District at Tauriko West and is seeking a formal resolution of support from partner councils prior to submitting an application to the Local Government Commission.

Regional Council is a SmartGrowth Partner and collaborative partner in the Tauriko for Tomorrow Urban Growth Project which has four major phases:

1. Change to the Regional Policy Statement to amend the urban limits line to include Tauriko West;
2. Local authority boundary adjustment (to include Tauriko West in Tauranga City);
3. Development of a structure plan and rezoning changes to the Tauranga City Plan; and
4. New transport network infrastructure.

The process to change the Regional Policy Statement is nearing completion and the boundary alteration process has now commenced.

In order to meet projected population growth, Tauriko West is proposed to become a new urban growth area to be rezoned and available for residential development to meet housing growth requirements from 2021. It is intended to service the growth area from Tauranga City.

Tauriko West is entirely within the regional boundary and both Western Bay of Plenty District Council and Tauranga City Council are required to give effect to the Regional Policy Statement. Environmental effects of development will be addressed through the rezoning and structure planning phases of the project.

Recommendations

That the Regional Council:

- 1 Receives the report, Western Bay of Plenty District Council Boundary Alteration;**

2 Supports the application by Western Bay of Plenty District Council to the Local Government Commission for the Boundary Alteration Application for Tauriko West, as attached to this report.

1 Background

The National Policy Statement on Urban Development Capacity (NPS-UDC) provides direction to address the sub-region's growth. Tauranga City, Western Bay of Plenty District and Bay of Plenty Regional councils are collectively responsible for implementing the NPS-UDC for the high-growth Tauranga Urban Area.

Tauriko West was approved by the SmartGrowth Implementation Committee in August 2016 for urban development. Providing for urban development at Tauriko West could support an estimated 3,000 new homes.

In order to meet projected population growth in the western Bay of Plenty sub-region, Tauriko West is proposed to become a new urban growth area for residential development to meet housing growth requirements from 2021. This requires four significant planning processes to be undertaken:

5. Change to the Regional Policy Statement to amend the urban limits line to include Tauriko West (via Proposed Change 4);
6. Local authority boundary adjustment (to include Tauriko West in Tauranga City);
7. Development of a structure plan and rezoning changes to the Tauranga City Plan; and
8. New transport network infrastructure.

In respect to 1 above, the Hearing Panel's recommendations on Proposed Change 4 were provided to the Minister for the Environment on 28 August 2018. The Minister will advise Bay of Plenty Regional Council of his final decision on whether to approve Proposed Change 4 in due course.

2 Boundary adjustment process to include Tauriko West in Tauranga City

Western Bay of Plenty District Council (WBOPDC) has now prepared a draft boundary change application to alter the boundary between Tauranga City and Western Bay at Tauriko West. A copy of the draft Boundary Application and cover letter from Miriam Taris, Chief Executive Western Bay of Plenty District Council are attached to this report as Appendix 1.

Community feedback to establish the degree of landowner and community support for the proposal was sought and considered by WBOPDC prior to finalising the draft boundary change application.

The draft application will be provided to Tauranga City Council (TCC) on 18 September 2018 to endorse. The application is being presented to the Bay of Plenty Regional Council to seek Council's support.

Following resolutions from both TCC and Bay of Plenty Regional Council, the draft application will be presented to WBOPDC for adoption on 1 November 2018. The application will then be sent to the Local Government Commission.

If the Local Government Commission agrees to consider the application, the Commission will publicly notify the application in early 2019 and further consult with the community. A final decision is expected by mid-2019. The Commission which is independent of the councils involved, has the final say on the boundary alteration.

3 Implications for Bay of Plenty Regional Council

The boundary alteration between WBOPDC and TCC does not have any implications for Bay of Plenty Regional Council. Tauriko West is entirely within the regional boundary. Both WBOPDC and TCC are required to give effect to the Regional Policy Statement.

4 Implications for Māori

Te Kauae a Roopu has been formed to involve local hapū in the Tauriko West project. Regular Te Kauae a Roopu meetings have provided a forum where potential issues and concerns of tangata whenua with the proposed urban development of Tauriko West can be addressed. In relation to the local government boundary alteration, the views of Te Kauae a Roopu is addressed in Section 5.3.2 of *Draft Application to Alter the Boundary Between Western Bay of Plenty District Council and Tauranga City Council* as attached to this report. It states that Te Kauae a Roopu unanimously support the proposal.

5 Council's Accountability Framework

5.1 Community Outcomes

This work directly contributes to the Vibrant Region community outcome in the Council's Long Term Plan 2018-2028.

5.2 Long Term Plan Alignment

Proposed Change 4 is budgeted in the Regional Integrated Planning activity in Year 1 of the Long Term Plan 2018-2028. The WBOPDC Boundary Alteration project is provided for in the Long Terms Plans of Western Bay of Plenty District Council and Tauranga City Council.

Current Budget Implications

Bay of Plenty Regional Council's involvement in the urban development of Tauriko West is provided for in the Regional Planning activity of the Long Term Plan 2018-2028. The WBOPDC Boundary Alteration project has no budget implications for this Council.

Future Budget Implications

There are no direct future budget implications for Bay of Plenty Regional Council. The WBOPDC Boundary Alteration work is provided for in the WBOPDC budgets and structure planning and development of Tauriko West will be progressed by other parties.

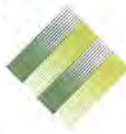
Rebekah Waltham
Planner

for Acting General Manager, Strategy & Science

19 September 2018

APPENDIX 1

draft Application to Alter the Boundary between WBOPDC and TCC



Western Bay of Plenty
District Council

Head Office Barks Corner, Greerton, Tauranga
Private Bag 12803, Tauranga Mail Centre, Tauranga 3143
Ph 07 571 8008 (24 hours) • **F** 07 577 9820
Freephone 0800 WBOPDC • 0800 926 732
E customerservice@westernbay.govt.nz
www.westernbay.govt.nz

04 September 2018

Fiona McTavish
Chief Executive Officer
Bay of Plenty Regional Council
PO Box 364
Whakatāne 3158

Dear Fiona,

Draft application to alter the Western Bay of Plenty District Council territorial boundary at Tauriko West

As a SmartGrowth Partner and collaborative partner in the Tauriko for Tomorrow Urban Growth Project you will be aware the process of applying to the Local Government Commission to alter the boundary at Tauriko West is now approaching the 'sign off' stage for this Council.

The Draft Application has been prepared and consultation undertaken, resulting in a good level of public support. However, there is one final step in the consultation that is required from Bay of Plenty Regional Council and Tauranga City Council before the Western Bay of Plenty District Council can adopt the application for lodgement with the Local Government Commission.

Therefore could you please table the attached Draft Application with your Council so that a resolution of support for the proposal can be obtained? We expect to consider final adoption of the Application for lodgement with the Local Government Commission on 1 November 2018.

Yours sincerely

Miriam Taris
Chief Executive Officer

Ref A3266988

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*Western Bay of Plenty
District Council*



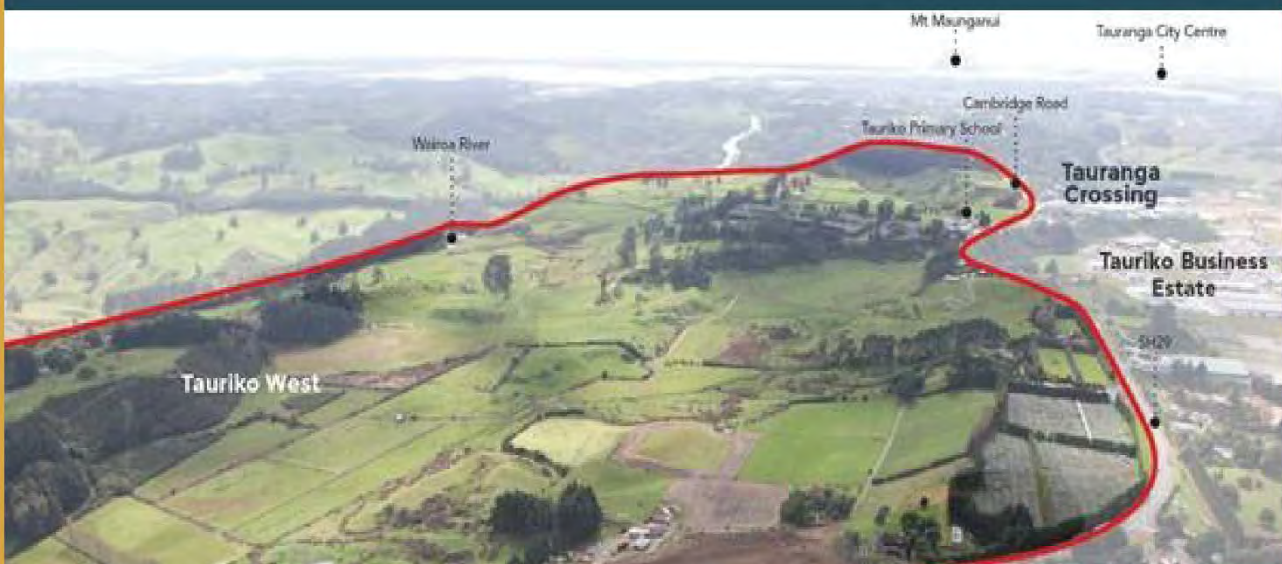
DRAFT

Application to alter the boundary
between

**Western Bay of Plenty District
Council**

and

Tauranga City Council



Local Authority Reorganisation Proposal under Schedule 3 of the Local Government Act 2002 to alter the boundary between Western Bay of Plenty District Council and Tauranga City Council to enable 188.9492 hectares of Western Bay of Plenty District rural land at Tauriko West to be moved into Tauranga City jurisdiction so that it can be developed for future housing and adequately serviced.

Application details	Legislative Reference LGA 2002 Schedule 3
Proposed by: The Western Bay of Plenty District Council	Clause 3 (1) (a)
Contact person for this proposal: Miriam Taris; Chief Executive Officer Postal Address: Private Bag 12803, TAURANGA 3143 Daytime telephone: 07 571 8008	Clause 5 (1) (a)
Contact details: Postal Address: Private Bag 12803, TAURANGA 3143 Daytime telephone: 07 571 8008	

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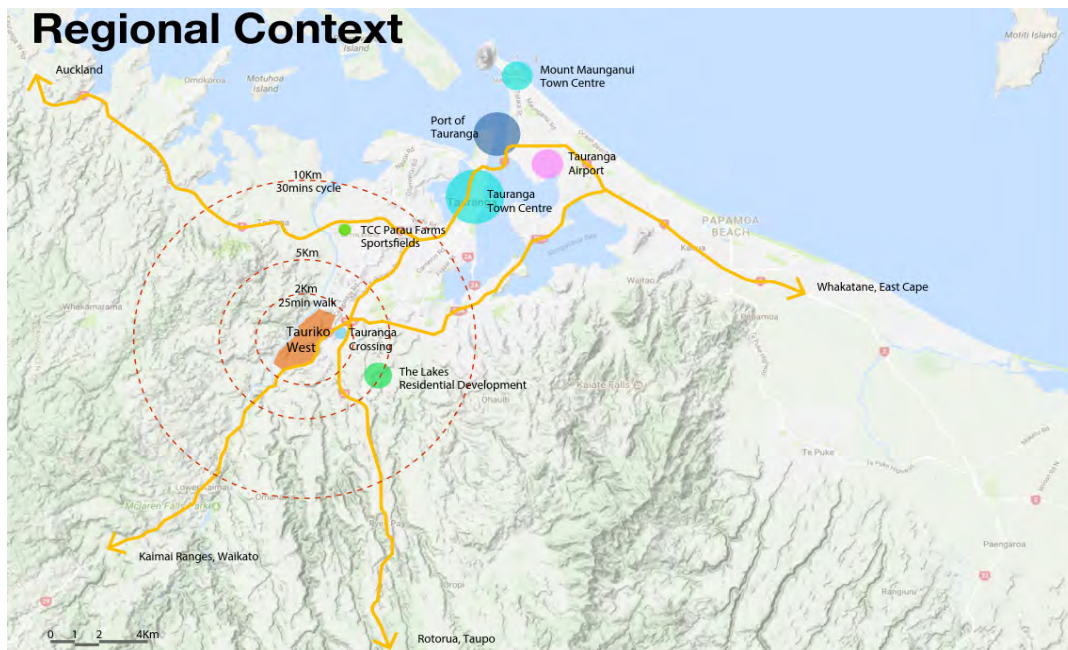


Figure 1 – location of Tauriko West in the western Bay of Plenty sub-region.

1.0 Executive Summary

The purpose of this application, under Schedule 3 of the Local Government Act 2002 is to facilitate an alteration to the boundary between Western Bay of Plenty District Council and Tauranga City Council to enable 188.9492 hectares of Western Bay of Plenty District rural land at Tauriko West to be moved into Tauranga City jurisdiction so that it can be developed for future housing and adequately serviced.

The western Bay of Plenty sub-region is one of the fastest growing places in the country. It is made up of two territorial local authorities, Tauranga City Council and Western Bay of Plenty District Council. The recent Statistics NZ census (2017) intercensal estimates a Tauranga City population of 131,500 and Western Bay of Plenty District population of 49,000. The Bay of Plenty Regional Council’s territory incorporates the western Bay of Plenty sub-region.

The 30 year SmartGrowth vision and strategy (Spatial Plan resulting from a collaborative planning partnership between the councils in the sub-region and Tangata Whenua), seeks to balance the supply of land for development with housing and business needs. In considering the ongoing growth pressure in the western Bay of Plenty sub region, SmartGrowth has projected a shortfall in residential capacity, with no further additional greenfield residential land supply available by 2026.

In response to the shortfall in supply, the Western Corridor, which includes Tauriko West, has been identified by SmartGrowth as one of the most appropriate greenfield sites for future urbanisation in the short term.

The Tauriko West Urban Growth Area (the proposed new suburb) is located in both the Tauranga City and Western Bay of Plenty District. To urbanise the area without a boundary alteration would mean the Western Bay of Plenty District Council would be responsible for governance, infrastructure and regulation on one side of the boundary line and Tauranga City Council responsible for the other side. It is not economically or practically feasible for the Western Bay of Plenty District Council to provide infrastructural services to their side of the boundary (the affected area) for the purposes of urbanisation.

Altering the boundary to transfer the WBOPDC area of Tauriko West into the jurisdiction of Tauranga City Council, would be economically efficient, and provide planning, administrative and servicing consistency and governance arrangements appropriate to the new suburb's community of interest.

To facilitate the urbanisation of Tauriko West, the planning partners are undertaking an overall project 'Tauriko for Tomorrow' and it is comprised of four sub projects. First, the Bay of Plenty Regional Council Regional Policy Statement has to be amended to adjust the urban limits line, and then the Western Bay of Plenty District Council will progress an application to the Local Government Commission, to alter the territorial boundary. Concurrently the New Zealand Transport Agency and the Tauranga City Council will coordinate and align their planning so that the Tauriko Urban Growth Area can be rezoned residential for subsequent urban development.

Specific to the Boundary Alteration proposal and as part of the overall project 'Tauriko for Tomorrow', there has been substantial engagement and consultation with ratepayers and residents directly and indirectly affected, hapū with interests in Tauriko West (who have collaborated throughout the project), Tauranga Moana Iwi Authorities, and the general public across the two districts of Tauranga City and Western Bay.

The consultation outcomes of the various categories specific to this boundary alteration proposal have been assessed, and it is the view of the three Councils, that there is demonstrable community support for the proposal to alter the WBOPDC territorial boundary at Tauriko West.

In balancing the urgent need to provide additional housing capacity within Tauranga City, the relative ease with which Tauriko West can be urbanised, the minimal impact on existing residents and landowners, the capacity of the Tauranga City Council to provide good quality infrastructure and services and the future opportunities urbanisation will provide, the Western Bay of Plenty District Council has decided to apply to the Local Government Commission to alter the boundary line and transfer 188.9492 ha of rural land into the jurisdiction of Tauranga City Council.

2.0 The boundary alteration proposal and description

2.1 – The Proposal

The Proposal seeks to alter the boundary between Western Bay of Plenty District Council and Tauranga City Council to enable 188.9492 hectares of Western Bay of Plenty District rural land at Tauriko West to be moved into Tauranga City jurisdiction so that it can be developed for future housing and adequately serviced.

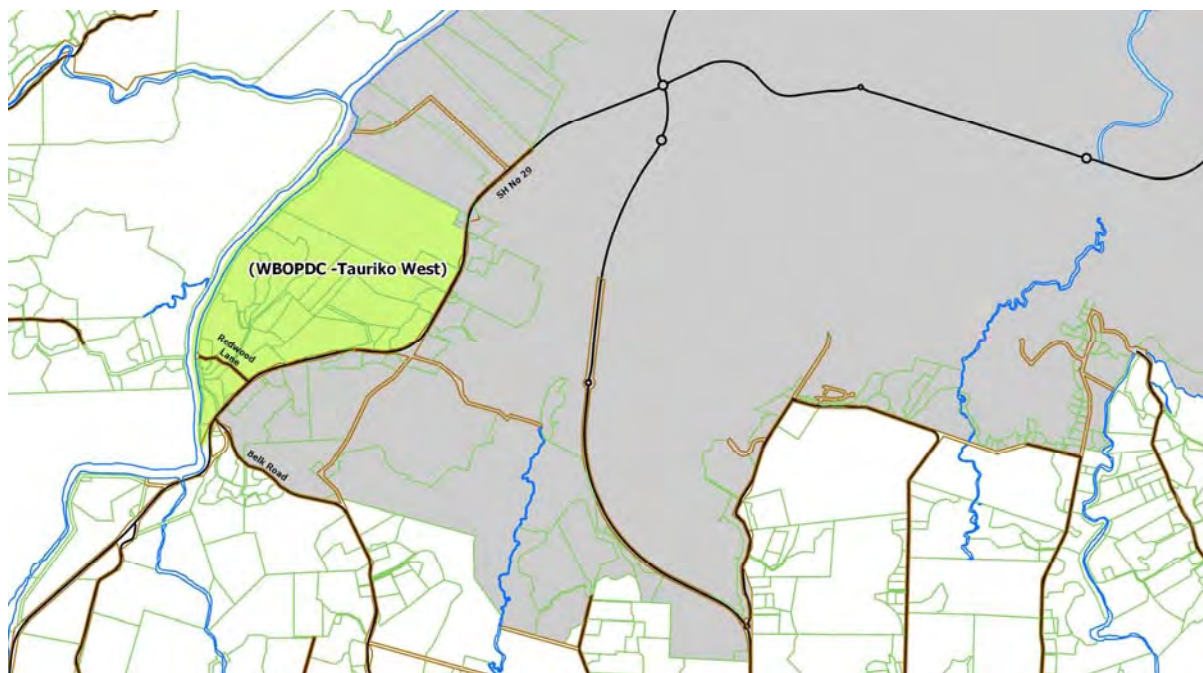


Figure 2– Green shaded area identifies WBOPDC territory (Affected Area) within identified Tauriko West Urban Growth Area (shaded Grey) proposed for transfer to Tauranga City

The affected area will conform with the adjusted Bay of Plenty Regional Council urban limits line, and is consistent with Meshblock number 1191301.

2.2 Tauriko West – Location of the affected area

The proposed Tauriko West urban growth area is located within the identified SmartGrowth Western Corridor and is currently used for agricultural purposes with small areas of horticulture land use on more elevated land, and a pocket of lifestyle blocks at the southern end of Redwood Lane. The affected area is bounded by the Wairoa River to the northwest and SH29 to the south east and is situated 9km from the central city. The territory proposed for transfer (the affected area) is located within the Kaimai Ward of the Western Bay of Plenty District.

Tauriko West Urban Growth Area is:

- Approximately 388 ha. in size, which includes 188.9492 ha. of rural land which is proposed for transfer from WBOPDC to TCC;
- Adjacent to the existing Western Corridor development comprising a sub-regional retail centre; (Tauranga Crossing (22ha) and Tauriko Business Estate (255 ha), plus an additional 120ha of planned business land);

2.3 Tauriko West – Land ownership profile of the affected area

- There are 28 land parcels (including 3 held by WBOPDC for reserve purposes) within the affected area. Two significant holdings own 9 of the 28 land parcels and make up 100.6494 and 52.4932 ha. respectively, an estimated 81% of the affected area (illustrated in Figure 3 below - orange and yellow).

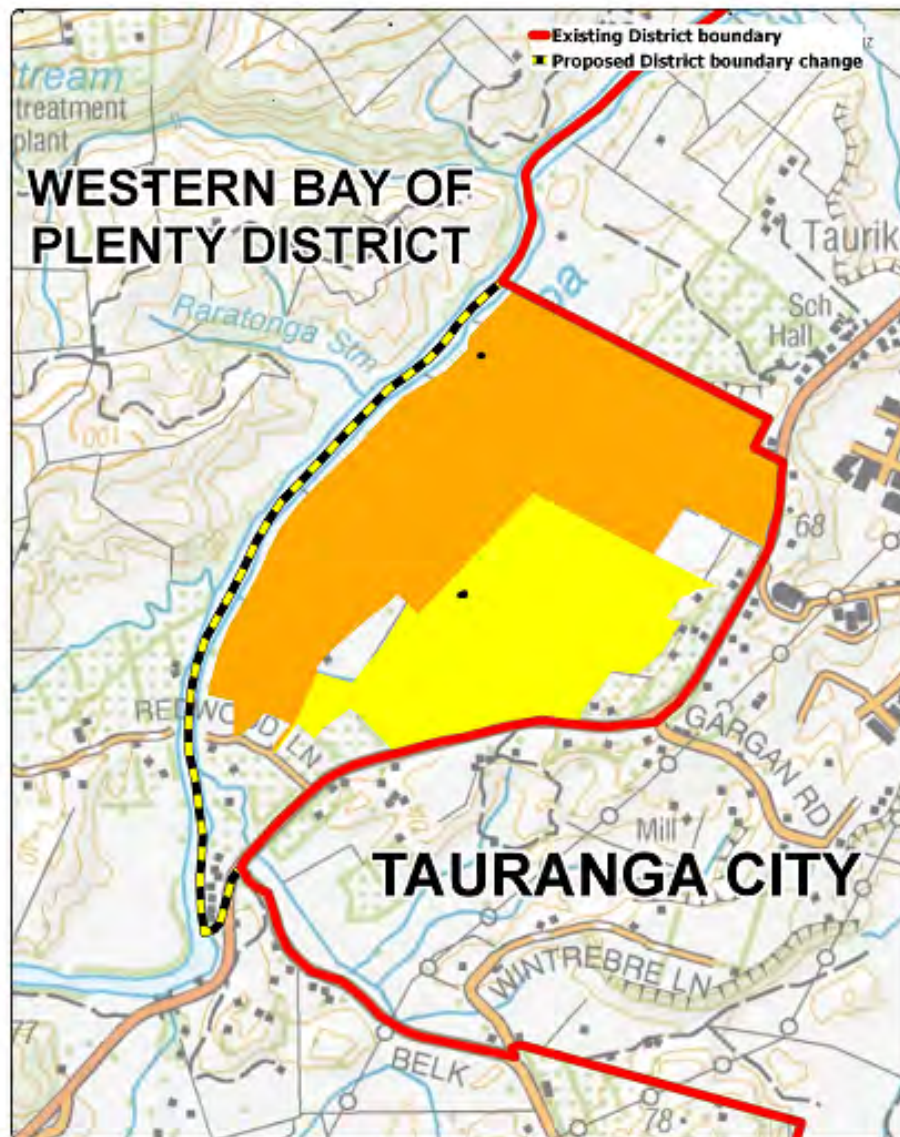


Figure 3 – Affected Area within the Western Bay of Plenty District Boundary and as part of the proposed Tauriko West urban growth area.

2.4 Tauriko West - Local Government Services provided in the affected area

The affected area is currently zoned Rural and the Western Bay of Plenty District Council provides governance and regulatory/administrative services. Private contractors provide rubbish collection services. Landowners in the affected area source their own water and use septic tank disposal systems. There is one local road (Redwood Lane) accessing SH29. There are no additional services or infrastructure planned or funded for the affected area in WBOPDC's 2018-28 Long Term Plan.

Tauranga City facilities and services such as libraries, reserves, sports fields, the user pays rubbish disposal and recycling facility in Greerton, and the nearby industrial and business park at Tauriko (the Lakes), are accessible and available to residents of the affected area.

In recognition of the fact that communities of interest often cross territorial boundaries, the two councils have a long history of working together to plan, develop and fund sub-regional infrastructure, particularly in recreational facilities.

2.5 Tauriko West – Governance in the affected area

The affected area is located in the Kaimai Ward, is predominantly rural and includes the following areas (statistical area 2):

- Pahoia
- Omokoroa
- Omokoroa Rural
- Te Puna
- Minden
- Kopurererua
- Kaimai
- Waiorohi
- Kaitemako

The Ward is represented by four Western Bay of Plenty Councillors out of a total of eleven Councillors, plus a Mayor for the whole District. Tauriko West, as a rural area, is not represented by a Community Board (See map Appendix 3 (3.1)).

2.6 Location of the Tauriko West Affected area in relation to WBOPDC and TCC.

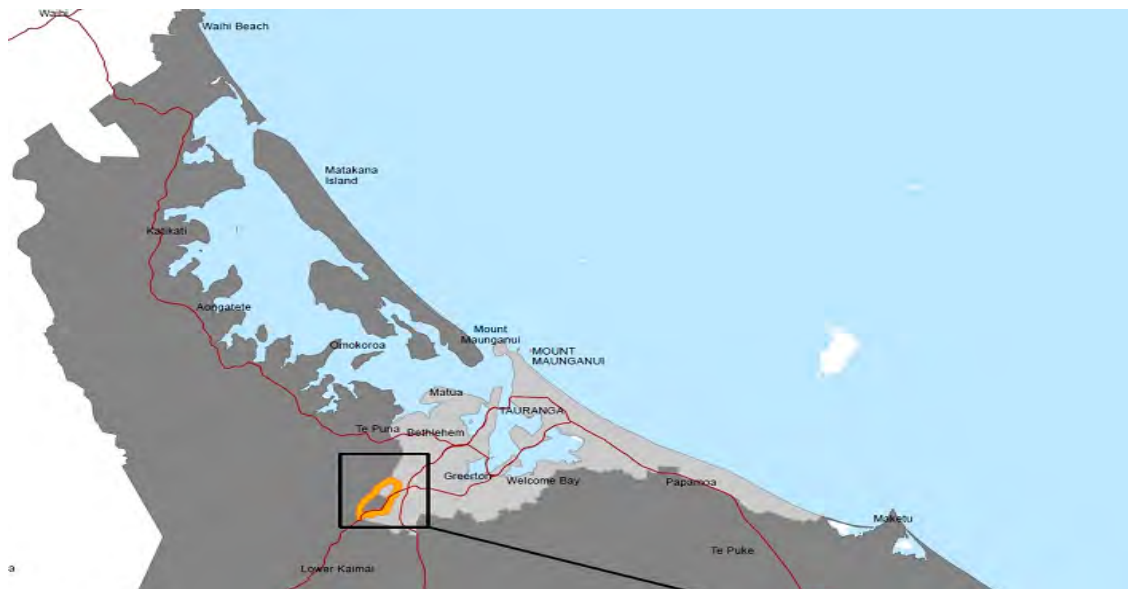


Figure 4 Tauriko West (orange) as part of Western Bay of Plenty District (dark grey) and in relation to Tauranga City (light grey)

2.7 Rohe of Tauriko West Urban Growth Area – Iwi and Hapū Areas

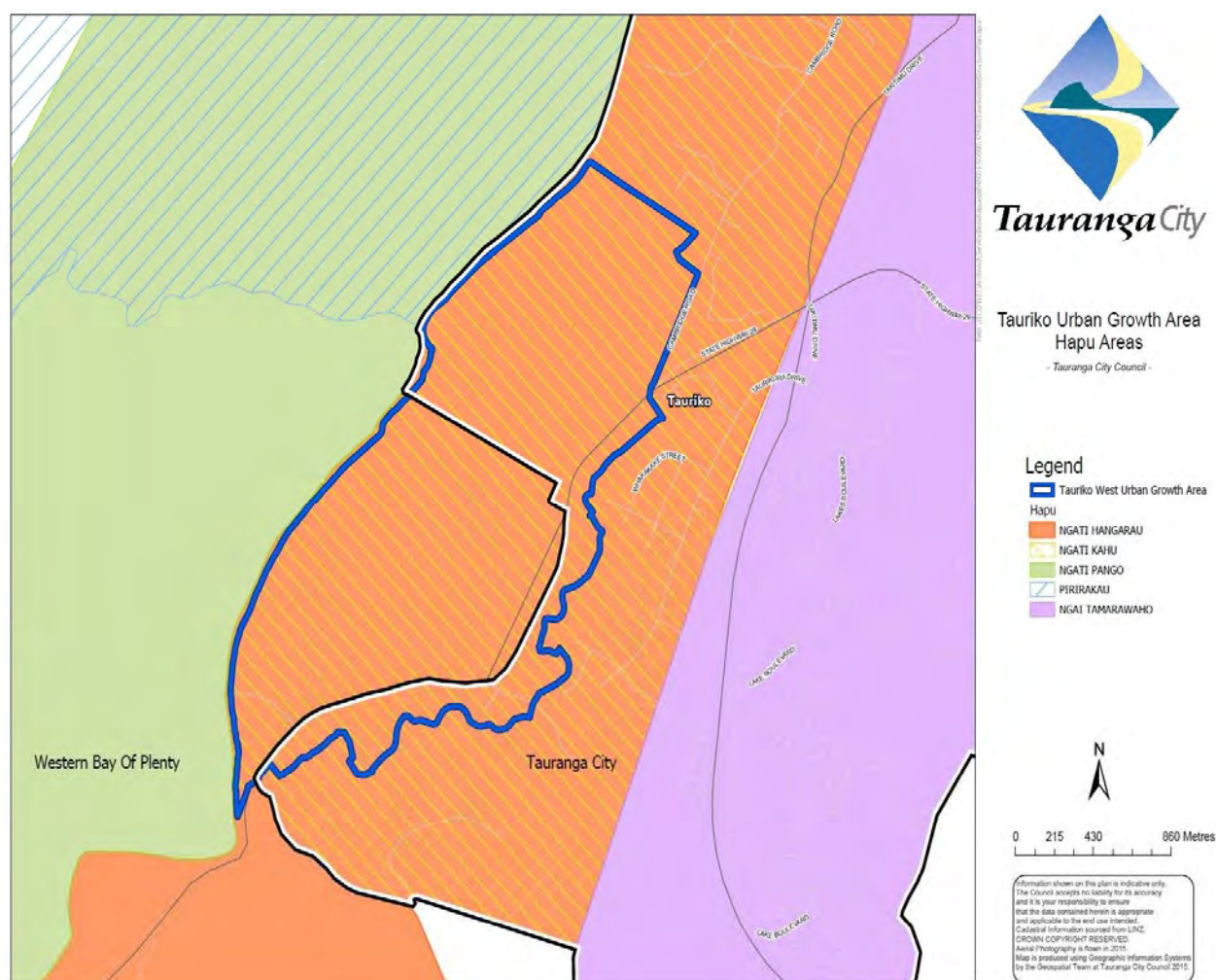


Figure 5 Rohe of the Tauriko West Urban Growth Area

The hapū - Ngati Hangarau, Ngati Kahu, Ngati Rangi, Ngati Pango, Pirirakau and Ngai Tamarawaho have interests in Tauriko West and whakapapa (genealogical) connections to Ngati Ranginui iwi of the Tākitimu waka. Their interests are highlighted in Figure 5 above. Tangata Whenua representation provision is described in detail (in 4.2.2).

3.0 Background to the proposal

3.1 Reason for the proposal

The Tauriko West Urban Growth Area (the proposed new suburb) is located in both Tauranga City and the Western Bay of Plenty District. To urbanise the area without a boundary alteration would mean the new suburb of Tauriko West would see the Western Bay of Plenty District Council responsible for governance, infrastructure and regulation on one side of the territorial boundary line, which would bisect the proposed suburb, and Tauranga City Council responsible for these matters on other side. WBOPDC cannot economically or practically provide direct infrastructural services to the affected area for the purposes of urbanisation, because none of its existing infrastructure is close to Tauriko West. If WBOPDC were to

provide these services, it would have to enter into complex and inefficient cost sharing arrangements with Tauranga City Council who will be servicing their half of the new suburb.

To operate separate plans, bylaws, administration and governance systems for one proposed suburb (Tauriko West) would not be efficient or effective for business, service providers, ratepayers and residents. Conversely, applying a single governance framework to Tauriko West with the entire area being subject to governance, regulation and administration under the Tauranga City Council, is expected to be more efficient and effective. Urbanising only the Tauranga City side of the boundary, or delaying the urbanisation of the WBOPDC side of the boundary, would result in limited planning options and would not provide the housing yield required to meet Tauranga's future housing supply needs.

3.2 The Growth Challenge

The Western Bay of Plenty has experienced strong and sustained population growth over the past 20 years, with this trend expected to continue into the future. Through Smartgrowth and its partners (Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council and Tangata Whenua) the region has had extensive population and housing projection work completed. For further detail this data which relates to both current and projected growth, please refer to Appendix 1.

3.3 Planning overview

The National Policy Statement on Urban Land Capacity issued by the government in 2016, requires councils to have sufficient short, medium and long-term housing and business land capacity and to provide an additional margin of feasible development capacity over and above projected demand of at least 20 percent in the short and medium term, and 15 percent in the long term.

At present, Tauranga City Council's land supply falls short of that required under the NPS-UDC in the medium term (3-10 years) and long-term (10-30 years). The pace of development Tauranga and the wider sub region is experiencing, means this shortfall will only further increase.

This shortfall is also highlighted in the findings of the 2016 sub-regional SmartGrowth Western Corridor Strategic Study Option 3B Settlement Pattern Review (SPR) which sought to determine the temporal and spatial blueprint for allocating residential and industrial growth within the western Bay of Plenty sub-region over the next 30 years, whilst retaining a 50-year strategic horizon. The Settlement Pattern Review signalled the work required in terms of structure planning and plan changes to ensure adequate land supply out to a 10-year horizon. These planning horizons are illustrated in Figure 6, below:

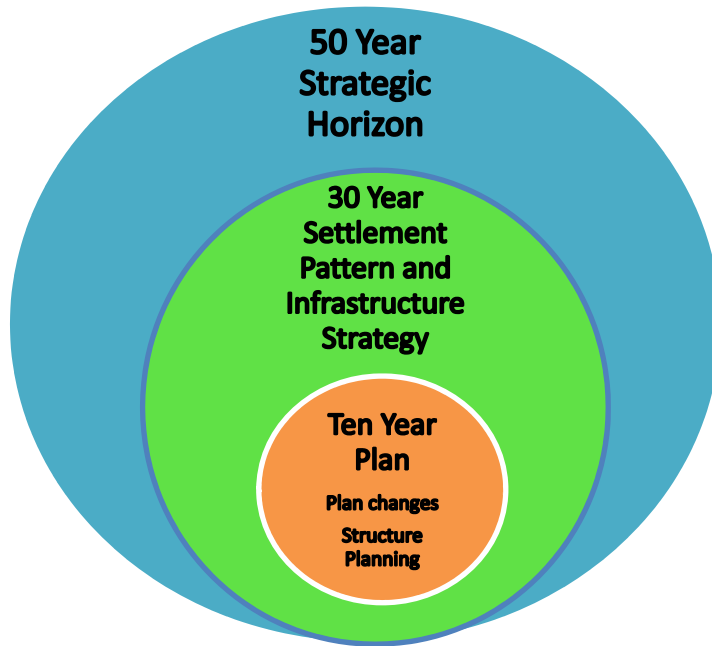


Figure 6 SmartGrowth- The planning horizons (settlement pattern review)

The Settlement Pattern Review sought to identify the appropriateness of urban development within the Western Corridor study area beyond the current extent of urban zoning (in the Regional Policy Statement). The Study considered the potential need and provision for growth areas over the short, medium and long term. Appendix 1 provides data relating to growth in Tauranga City, both current and projected.

The review showed that additional greenfield residential land supply is required to address a projected shortfall in capacity, and anticipated that without the additional capacity provided by the Settlement Pattern Review, there would be no more residential greenfield land available by 2026. The review suggests that new greenfield areas need to be identified and planned well in advance of this date to ensure capacity can be taken up at the appropriate time.

The review provided an analysis of the feasibility and appropriateness of future urban development (including Tauriko West) and made recommendations to SmartGrowth and subsequently its member Councils, about whether the Western Corridor should be urbanised and potential preferences as to the sequencing of new growth areas.

The study was undertaken in collaboration with the New Zealand Transport Agency. The Tauriko West Network Connections Business Case is being jointly developed by the SmartGrowth project partners and the Transport Agency, and the focus of this Business Case will identify the transport system that enables the urbanisation of the Tauriko West Area, integrates with the surrounding area and supports the nationally significant freight route (State Highway 29) that extends through Tauriko. The Business Case will identify a transport system approach for the next 30 years, including an implementation plan and co-investment delivery approach.

Three waters infrastructure provision to serve potential new growth areas were also considered as part of the review. No fatal flaws in terms of infrastructure provision were identified. Analysis of potential planning constraints did not reveal any fatal flaws to urbanisation of the study area.

Infrastructure sequencing considerations and planning/site constraints will influence the shape and yield of growth areas as they are planned in detail through structure planning that is to be carried out by Tauranga City Council.



Figure 7 Proposed Tauriko West urban growth area, view towards Tauranga and Mauao (north)

Findings of the review suggested the Tauriko West area is a strong contender for being the next growth area to be structure planned and rezoned. It was recommended to, and approved by the SmartGrowth partners, Tauranga City Council, Western Bay of Plenty District Council, and Regional Council that Tauriko West be prioritised for urbanisation. Key benefits of the Tauriko West area include:

- Located on the periphery of the existing city
- Relatively easy to service with infrastructure
- Adjacent to State Highway 29
- Titles owned by a small number of land owners, the majority of whom are keen to advance development
- A high amenity location for urban place-making, as it faces north-west and slopes gently towards the Wairoa River
- Adjacent to business and employment area
- The overall Tauriko West Urban Growth area is assessed as being able to accommodate 3000 dwellings (population 7,200 - assumed 2.4 persons per dwelling)
- Supported by the New Zealand Transport Agency (NZTA) Tauriko West Network Connections Business Case

- Focused on residential development of various types and densities;
- Able to provide for local commercial/retail centre and new schooling.

3.4 Tauriko West Urban Growth Area - Project Overview

3.4.1 Planning sequencing

In order for the Tauriko West area to be urbanised, four inter-related projects need to be completed:

- The Bay of Plenty Regional Council must amend the Regional Policy Statement Urban Limit line to include Tauriko West in the urban growth area. This process is nearing completion, and the urban limits line is expected to be amended by late 2018. The Section 32 Analysis and option selection is provided as Appendix 2. The BOPRC in deliberating whether to move the urban limits line concluded *"risk of not acting is high. There is sufficient information to determine that if no action is taken there will not be sufficient land available for development within the Urban Limits to meet either the medium or long term development capacity requirements of the NPS-UDC or the projected growth demand for Tauranga City."*
- A boundary alteration, under Schedule 3 of the Local Government Act 2002, is required to the local authority boundary (WBOPDC and TCC) so the entire urban growth area falls under the one local authority's (i.e. Tauranga City Council) jurisdiction;
- Subject to a successful boundary alteration, changes must be made to the Tauranga City Plan (TCC) to rezone the land from rural to residential following structure planning and planned provision of infrastructure (2019); and
- Project partners (NZTA, TCC, BOPRC and WBOPDC) will also need to implement transport system improvements. The Tauriko West Transport Network Connections Detailed Business Case (DBC), is being developed by the partners which will outline a co-investment and implementation plan for a range of transport system improvements.

To progress these four projects, a collaboration of the four planning partners (WBOPDC; TCC; BOPRC; NZTA) supported by hapū with interests in the Tauriko West area (Te Kauae a Roopu), will continue to work together on overall project coordination and detail. Consultation and engagement is managed through a central communications and engagement project "Tauriko for Tomorrow" (Appendix 4), with individual partners leading each of the projects and managing specific aspects of political engagement and consultation to meet their legislative requirements. The overall project is described below (3.4.2).

3.4.2 Tauriko West Urban Growth Project

Sub-projects	Responsibility	Process where matter will be addressed
Urban Limits Line boundary adjustment	Bay of Plenty Regional Council	Change 4 to the Bay of Plenty Regional Policy Statement <i>(Submission process complete with 31 submissions received. 10 support; 17 neutral; 4 oppose in part)</i>
Territorial boundary alteration	Western Bay Of Plenty District Council	Application to the Local Government Commission (Schedule 3 LGA 2002 Reorganisation proposal) <i>(BA application and consultation completed and lodged with LGC)</i>
Structure planning for growth area <ul style="list-style-type: none"> • Urban form and land use reserves and open space networks • Community facilities • Transport and movement • Natural hazards • Infrastructure networks 	Tauranga City Council	Tauranga City Plan – Structure planning (must comply with RPS structure planning requirements) <i>(preliminary structure planning and investigations underway)</i>
Resource consents for: Earthworks, Stormwater discharges, etc.	Application by (developer) Processed by Bay of Plenty Regional Council	Resource consent processes under the Resource Management Act, and Regional Natural Resources Plan
Transport Network Planning <ul style="list-style-type: none"> • State Highway realignment • Local roading • Multimodal options 	NZTA Tauranga City Council Western Bay of Plenty District Council Bay of Plenty Regional Council	Designations and resource consents under the RMA, funding under the Land Transport Management Act.

3.4.3 The Tauriko West Urban Growth Area project 'Tauriko for Tomorrow' has partnered with iwi and hapū of the Rohe (tribal boundaries) through a Memorandum of Understanding aimed at providing a framework to work collaboratively and engage throughout the project. The Tangata Whenua group is known as Te Kauae a Roopu with all hapū with interests in Tauriko West, represented.

3.5 Urbanisation of Tauriko West – The Vision

Over time, the new suburb of Tauriko West will enable the development of an additional 3,000 dwellings to accommodate Tauranga's rapidly growing population, and to implement the vision that is, to 'create a thriving community for locals to live, learn, work and play.'

The new community will have amenities such as schools, parks, cycle and walkways; access to shopping and community facilities and the Wairoa River; and transport choices and infrastructure.

Planning includes the following objectives:

- Reserves, schools and community facilities to support a live, learn, work, play community
- Safe communities for everyone to enjoy and resilience to natural hazards such as flooding
- Connection to the environment and Tangata Whenua, embracing Tauriko's history and enhancing the Wairoa River Strategy
- New housing with a variety of housing types and choices
- Vibrant community, connected to strong employment and shopping centres
- Connected community supported by public transport, cycle and walkways, and local road networks

3.6 Technical Reports

Technical reports considered during the development of this proposal are listed (6.3).

3.7 Policy and Planning Context

Principal plans and policies that have informed this application are listed (6.4).

4.0 Provision of Good Local Government

The Local Government Act 2002 (Part 2 section 10 (1) (a) and (b)) sets out the purpose of Local Government:

- (a) To enable democratic local decision-making and action by, and on behalf of communities; and
- (b) To 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.

Clause 5(1)(e) of Schedule 3 of the Local Government Act 2002 requires a description of the potential improvements that would result from this boundary alteration proposal, and how this change will promote Good Local Government under Clause 12(1).

4.1 Tauriko West – 'the affected area' – governance, infrastructure and services overview

For the affected area, good local government is currently achieved through the provision of governance, regulatory and administrative services, and access to public services such as roads, reserves, recreation and open space. However, with a burgeoning Tauranga City population, the location of the area, which once identified itself as rural, finds it is increasingly

drawn into an urban environment. The existing residents have for many years associated with, and utilised public amenities and services located within Tauranga City.

Due to the rural location of Tauriko West, and with the nearest WBOPDC wastewater and water infrastructure located in Te Puke a distance of 20 Kms from the affected area, it is not cost effective or feasible for the Western Bay of Plenty District Council to provide new water and wastewater infrastructure to service the affected area. However, the transfer of the territory to Tauranga City Council will enable the new suburb of Tauriko West to be provided with good quality cost effective water and wastewater infrastructure compliant with their development code standards. Other network infrastructure, such as roading and stormwater infrastructure, could be more effectively provided by TCC than WBOPDC given that this would involve an extension of adjacent urban infrastructure rather than the provision of services in an 'isolated' urban pocket of WBOPDC district. In particular, the area can be connected by reticulation to the Joyce Road Water Treatment Plant and to the Te Maunga Waste Water Treatment Plant, once the southern pipeline is completed.

The boundary alteration also facilitates the provision of improved local public services, and representation, policy, planning and regulatory functions that are consistent with those in the neighbouring communities existing residents currently associate with.

4.1.1 The following table shows how altering the boundary which would bisect one contiguous suburb, into the jurisdiction of one territorial authority (Tauranga City Council) will achieve Clauses 5(1)(e) and 12(1).

Tauriko West Urban Growth Area (the new suburb)

Benefits of one jurisdiction (TCC) for contiguous development i.e. suburb of Tauriko West – post boundary alteration	
Representation and policy	The suburb has consistent representation and policy, reflects the needs and preferences of the community of interest. One community identity. One point of contact.
Bylaws and regulation	One set of Bylaws and regulation for the suburb – community adheres to same rules. Operationally cost effective. Clear and consistent for those providing services within the community.
Planning processes and plans	One simplified planning process. One suburb – same rules. Consistent and coordinated approach for business and community. Avoidance of duplication, efficient and operationally cost effective. More efficient and cost effective for planning partners such as NZTA; Network providers; local school etc.
Rating and charges	One rating and charging methodology and approach applied to one suburb/community of interest.
Provision of infrastructure to TCC Development Code standards.	One network. Good quality infrastructure planned and delivered to the boundary of the new suburb to one set of development code standards. Avoidance of inefficient cost sharing agreements with WBOPDC. Consistent service and charges to households.

4.2 Tauriko West – Governance arrangements

4.2.1 Representation

The Kaimai Ward includes the areas of Omokoroa, Pahoia, Omokoroa Rural, Te Puna, Minden, Kaimai, Kopurererua, Waiorohi, and Kaitemako.

The Ward is represented by four Western Bay of Plenty District councillors out of a total of eleven councillors. Tauriko West, as a rural area, is not represented by a community board. (See map Appendix 3 (2.1)). The population of the Kaimai Ward is 13,072 with the population of the affected area comprising .006% of the Ward.

Council's recent representation review (June 2018) proposes the abolition of community boards in the Western Bay of Plenty District from the 2019-21 triennium onwards.

Transfer of the affected area will make no immediate or future change to the number of Western Bay of Plenty District councillors representing the Kaimai Ward.

The affected area, once transferred into Tauranga City, would become part of the Otumoetai/Pyes Pa Ward which has a population representation of 40,700. In Tauranga City, representation is provided on a ward and at large basis. Under the current arrangement, there are no community boards and two ward councillors. Transfer of the affected area will not immediately affect current representation arrangements. The boundary alteration will add an additional 81 residents, which represents a 0.2% population increase within the ward's representation. Importantly, over the development period of the project, approximately 15 years urbanisation of the area is projected to deliver approximately 3000 households to Tauranga City. Future Tauranga City Council representation reviews would need to consider taking this future development into account, by ensuring effective representation of communities of interest and fair representation of electors. The last review was undertaken in 2015, and the next would be required to be carried out by 2021.

Tauranga City Council operates five Council Controlled Organisations, they are listed in Appendix 3 (2.2). No change to the governance of the organisations is forecast as a result of the Proposal.

In terms of the Bay of Plenty Regional Council representation, the transfer of the affected area would have no impact on their current representation arrangements.

Appendix 3 (1.0) provides a table, which describes the existing governance arrangements of both councils and the representation impact of transferring the affected area and current resident and ratepayer electors. Relevant excerpts from the Councils Governance Statements along with electronic links to the Governance Statements of the Western Bay of Plenty District and the Tauranga City councils are provided in (6.1).

In summary, as a direct result of the boundary alteration, there would be a small population decrease for WBOPDC and minor increase for TCC in ward representation. It is considered that these representation changes result in relatively minor amendments to ward boundaries and the population contained within it. There will still be effective representation of the communities once the boundary alteration is complete.

4.2.2 Tangata Whenua – Representation

The Western Bay of Plenty District Council ensures Māori representation through a dedicated committee – the Tauranga Moana and Te Arawa ki Takutai Partnership Forum. The Forum

was established principally to strengthen the relationships between Council and Tangata Whenua and to make recommendations to Council on matters pertaining to Māori. The Forum is comprised of twenty one iwi/hapū representatives from throughout the Western Bay of Plenty District together with the Mayor and all Councillors. The proposal to alter the boundary will not affect the composition or role of the Forum.

The Tauranga City Council ensures Māori representation through a dedicated committee – The Tauranga Moana Tangata Whenua Collective (‘the Collective’). The Collective is a representative group of all 15 iwi and hapū resident within the Tauranga City Council boundaries. The role of the Collective is to work together to:

- Provide a Tangata Whenua forum within the Tauranga City Council area to discuss and debate their local authority issues and concerns and to advance and protect the interests of Tangata Whenua.
- Provide an opportunity for Tauranga City Council and the Collective to discuss and develop Council concepts, policies, projects and procedures that impact on Tangata Whenua.

The proposal to alter the boundary will not affect the membership composition or role of the Collective.

Māori Wards

Both the Tauranga and Western Bay of Plenty Councils have considered whether to have separate Māori wards in July 2016 as part of their Representation reviews. Neither Council will be progressing Māori Wards at the next Local Body Elections.

4.3 Tauriko West - Infrastructure and Services

The community in the affected area, while currently regarding itself as mainly rural, through its close proximity to the City has for many years associated largely with neighbouring communities in Tauranga City, and utilises Tauranga City sportsfields, reserves and facilities such as the Greerton swimming pool, rubbish and recycling centre, libraries, theatre, art gallery and business centres. This association or ‘communities of interest’ have recently been expanded with the development of The Lakes residential, business and employment centre, located adjacent to the affected area.

Within the Western Bay of Plenty District, urban infrastructure is provided to the towns of Omokoroa, Katikati, Waihi Beach, Te Puke and Maketu. Outside these urban areas, water supply is provided to many rural properties, but the network does not extend to the Tauriko West area; these properties source their own water and dispose of their own sewerage and stormwater. Rubbish collection is organised through a private contractor.

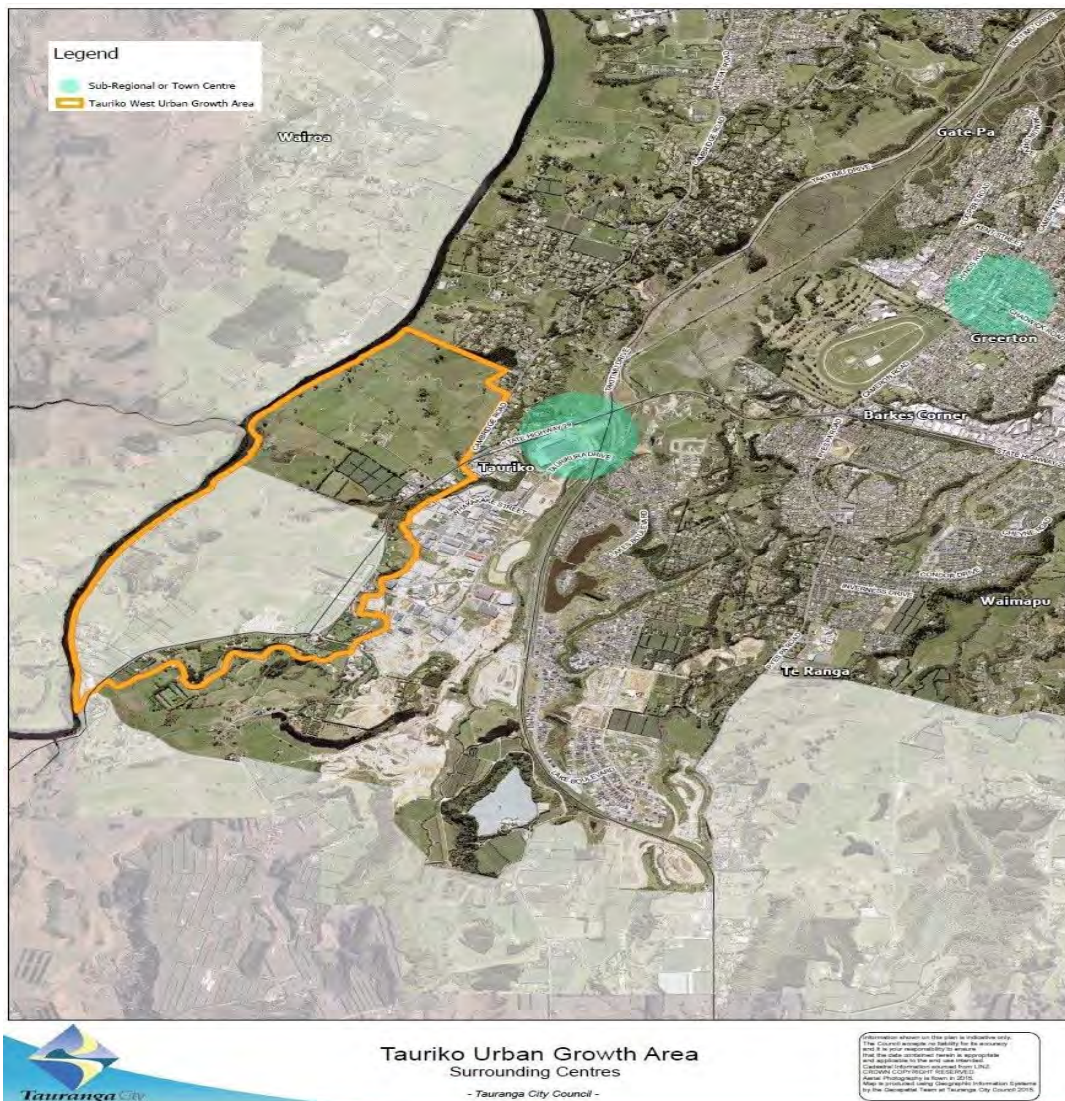


Figure 8 Tauriko West Urban Growth Area – Linkages to Tauranga City communities of interest, amenities, facilities, business and employment.

Post boundary alteration, to enable urbanisation, the properties in the affected area will be rezoned by Tauranga City Council from rural to residential, and as such, existing residents will have the opportunity to subdivide their property, connect to City water, stormwater and wastewater networks, access rubbish and recycling collection services and improved transport networks and facilities. Once developed, the new suburb will provide residents with access and connections to cycle and walking tracks along the river and to 'The Crossing' a large shopping and business centre located in the adjacent 'Lakes' subdivision.

The affected area is flood prone and this is expected to be remediated through the earthworks, landscaping and urban design of the new suburb.

There is one local road within the affected area (Redwood Lane) with access to State Highway 29. In recent years, there has been increasing concern by residents, the New Zealand Transport Agency, Councils and the public in general regarding the capacity and safety of the highway and its various access points. The Tauriko West planning partners acknowledge significant investment needs to be made, both to manage the existing traffic and growth within Tauriko West, and to mitigate the impact of increased traffic caused by further urbanisation. Project collaboration between Tauranga City Council and the New Zealand Transport Agency on the Tauriko West Network Connections Business Case will enable the

coordinated planning, implementation and co-investment so that the development of the new suburb will provide a transport system that is multi-modal, safe, accessible and resilient.

The focus of the Business Case is on identifying the transport system that enables the urbanisation of the Tauriko West area, integrates with the surrounding area, and supports the nationally significant freight route (State Highway 29) that extends through Tauriko.

4.3.1 Tauriko West – Provision of Infrastructure

The SmartGrowth Western Corridor Strategic Study (Option 3B) 2016, considered the feasibility of providing infrastructure to the proposed new subdivision at Tauriko West, the study identified:

- Water and wastewater reticulation would link to existing services within the Tauranga City boundary or under Tauranga Council's ownership and governance
- The Southern Pipeline wastewater system has the capacity to take the increased flow associated with urban growth in the area
- Stormwater is largely dependent on development design and consent conditions developed in the structure planning process with adverse effects associated with stormwater adequately managed
- The proposed Waiari water supply will be needed to supply the area in combination with the existing water treatment plants
- The transport system will have an effect on the sequencing and alignment of the final growth areas and, importantly, the location and cost of infrastructure servicing

4.3.2 Tauriko West – Planning and funding of infrastructure

The Tauranga City Council's Infrastructure Strategy (2018-2048) alongside their Financial Strategy, demonstrates how Tauranga City Council plans to manage its assets prudently and sustainably through future periods of growth and other pressures. The 30-year strategy provides long-term thinking to significant decisions around investment in infrastructure.

The Infrastructure Strategy focuses on the following:

- Providing the infrastructure required for resilience and growth in a manner that aligns with the Financial Strategy;
- Ensuring ability to maintain current levels of service through growth and other pressures; and
- Maintaining assets in a prudent and sustainable manner.

The assumptions underpinning the infrastructure Strategy (and the rest of the TCC Long Term Plan) are that initially, the majority of the growth will occur in greenfield sites on the City's edges. This growth, currently totalling more than 80% of new dwellings, is occurring in greenfield areas.

Infrastructure planned and to be provided for the Western Corridor and Tauriko West is described in 4.3.3.

4.3.3 Summary of Infrastructure planned to service Western Corridor (Tauriko West)

For new urban growth areas, Tauranga City Council provides infrastructure to the boundary of the growth area, but all infrastructure within the growth area, is funded and delivered by the developer. This model reduces Council's up-front costs relating to growth management. The costs associated with delivery of infrastructure to the boundary of the western corridor growth area are as follows:

Infrastructure Element	Estimated Cost	Estimated Year of Delivery
Water infrastructure to growth area boundary	\$2,366,840	2021 onwards
Wastewater infrastructure to growth area boundary	\$2,656,000	2021 onwards
Road Infrastructure to the growth area boundary	\$3,500,000	2021 onwards
Stormwater infrastructure required in the growth area	Developer provided	2021 onwards

****Specific to the Tauriko West Urban Growth Area**

Across the wider **Western Corridor** growth areas, the Tauranga City Council Infrastructure Strategy includes the following capital costs:

Infrastructure	2018 - 2028	2029 - 2039	2040 - 2050
Social			
Land purchases for social infrastructure western corridor	24,000,000		
Western corridor indoor sports centre	16,000,000		
Western corridor community centre	4,000,000		
Western corridor indoor pool	14,000,000		
Western corridor library	6,100,000		
**Tauriko West active reserve development	9,100,000		
Wairoa active reserve development	12,000,000		
Wastewater			
**Wastewater – Tauriko West rising main		7,000,000	

Wastewater – Further mains and pump stations to service the Western Corridor		35,000,000	
Reticulation for future growth areas		25,000,000	
Water			
Joyce Road Treatment Plant renewals	5,000,000		
Water – Waiari supply project – additional main		17,000,000	
Water –Reticulation mains for new growth areas		8,000,000	
Three reservoirs servicing Tauranga Central and West		18,000,000	
Waiari water supply – increase intake and process capacity		30,000,000	
New urban growth area trunk mains		12,000,000	
Mains, reservoirs and pumps to service Belk Road growth		30,000,000	
Stormwater			
Stormwater – Ponds and reticulation in **Tauriko and Pyes Pa West	24,000,000		
Stormwater – reticulation for future growth areas		38,000,000	
Transportation			
Smith’s farm access	10,000,000		
Transportation – **Tauriko West connections	62,000,000		
Belk Rd upgrade (plus SH29 intersection)	11,000,000		
Western corridor link road		65,000,000	
Transportation for new growth areas		29,000,000	

5.0 Community support for the proposal

5.1 Consultation overview

Clauses 5 (1) (f) and 8 (1) of Schedule 3 of the Local Government Act 2002, refer to the assessment of demonstrable community support in proposing a Local Authority Reorganisation Proposal.

To assess community support, the consultation focussed specifically on the boundary alteration proposal. Matters raised during the consultation that related to other aspects of the overall 'Tauriko for Tomorrow' project have been recorded and referred to the appropriate process e.g. RMA planning; transportation planning.

Consultation with respect to the application to alter the WBOPDC territorial boundary at Tauriko West has been undertaken with:

- Ratepayers and residents within the affected area
- Hapū with interests in Tauriko West
- Tauranga Moana Iwi Authorities
- General public across Tauranga City and Western Bay of Plenty District.
- Tauranga City Council and the Bay of Plenty Regional Council
- New Zealand Transport Agency (throughout the process and as part of the collaborative planning team – see Appendix 4)

Additional background material is provided in the supplementary information prepared in support of this Application.

In addition to the specific assessment of public support required as part of this Local Authority Reorganisation Proposal, a record of the wider consultation carried out as part of the overall Tauriko Urban Growth Project (Tauriko for Tomorrow) is documented in Appendix 4.

5.2 Approach and methodology

The following approach and methodology was used to capture and record the consultation outcomes of the specific categories required in the assessment of support for the boundary alteration proposal.

To provide a consistent assessment of the level of support, the same consultation question was put to each consultation category, that is:

"Do you support the proposal to alter the boundary between Western Bay of Plenty District Council and Tauranga City Council to enable 189 hectares of Western Bay of Plenty District rural land at Tauriko West to be moved into Tauranga City jurisdiction so it can be developed for future housing and adequately serviced?"

Categories and approach selected for specific consultation:

- **Ratepayers and residents** in the Affected Area (Consultation period 23.7.18 – 17.8.18)
Individual letters providing information, outlining the proposal and asking ratepayers/residents to consider the consultation question and provide feedback. A self-addressed envelope was provided for response.

- **Hapū with interests in Tauriko West (Te Kauae a Roopu)** (Consultation throughout – specific consultation 9.7.18)
The hapū representatives (Te Kauae a Roopu) have been engaged throughout the project and provided with information prior to the consultation period. A report was tabled at a meeting of Te Kauae a Roopu on 9th July 2018. The hapū representatives were asked to consider the consultation question.
- **Tauranga Moana Iwi Authorities** (Meeting 24.8.18)
In accordance with the WBOPDC and TCC MOU, a rangatira to rangatira meeting was held on 24th August 2018 with information provided to Iwi Authorities beforehand. The Mayor and Deputy Mayor of Western Bay of Plenty District Council, the Mayor and Deputy Mayor of Tauranga City Council, the Chair and Deputy Chair of the Bay of Plenty Regional Council and Tauranga Moana Iwi Authority representatives were invited to attend. The iwi representatives were asked to consider the consultation question.
- **Public support across Tauranga City and Western Bay of Plenty District.**

Using multiple methods, a consultation process with the general public of both Tauranga City and the Western Bay of Plenty District was undertaken, to ascertain the level of support for altering the Western Bay of Plenty District Council Boundary at Tauriko West.

Methods included:

- Online consultation through the 'Have your say' website portal through the WBOPDC and TCC websites.
- Boundary alteration consultation material on WBOPDC, TCC and Tauriko for Tomorrow websites.
- WBOPDC electronic newsletter (reaching an estimated 923 residents in the Western Bay of Plenty District).
- General enquiries/feedback directly referred to the Project Manager.
- Media release to local and online media - Sunlive and Bay of Plenty Times (covering Bay of Plenty area) and community newspapers eg Omokoroa.
- Article in Tauriko for Tomorrow Newsletter with a bulk distribution of 9,538.
- Statistically and demographically robust survey of Tauranga City and Western Bay of Plenty District residents.

5.3 Consultation outcomes by consultation category

5.3.1 Ratepayers and residents within the affected area

In total, 37 letters (multiple owners/1 resident) were delivered to 25 properties, including 2 principal landowners. There are an additional three land parcels owned by WBOPDC for reserve purposes.

Consultation outcome

- 19 properties (**68%**) with a collective land parcel area of 176.6 ha (**93% of the total affected area**) support the boundary alteration proposal.
- No response was received from 7 properties (25%) with a collective land parcel area of 11.4674 ha (6% of the affected area).

- 2 properties (**7%**) with a collective land parcel area of 0.8941 ha (**.04% of the affected area**) do not support the boundary alteration proposal. One of the property owners is disputing the location of proposed boundary line, believing it should not extend south of Redwood Lane, thus leaving that area in a rural environment (WBOPDC). The other property owner is concerned with the realignment of, and traffic issues associated with SH29.
- As part of the boundary alteration consultation process, two landowners, while fully supporting the boundary alteration, identified an additional parcel of land located on the southern corner of SH29 and Belk Road (1.6795ha.) which in their view should be included in the boundary alteration proposal. Planning advice notes the status of the land, both in terms of TLA jurisdiction and inclusion in the Tauriko West structure plan, is contingent upon the SH29 alignment. There is currently a high level of uncertainty regarding the future alignment of SH29 and this is not expected to be resolved until 2019.

The following map of the affected area illustrates the level of support for the boundary alteration proposal at Tauriko West, by land parcel:

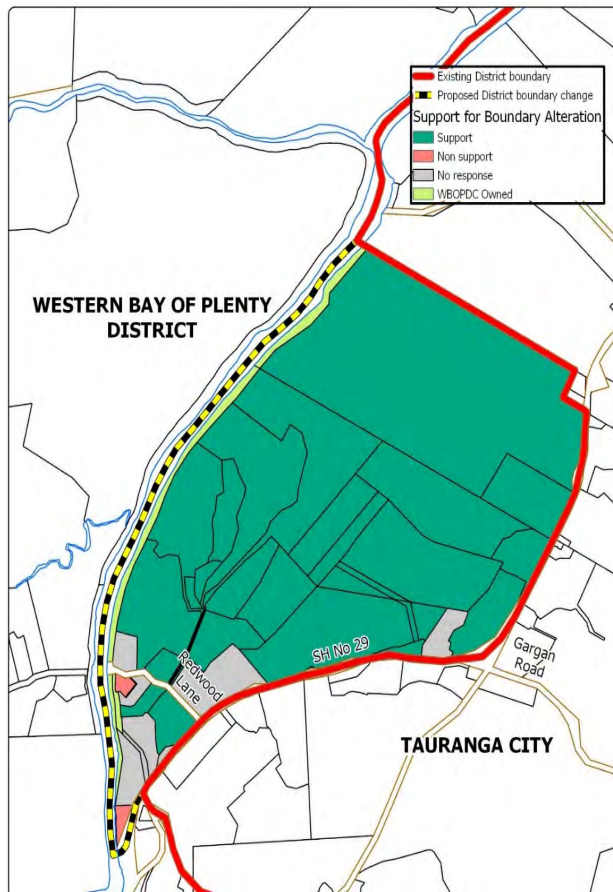


Figure 9 – Level of support for the boundary alteration at Tauriko West by land parcel.

5.3.2 Te Kauae a Roopu – Hapū Group with interests in Tauriko West

Te Kauae a Roopu are a collaborative partner of the overall Tauriko for Tomorrow Project and are consulted throughout on progress and technical aspects of all the various planning strands, including the proposal to alter the WBOPDC boundary. On Monday 9 July 2018 a meeting of

Te Kauae a Roopu, which includes representatives of the six hapū with interests in Tauriko West (*Ngai Tamarawaho, Ngati Hangarau, Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau*), considered a report outlining the boundary alteration proposal. The hapū representatives were asked whether they supported the alteration of the boundary between Western Bay of Plenty District Council and Tauranga City Council at Tauriko West.

Consultation outcome

The hapū (Te Kauae a Roopu) **unanimously supported** the proposal and no concerns relating to the alteration of the boundary were raised. (Te Kauae a Roopu meeting 9 July 2018)

5.3.3 Tauranga Moana Iwi Authorities

On Friday 24th August 2018, a Rangatira meeting was held between the Mayors and Deputy Mayors of WBOPDC, TCC, the Chair and Deputy Chair of the Bay of Plenty Regional Council and representatives of the Tauranga Moana Iwi Authorities (Ngati Ranginui; Ngai Te Rangī; and Ngati Pukenga). A report outlining the proposal had previously been circulated. The Iwi representatives were asked to consider whether they supported the alteration of the boundary between Western Bay of Plenty District Council and Tauranga City Council at Tauriko West.

Consultation outcome

The Tauranga Moana Iwi Authority representatives of Ngati Ranginui; Ngai Te Rangī; and Ngati Pukenga **unanimously supported** the proposal and no concerns relating to the alteration of the boundary were raised. One member noted that while accepting the rationale for the boundary alteration process and supporting without reservation, they would be actively engaged in the subsequent RMA process. (Meeting at WBOPDC Friday 24 August 2018)

5.3.4 Public support across Tauranga City and Western Bay of Plenty District.

In July through to August 2018, the Western Bay of Plenty District Council conducted a consultation process with the general public of both Tauranga City and the Western Bay of Plenty District to ascertain the level of support for altering the Western Bay of Plenty District Council boundary at Tauriko West. Consultation concluded in late August 2018.

Consultation outcomes

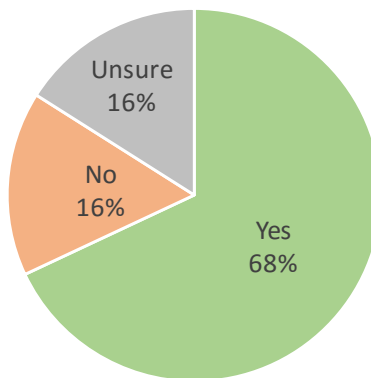
General enquiries and feedback through the website

- Feedback on the 'Have your say' portal through WBOPDC and TCC websites – Information provided and visitors invited to provide feedback on the boundary alteration proposal.
Total visits to website **66**
3 feedback responses. **1** response in support; **2** did not support the proposal.
- No other enquiry or feedback received from other sources.

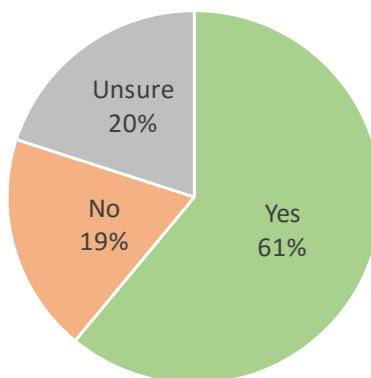
Results of the public survey undertaken in Western Bay of Plenty District and Tauranga City (30th July – 10 August 2018)

Support for the boundary alteration proposal

Tauranga City Council



Western Bay of Plenty District Council



- There is a strong level of support for changing the boundary between the Western Bay of Plenty and Tauranga City at Tauriko West, with just over two thirds of Tauranga residents in support, and around three in five Western Bay of Plenty residents supporting the proposal.
- Residents aged 65 and older in the Western Bay of Plenty council area, who are more likely to have lived in the area longer than others, are less likely to support the boundary change, with just over half (53%) supporting the proposal.
- The most support for the proposed change are from the Te Papa – Welcome Bay, Maketu, and Waihi Beach ward areas; while in Omokoroa, an area effected by increasing development, levels are lowest with just over half (53%) of residents supporting the proposal.
- The most common reasons given by those not supporting the proposed boundary change relate to infrastructure not coping with the growth, current pressure on roading, and the need to retain rural land for agricultural purposes.

The research results are provided in the supplementary information to this application.

5.3.5 Support from Tauranga City Council and the Bay of Plenty Regional Council

The Bay of Plenty Regional Council, Western Bay of Plenty District Council, Tauranga City Council and the New Zealand Transport Agency are collaborating throughout the Tauriko West Urban Growth Project. To date the BOPRC supported by WBOPDC and TCC has progressed moving the Bay of Plenty Regional Council's Urban Limit Line through Change 4 to the Bay of Plenty Regional Policy Statement.

On 6th September 2018, the Western Bay of Plenty District Council wrote to the Tauranga City Council and the Bay of Plenty Regional Council to seek their formal position on the proposal to alter the boundary between Western Bay of Plenty District Council and Tauranga City Council at Tauriko West. A draft of the Boundary Alteration Application to the Local Government Commission was made available to the councils for their consideration.

Outcome

Tauranga City Council met on 18th September 2018 and resolved.....

The Bay of Plenty Regional Council met on 27 September 2018 and resolved...

(to be completed in October 2018)

5.4 Summary of consultation outcomes

To provide a consistent assessment of the level of support for the alteration of the boundary, the same consultation question was put to each consultation category, that is:

"Do you support the proposal to alter the boundary between Western Bay of Plenty District Council and Tauranga City Council to enable 189 hectares of Western Bay of Plenty District rural land at Tauriko West to be moved into Tauranga City jurisdiction so it can be developed for future housing and adequately serviced?"

In the affected area, the proposal is generally supported as illustrated in Figure 9. Of the 25 affected land parcels, two properties do not support the proposal.

The hapū (Te Kauae a Roopu), Tauranga Moana Iwi Authorities and three Councils, support the proposal.

The results of a survey of 804 members of the public showed that 68% of respondents drawn from Tauranga City's jurisdiction supported the boundary change and 61% of the Western Bay of Plenty District respondents. Across the two jurisdictions, an average of 17.5% of the respondents do not support the proposal.

A small proportion of the general public surveyed who did not support the proposal, noted their preference to retain the area as rural; the remainder of those who do not support the proposal, referenced infrastructure and transportation issues resulting from the rapid and sustained growth of Tauranga City. It is expected that over time, those concerns will be mitigated through subsequent RMA and transport planning processes as the overall Tauriko Urban Growth Project progresses.

In assessing the outcomes of the various consultation categories, it is the view of the three Councils, that there is demonstrable community support for the proposal to alter the WBOPDC territorial boundary at Tauriko West.

6.0 References and additional information

6.1 Electronic references

1. SmartGrowth Website <https://www.smartgrowthbop.org.nz>
2. Western Corridor Strategic Study <https://www.smartgrowthbop.org.nz/media/1639/may-western-corridor-strategic-planning-study.pdf>
3. Bay of Plenty Regional Policy Statement <https://www.boprc.govt.nz/plans-policies-and-resources/policies/operative-regional-policy-statement/>
4. Bay of Plenty Regional Policy Statement – Proposed Change 4 www.boprc.govt.nz/change4
5. Wairoa River Strategy 2005 (2013 update)
6. Tauriko for Tomorrow Website <https://www.Taurikofortomorrow.co.nz>
7. [WBOPDC Governance Statement](#)
8. [TCC Governance Statement](#)
9. [TCC 2018-28 Long Term Plan- Infrastructure Strategy](#)

6.2 Appendices

Appendix 1 – Growth Challenge in Tauranga City and Western Bay of Plenty (BOPRC)

Appendix 2 – BOPRC – Urbanisation of Tauriko West – Proposed Change 4 S32 Outcomes

Appendix 3 - Governance arrangements (existing and extent of any proposed change) For the Affected Area; Excerpts from WBOPDC and TCC Governance Statements 2018

Appendix 4 – Meetings, Hui, engagement and consultation undertaken to date, as part of the overall Tauriko for Tomorrow project

6.3 Technical Reports considered during the development of the boundary alteration proposal

Publication	Relevant content
National Policy Statement on Urban Development Capacity 2016	High Growth Areas – Sets government’s expectations regarding housing supply over next ten years.
SmartGrowth - Draft Housing and Business Development Capacity Assessment 2018	Tauranga and Western Bay - Population and housing supply projections

Tauranga City Council – Tauranga Housing Accord 2016	Tauranga City and the western Bay of Plenty identified as areas having significant housing supply and affordability issues
SmartGrowth Strategy 2013 (Spatial Plan for the western Bay of Plenty sub-region)	The case for urbanising Tauriko West
SmartGrowth – The Western Corridor Strategic Study and Option 3B Settlement Pattern Review	Tauriko West - Feasibility of Infrastructure Servicing
Tauranga City Council Infrastructure Strategy 2018 – 2048	Infrastructure planned to service the Western Corridor (Tauriko West)

6.4 Principal plans and policies, which have informed this application

National Policy Statement – Urban Development Capacity 2016	The NPS-UDC came into effect on 1 December 2016. Its purpose is to ensure planning decisions enable the supply of housing and business development capacity. The NPS-UDC places a strong emphasis on planning coherently across urban housing and labour markets which may cross local authority administrative boundaries. This includes collaboration between regional councils and territorial authorities who have differing functions under the RMA, but whose functions all impact urban development.
Housing Accord and Special Housing Areas Act 2013	In 2016, Tauranga City Council signed an agreement with the Government (Tauranga Housing Accord ¹) to work together to address housing issues in the city by increasing the supply of land available for development.
SmartGrowth Settlement Pattern Review – Option 3B 2016	The western Bay of Plenty subregion has grown rapidly over the past 20 years. Growth has been anticipated and planned for by local government and through the SmartGrowth Strategy ² . However, the current pace of growth has more recently outstripped these projections and, as identified in the SPR, this pace is likely to continue.
Bay of Plenty Regional Policy Statement 2014	On 22 May 2018 the Bay of Plenty Regional Council notified Change #4 to the RPS 2014, which when adopted will move the urban limits line to align with the Growth

¹ Tauranga City Council – Tauranga Housing Accord 2016

² SmartGrowth Strategy 2013 (Spatial Plan for the western Bay of Plenty sub-region)

	Management Strategy, so that Tauriko West Urban Growth Area can be urbanised.
Iwi and Hapū Management Plans	<p>There are sites of cultural significance in the Tauriko West area. Some have been identified and are publicly available, while there appears to be other information as in the Te Awaroa Ngāti Kahu Environmental Management Plan 2011, which is not publically available. Under Section 6 of the RMA as a matter of national importance planning for the urbanisation of Tauriko West will need to recognise and provide for the:</p> <ul style="list-style-type: none"> • relationship of Māori and their culture and traditions with these ancestral water, sites, waahi tapu and other taonga; and • protection of historic heritage from inappropriate subdivision, use and development.
Wairoa River Strategy 2005 (updated 2013)	<p>The Wairoa River Strategy (WRS) is a partnership between TCC, WBOPDC, tangata whenua and the community. It recognises the significance of the Wairoa River Valley for its natural and spiritual qualities. The strategy seeks to protect the unique values of the Wairoa River Valley for the long term benefit of the community.</p> <p>The WRS was developed as a rural strategy in 2005 and updated in 2013. While the goals and themes of the strategy are generally not inconsistent with the proposed urbanisation of Tauriko West, the partners have agreed specific attention will be paid to landscaping within the structure plan of the urban growth area to minimise the potential impact of urbanisation</p> <p>June 2018 WBOPDC LTP decision resolves to review the Strategy with BOPRC; TCC and Tangata Whenua – scoping to occur 2020.</p>

Appendix 1 – Growth challenge in Tauranga and Western Bay

(Ref BOPRC Change 4 – Urban Limits Line)

The western Bay of Plenty subregion has grown rapidly over the past 20 years. Growth has been anticipated and planned for by local government and through the SmartGrowth Strategy³. However, the current pace of growth has more recently outstripped these projections and, as identified in the Settlement Pattern Review, this pace is likely to continue.

In planning for this increased growth, the SmartGrowth partners (Bay of Plenty Regional Council, TCC, WBOPDC and Tangata Whenua) have undertaken forward planning assessments for key future growth areas focused on housing supply as well as supporting employment land delivery (i.e. industrial, business, commercial and retail) and community facilities like schools, libraries and reserves.

Tauranga City growth

Tauranga City's population has been increasing at a steady rate and so too has the need for dwellings. The figures below do not include projected growth for the wider western Bay of Plenty sub-region area which is also growing at a steady pace.

The Tauranga City Population and Household Projection Review 2017 showed the population projection for Tauranga City in 2017 was 131,400. Projections in the table below show that this figure is expected to increase by 3,200 in 2018 and continue to increase at a steady rate for decades to come.

Five Yearly Population and Household Projections, 2013-2063, Tauranga City		
Area	Year at 30 June	Resident Population
Tauranga	2013	119,800
	2018	134,600
	2023	145,800
	2028	154,900
	2033	164,084
	2038	173,949
	2043	181,293
	2048	186,693
	2053	190,623
	2058	194,769
	2063	198,373

Table 1 Tauranga City Population and Household Projection Review 2017

The western Bay of Plenty sub-region and Tauranga in particular, continue to experience strong population growth and this growth trend is projected to continue. Population projections for Tauranga see it reaching a population of 198,373 by 2063 (an increase of 66,973 from 2017).

³ SmartGrowth Strategy 2013 (Spatial Plan for the western Bay of Plenty sub-region)

For Tauranga City an additional 35,449 dwellings are projected to be required by 2047⁴. The current zoned greenfield residential areas provide capacity for 9,782 dwellings⁵. It is estimated that this will provide for approximately 9 years of residential greenfield growth. However, based on the high number of dwelling consents issued over the last 12 months this capacity could be taken up more quickly. Therefore, additional area is needed to provide for urban growth capacity as required by the NPS-UDC. As discussed in the previous section, development of several future urban growth areas is required in order to meet growth demand and planning requirements. Tauriko West has the potential to yield approximately 3,000 dwellings which will contribute to the current shortfall in greenfield capacity.

There has been a major increase in people building new houses in Tauranga over the last two years. In the 2017 calendar year alone 1,455 building consents were issued by TCC for 1,649 new dwellings⁶. This trend is projected to continue through 2018.

The following graph demonstrates the increase in the number of dwelling consents over the period 2005 to 2017.

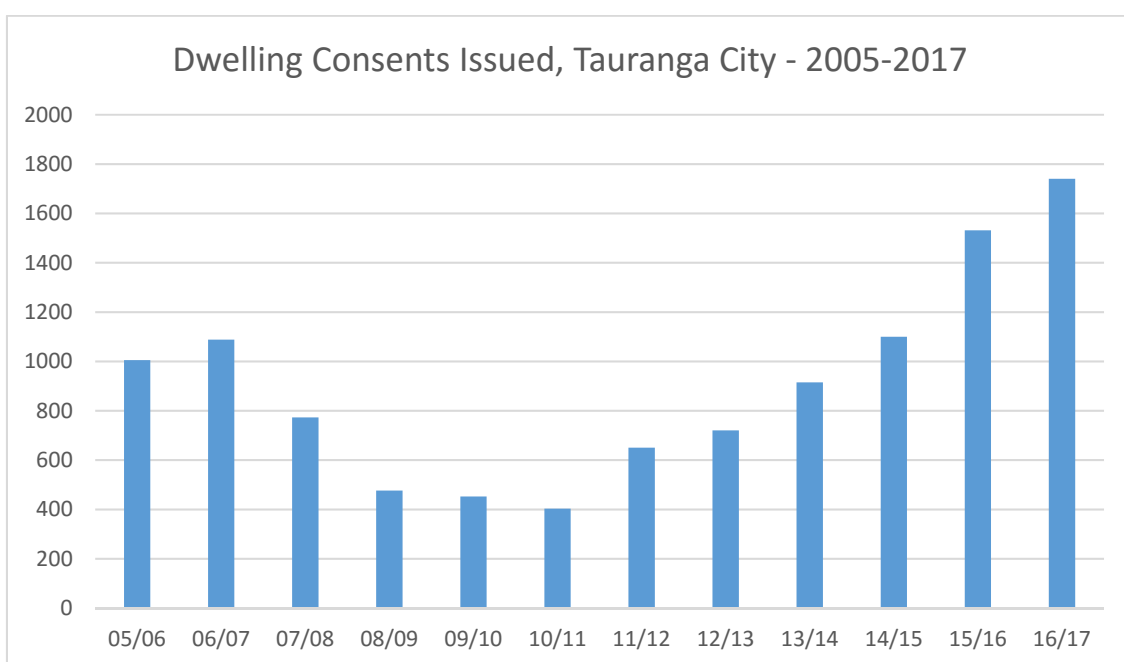


Figure 1: Dwelling consents issued (2005-2017)

This growth has been driven by a multitude of factors, including but not limited to:

- The Auckland Housing market which is a driver of internal migration to Tauranga;
- The desirability of Tauranga as a liveable and lifestyle City;
- Strong/growing employment based (locally and sub-regionally); and
- Available land supply (which has also been delivered through Special Housing Areas).

Such growth has implications in regard to placing pressure on infrastructure, the requirement to provide additional infrastructure ahead of time to cater to this growth, and the need to provide for social infrastructure for these new communities.

⁴ draft Housing and Business Development Capacity Assessment. Pg. 4

⁵ draft Housing and Business Development Capacity Assessment. Pg. 26

⁶ <https://www.tauranga.govt.nz/living/building-and-renovations/before-you-build/building-consents-statistics>

Appendix 2 – Bay of Plenty Regional Council - Urbanisation of Tauriko West – social, economic, environmental and cultural impact analysis

(Ref BOPRC Proposed Change 4 – Urban Limits Line)

A critical and first step to achieve the urbanisation of Tauriko West is the adjustment to the Bay of Plenty Regional Council’s Urban Limits Line set out in their Regional Policy Statement. The proposal to adjust the urban limits line has been adopted by the Regional Council (15 May 2018) and notified on 22 May 2018 as Proposed Change 4 to the Bay of Plenty Regional Policy Statement. The following analysis result extracted from the notified Plan Change informs the proposal to alter the Western Bay of Plenty Boundary line.

The following options analysis result has been sourced from the Bay of Plenty Regional Council’s notified Plan Change 4 (Section 32 analysis). The four options considered were:

Option 1 – Status quo – do nothing

Option 2 - Include Tauriko West growth area within the Regional Policy Statement Urban Limit

Option 3 – Full settlement pattern review, reconsidering the requirement for Urban Limit

Option 4 – Advance a new greenfield growth area in another location.

4.3.1 Option 2 selected by BOPRC (15.5.18 and notified on 22.5.18) .

The supporting analysis is provided as follows:

Efficiency	Option 2 – Include Tauriko West growth are within the Urban Limit
Environmental benefits and costs	<p>There are no specific environmental benefits and costs resulting from amending the RPS Urban Limit boundary to include the Tauriko West growth area. However, it is a natural consequence that urbanisation of this area will be enabled and more detailed analysis of the associated costs and benefits will follow through the Tauriko for Tomorrow Project structure planning and plan change processes.</p> <p>There will be environmental costs to existing Tauriko West landowners/residents associated with urbanisation. Landowners or residents who value and wish to preserve a rural outlook and lifestyle on the city fringes will be adversely affected. Rural lifestyle values will be incrementally reduced as the area is urbanised. There will also be a prolonged period of large scale land use change associated with greenfield urban development including dust, visual effects, noise, light glare, vibration etc.</p>
Social benefits and costs	<p>There are no specific social benefits and costs resulting from the RPS Urban Limit boundary change.</p> <p>However, it is a natural consequence PC4 will enable urbanisation of the Tauriko West growth area.</p> <p>Social benefits and costs will be assessed in detail as part of the Tauriko for Tomorrow Project structure planning and plan change processes.</p>

	<p>Social benefits arising from urbanising Tauriko West may include, increased access to services and economic opportunities as well as increased availability of social and community infrastructure, activities and reserves within, through and connecting Tauriko West to the wider City.</p> <p>There will be social costs arising from urbanisation to existing Tauriko West landowners/residents who value and wish to preserve a rural outlook and lifestyle on the city fringes. Rural lifestyle values will be incrementally reduced as the area is urbanised.</p>
<p>Economic benefits and costs</p> <ul style="list-style-type: none"> • Economic growth • Employment growth 	<p>There are administrative costs to Regional Council from amending the Urban Limit boundary to include the Tauriko West growth area associated with public notification, coordinating submissions, hearing, deliberations and Council's decisions.</p> <p>It is a natural consequence that urbanisation of this area will be enabled and more detailed analysis of the associated costs and benefits will follow through structure planning and plan change processes.</p> <p>There will be economic benefits to Tauriko West landowners as land values increase and associated land use change opportunities associated with urban zoning provisions.</p>
<p>Cultural benefits and costs</p>	<p>There are no specific cultural benefits and costs resulting from RPS Urban Limits boundary changes and new growth area development sequencing and timing requirements promoted by PC4.</p> <p>Specific cultural benefits and costs of developing Tauriko West will be assessed through structure plan and plan change processes as part of the Tauriko for Tomorrow project.</p> <p>As noted earlier, the Te Awaroa Ngāti Kahu Environmental Management Plan 2011, identifies a large number of sites of cultural significance in the Tauriko West area. Also, the Ngāti Kahu, Ngāti Rangī and Ngāti Pango Sites of Significance Inventory identified several sites of significance within or in close proximity to the area.</p> <p>Tangata whenua consultation during 2016 highlighted the importance of protecting and enhancing culturally significant values including increasing biodiversity, restoration of ecosystems for flora and fauna, improving access to and the protection of sites of archaeological and cultural significance.</p> <p>There may also be other areas or sites of historic heritage importance to non-Māori that require recognition and provision for as matters of national importance.</p> <p>Care will need to be taken during subsequent structure planning and plan change processes to ensure appropriate mechanisms are utilised to recognise and provide for the protection and enhancement of sites/areas of cultural value. This is required by RPS Method 19 which requires structure plans (i) identify significant cultural, natural and historic heritage features and values and show how they are to be protected.</p>

Overall efficiency of provision	Medium/High (provides for long-term development)
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Table 2: Analysis of options - efficiency

Effectiveness	Option 2
<p>Relevance and transparency</p> <ul style="list-style-type: none"> Directed towards achieving the objectives of the RPS Will clearly achieve, or partly achieve the objectives of the RPS 	<p>The PC4 Urban Limit boundary change and development sequencing is consistent with RPS Objectives 23, 24, 25, and 26.</p> <p>Achieving other objectives in the RPS is dependent on subsequent structure planning and plan change processes under the Tauriko for Tomorrow project.</p> <p>Option 2 will promote achievement of the NPS-UDC medium to long-term urban development capacity requirements.</p>
<p>Usefulness</p> <ul style="list-style-type: none"> Will effectively guide decision-making Meets sound principles for plan provisions Assumptions made Risk involved. 	<p>The assessment for Option 2 is the same as Option 1.</p> <p>It is expected that structure planning for Tauriko West will ensure coordinated development through the integrated provision of infrastructure and integrated management of related environmental effects.</p> <p>There is a risk that structure planning may not fully address environmental, social, cultural and economic effects.</p>
<p>Achievability</p> <ul style="list-style-type: none"> Within Regional Council's functions and powers Within the scope of Regional Council's available tools and resources. Degree of uncertainty in the ability to achieve. 	<p>Option 2:</p> <ul style="list-style-type: none"> Is within Regional Council's functions and powers under the Regional Policy Statement and NPS-UDC. Within the scope of Regional Council's available tools and resources. <p>There is less uncertainty in the ability to achieve the development of Tauriko West due to:</p> <ul style="list-style-type: none"> Small number of landowners Committed land developer <p>Structure planning will provide detail around development of Tauriko West.</p>
<p>Māori values</p> <ul style="list-style-type: none"> Provides for Māori interests in the environment compatible with tikanga (where appropriate). 	<p>The PC4 Urban Limit boundary change and development sequencing do not specifically provide for tangata whenua values and interests.</p> <p>Providing for Māori interests and values will rely on consultation with tangata whenua and the extent to which their relationship, values and interests are recognised and provided for in structure planning, district plan change and resource management decision making processes.</p> <p>Te Kauae a Roopu provides a vehicle for establishing and maintaining relationships and identifying and recognising tangata whenua values.</p>

Assessment of preferred option against relevant Regional Policy Statement objectives

Based on the efficiency and effectiveness assessment above (Option Two), the assessment below is included to show the preferred option is consistent with the current Regional Policy Statement Urban and Rural Growth Management objectives. Achieving other objectives in the RPS is dependent on subsequent structure planning and plan change processes under the Tauriko for Tomorrow project.

The Regional Policy Statement objectives below relate to urban form and growth and infrastructure feasibility.

RPS Objectives	Assessment of preferred option
<p>Objective 23: A compact, well designed and sustainable urban form that effectively and efficiently accommodates the region’s urban growth.</p>	<p>The SmartGrowth Settlement Pattern and more recent SmartGrowth Western Corridor Settlement Pattern Review determine how the pressures of growth in the western sub-region will be best managed in a time, resource and cost effective manner. The Tauriko West growth area was identified as the next suitable greenfield growth area as part of the Western Corridor Settlement Pattern Review in 2016.</p> <p>Tauriko West is located in the Western Corridor within close proximity to a large commercial centre and a significant portion of the City’s available high demand for housing.</p> <p>Amending the RPS to include Tauriko West in the Urban Limit is necessary to enable the implementation of the SmartGrowth Settlement Pattern. Doing so will also enable potential development of more feasible land in preference to less feasible land. Considerations like density and design are more able to be accommodated within the structure plan design process. Tauriko West has fewer land owners which means more comprehensive designs can be accommodated.</p> <p>Extending the Urban Limit to include Tauriko West not only provides an opportunity to complement the existing mix of industrial, commercial and residential area but also enables the NPS-UDC future growth demand requirements to be met.</p>

RPS Objectives	Assessment of preferred option
<p>Objective 24: An efficient, sustainable, safe and affordable transport network, integrated with the region's land use patterns.</p>	<p>The NZ Transport Agency is investigating options for the adjacent State Highway 29 and multimodal transport and connection options for the Western Corridor. This is part of a work programme already committed funding under the National Land Transport Fund. Out of 35 significant new improvement activities, the State Highway 29 Tauriko West network connection improvement activity is the highest priority improvement activity in the Bay of Plenty region under the Fund. This work provides a significant opportunity to achieve Objective 24. The Regional Land Transport Plan identifies State Highway 29 between Tauranga and Waikato as an important inter-regional connection corridor.</p>
<p>Objective 25: Subdivision use and development in the western Bay of Plenty sub-region is located and staged in a way that integrates with the long-term planning and funding mechanisms of local authorities, central government agencies and network utility providers and operators whilst having regard to the growth plans of relevant industry sector groups.</p>	<p>The Tauriko West area has been identified as an appropriate option for development taking into consideration existing long-term infrastructure and funding planning. The project is being developed collaboratively across the SmartGrowth partners taking into consideration planning and funding timeframes and the interests of multiple stakeholders.</p> <p>The Tauriko West growth area was identified as the next suitable greenfield growth area as part of the Western Corridor Settlement Pattern Review in 2016. Tauriko West is located in the Western Corridor within close proximity to a large commercial centre and would meet a significant portion of the City's available high demand for housing. Urban development of Tauriko West is an appropriate means of achieving Objective 25.</p>
<p>Objective 26: The productive potential of the region's rural land resource is sustained and the growth and efficient operation of rural production activities are provided for.</p>	<p>Most of Tauriko West is currently used for agricultural purposes with small areas of horticulture land use on more elevated land. The area is approximately 380ha in size (note: the urban growth area is larger than the urban limit change area) and most of the land within this area is classified as LUC>3 which means it is not highly versatile compared with land around Te Puke. There are two small areas of land classified as LUC3w1 (which has physical limitations due to wetness); and LUC2s1 (which has soil limitation). On the basis that this land is predominately lower versatility, Objective 26 is considered met.</p>

Risk of acting or not acting	
Is there uncertain or insufficient information on the topic (urban growth needs for Tauranga City)?	There is sufficient information available (set out in earlier sections of this report) to demonstrate the Western Corridor, and specifically Tauriko West, is feasible and appropriate for significant greenfield urbanisation due to the proximity of a large commercial centre, a significant proportion of the City's available greenfield industrial zone, and surrounding residential growth areas that are experiencing high demand for housing. The information shows that additional urban growth capacity is needed and Tauriko West is an appropriate location for urbanisation.
Is the topic of high significance or complexity?	Yes. Urban development capacity is a topic of high significance in the NPS-UDC. Tauranga City is a high growth area under the NPS-UDC. Urban growth sequencing and timing is also a complex issue requiring the collation of data from various sources and collaboration among multiple organisations.
Risk of acting or not acting (risk is a factor of potential consequence and the likelihood of a consequence occurring).	The risk of not acting is high. There is sufficient information to determine that if no action is taken there will not be sufficient developable land within the Urban Limits to meet either the medium or long term development capacity requirements of the NPS-UDC or the projected growth demand for Tauranga City.

Appendix 3 – Governance arrangements (existing and extent of any proposed change) resulting from the Proposal

1.0

Governance information required	TCC Current	TCC post boundary alteration (and prior to Development)	WBOPDC Current	WBOPDC Post boundary alteration
Population of district	131,400 * population estimate at 30 June 2017	131,481 (+81)	49,285	49,204 (-81)
# Ratepayers	58,250 Commercial – 3280 Residential – 52461 Non – rateable – 2509 * non-rateable includes Council assets such as reserves, sportfields and also some multiple owned Maori land and churches * at 13 October 2017	58,292	22,794 Commercial 4,337 Residential 18,294 Non rateable 163	22,752
# Wards	Te Papa/Welcome Bay Otumoetai/Pyes Pa Mt Maunganui/Papamoa	No change	Katikati-Waihi Beach Kaimai Maketu-Te Puke	No change
# Councillors	11 elected members	No change	11 elected members	No change
# Maori Wards	No Maori Wards	No change	No Maori Wards	No change
Committees (list)	<ul style="list-style-type: none"> - Council - City Transformation - Transport - Environment - Community and Cultural - Economic Development and Investment - Audit, Finance, Risk and Monitoring - Chief Executive's Performance - Hearings Panel - District Licensing 	No change	Community, District Plan, Joint Governance, Joint Road Safety, Operations & Monitoring, Policy, Regulatory Hearings, Rural	No change

	- Tangata Whenua/Tauranga City Council Wastewater			
Communities	Matua Otumoetai Bellevue Brookfield Judea Bethlehem Gate Pa Greerton Pyes Pa Tauriko (Lakes) Te Ranga/Waimapu Welcome Bay Hairini Tauranga CBD Maungatapu Matapihi Te Maunga Mount Maunganui Omanu Arataki Papamoa Beach Te Tumu	Tauriko (Lakes + Tauriko West existing)	Waihi Beach (inc Athenree & Island View –Pios Beach), Katikati (inc Tahawai, Aongatete), Te Puna, Minden, Kaimai, Ohauti-Ngapeke, Maketu, Upper Papmoa, Paengaroa, Rangiuru, Pukehina, Pongakawa, Te Puke, Maketu, Little Waihi, Otamaraukau	No Change
# Community Boards	No community boards	No change	Waihi Beach Katikati Te Puke Omokoroa Maketu	Proposal to abolish CBs in 2019-21 Triennium
# Community Board Members	No community board members	No change	20	20

Appendix 3 Continued - Governance arrangements (existing and extent of any proposed change) for the Affected Area

2.0 Relevant excerpts from Governance Statements – WBOPDC & TCC 2016-2019

2.1 Relevant excerpts from WBOPDC Local Governance Statement April 2017

Electoral Systems

Under the Local Electoral Act 2001 there are two voting options for Council in conducting its elections. The options are the first past the post system (FPP) and the single transferable vote option (STV).

First Past the Post System

Electors vote by indicating their preferred candidate and the candidate receiving the most votes is declared the winner.

Choice of Systems and Options for Change

Under the Local Electoral Act 2001 the Council can resolve to change the electoral system to be used two years before a triennial election or conduct a binding poll on the question. Alternatively electors can initiate a poll so long as at least 5 per cent of electors have signed a petition for a poll. Once changed an electoral system must be used for at least the next two triennial elections.

The Western Bay of Plenty District Council Choice

Western Bay of Plenty District Council's last review of the electoral system was conducted in 2014. No change was made to Council's electoral system and the triennial election for 2016 will be held under the First Past the Post (FPP) system as described above. Council will next consider this in September 2017 for the 2019 election.

Representation

Wards and Community Boards

The Western Bay of Plenty District is made up of three wards being the Katikati Waihi Beach Ward, the Kaimai Ward and the Maketu Te Puke Ward, and five community boards being Waihi Beach, Katikati, Omokoroa, Te Puke and Maketu.



The number of elected representatives for each ward and/or a community board area is dependent on the number of resident electors within a particular ward and/or community board boundary. The larger the number of eligible electors in a ward and/or community board – the larger the number of elected representatives.

Mayor	1 elected for District
Ward Councillors – 11 in total elected	Katikati Waihi Beach Ward - 3 Kaimai Ward - 4 Maketu Te Puke Ward - 4
Community Board Members	20 elected, 4 per Ward
Bay of Plenty Regional Council Members	14 elected, 11 within general constituencies and 3 Maori constituencies

District Ward	No. of Councillors	No. of Resident Electors	No. of Ratepayer Electors
Katikati -Waihi Beach	3	10,116	197
Kaimai	4	13,072	21
Maketu - Te Puke	4	11,330	92

Community Board Area	No. of Community Board Members	No. of Resident Electors*	No. of Ratepayer Electors#
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Waihi Beach	4	2,703	202
Katikati	4	7,262	10
Te Puke	4	6,955	15
Omokoroa	4	2,465	4
Maketu	4	735	18

#Figures as at July 2016

Maori Wards and Constituencies

The Local Electoral Amendment Act 2002 also gives Council the ability to establish separate wards for Maori electors. The Council may resolve to create separate Maori wards or conduct a poll on the matter, or the community may demand a poll. The demand for a poll can be initiated by a petition signed by 5 per cent of electors within the district.

The Council considered whether or not to have separate Maori wards in September 2014 as part of its representation review. The Council decided not to have separate Maori wards for the 2016 election. This will next be considered by Council in September 2017.

Community Boards

The Western Bay of Plenty District Council has five community boards – the Katikati Community Board, the Maketu Community Board, the Omokoroa Community Board, the Te Puke Community Board and the Waihi Beach Community Board. These boards are constituted under section 49 of the Local Government Act 2002 to:



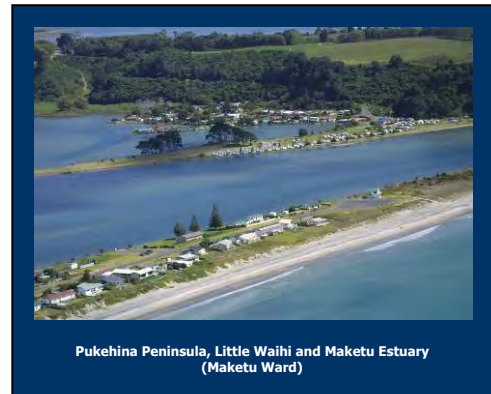
- represent and act as an advocate for the interests of their communities.
- consider and report on any matter referred to them by the Council and any issues of interest or concern to the community board.
- make an annual submission to Council on expenditure in their communities.
- maintain an overview of services provided by the Council within their communities.
- communicate with community organisations and special interest groups in their communities.
- undertake any other responsibilities as delegated by the Council.

Each community board has a chairperson and 3 elected members who are elected triennially to each board by electors in the different community board areas, and the Council appoints two members to each of the boards from its elected Councillors. These are ward members

for the same areas of the boards. Each board elects its own chairperson at its inaugural meeting after the triennial election.

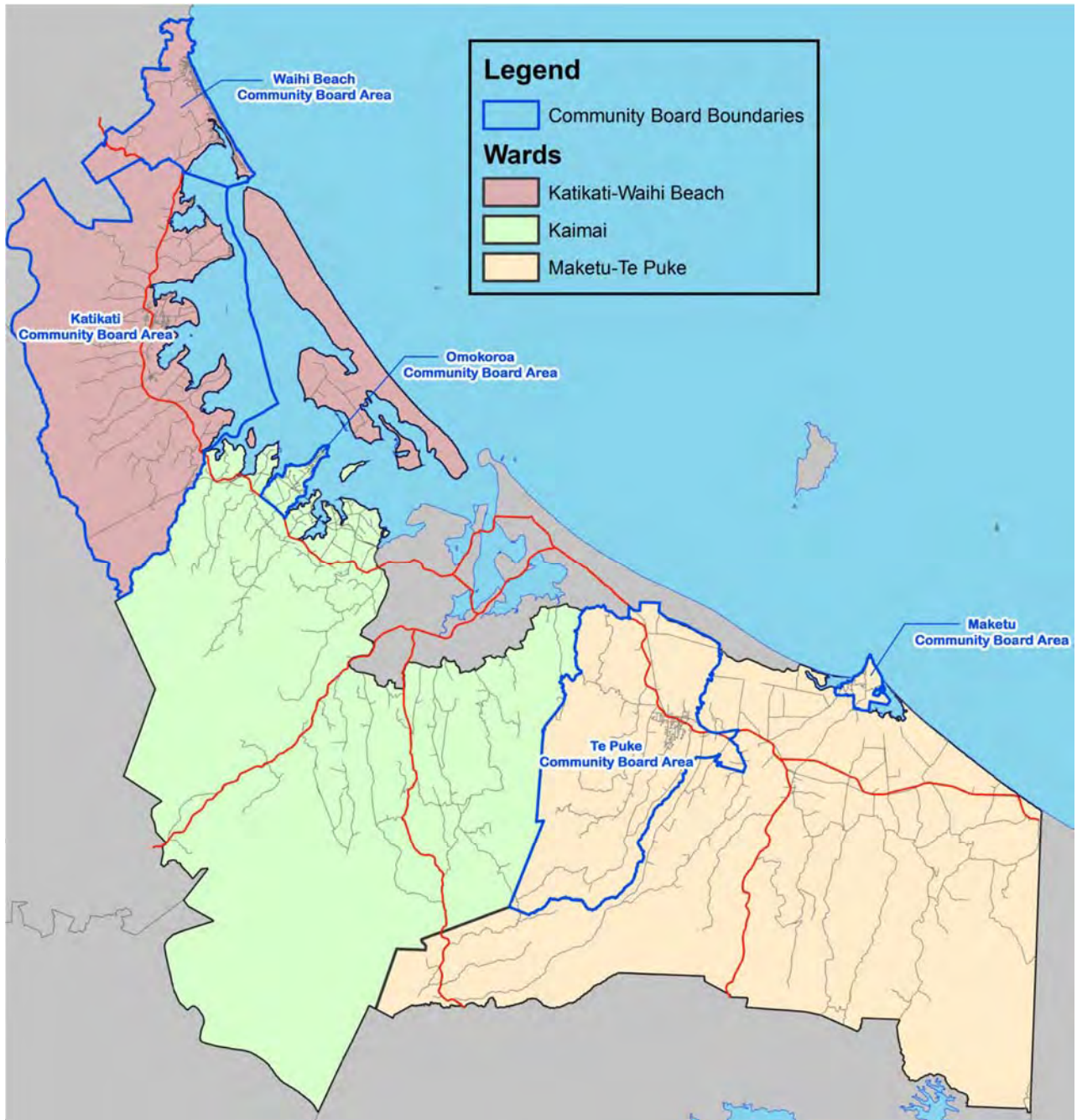
The Local Electoral Amendment Act 2002 gives Council the ability to review and establish community boards. The Council may resolve to create community boards, or conduct a poll on the matter, or the community may demand a poll.

The Council last conducted a representation review in 2012. The outcome of the review was to reduce a 5 ward system to the three wards described above and a reduction of the number of appointees from Council to the Boards to two on each board. The next review will be conducted over the 2017-2018 year to ensure that changes (if any) may be taken into account for the 2019 election.



Pukehina Peninsula, Little Waihi and Maketu Estuary
(Maketu Ward)

Map of Ward/Community Board Areas within the Western Bay of Plenty District



2.2 Relevant excerpts from TCC Local Governance Statement 2016-2019

Electoral Systems

First Past the Post System

Council currently operates its elections under the first past the post (FPP) electoral system. Electors vote by indicating their preferred candidate(s), and the candidate(s) that receives the most votes is declared the winner regardless of the proportion of votes that candidate(s) obtained.

Single Transferable Vote System

The other option permitted under the Local Electoral Act 2001 is the single transferable vote (STV) system. This system is used in District Health Board elections (since 2004) and by some local authorities. Electors rank candidates in order of preference (1, 2, 3, 4 etc.). The number of votes required for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes. The necessary number of candidates to fill all vacancies is achieved first by the counting of first preferences then by a transfer of a proportion of votes received by any candidate where the number of votes for that candidate is in excess of the quota, and then by the exclusion of the lowest polling candidates and the transfer of these votes in accordance with voters' second preferences.

Choice of Electoral System and Options for Change

Under the Local Electoral Act 2001, Council can resolve to change the electoral system to be used two years before a triennial election or conduct a binding poll on the question. Alternatively, electors can initiate a binding poll so long as at least five percent of electors have signed a petition for a poll. Once changed, an electoral system must be used for at least the next two triennial general elections.

Council last reviewed the electoral system in 2014. No change was made to Council's electoral system for the 2016 elections.

Representation Arrangements

Tauranga City is made up of three wards of approximately the same size population:

- Te Papa / Welcome Bay,
- Otumoetai / Pyes Pa,
- Mount Maunganui / Papamoa.

Council has 11 elected representatives, with two councillors representing each ward, four councillors elected 'At Large' (city wide) and the Mayor. This remained unchanged following a review in 2015.

Further information about the Mayor and Councillors is available on Council's website: www.tauranga.govt.nz

Māori Wards

The Local Electoral Act 2001 gives Council the ability to establish separate wards for Māori electors. Council may resolve to create separate Māori wards or conduct a poll on the matter, or the community may demand a poll. The demand for a poll can be initiated by a petition signed by five percent of electors within the city.

Council last considered whether or not to have separate Māori wards in July 2016 as part of its Representation Review. Council decided not to have separate Māori wards for the 2016 elections.

Community Boards

Council currently has no Community Boards.

Council Controlled Organisations

The following organisations as defined under Part 1 Section 6 of the Local Government Act 2002 ("the Act") have been identified as "Council Controlled Organisations" (CCO).

Organisation	Council Appointed Member
Western Bay of Plenty Visitor and Tourism Trust trading as Tourism Bay of Plenty	Des Hammond (Chair), Tania Bui (deputy Chair), Oliver Moorcroft, Will Wilson, Peter Moran, Michelle Malcolm, Janine Hellyer, Anne Blakeway
Tauranga Art Gallery Trust	Peter Anderson (Chair), Judith Stanaway, Mary Stewart, Simon Clarke, Sonya Korohina, Rebecca Graham
Bay Venues Limited	Peter Farmer (Chair), Murray Gutry, Keith Tempest, Shirley Baker, Graeme Elvin, Dean Waddell
Bay of Plenty Local Authorities Shared Services (BOPLASS Limited)	Director - Chief Executive, Tauranga City Council (along with 8 other representative CE directors, and 1 independent Director and Chair, Craig O'Connell
New Zealand Local Government Funding Agency Limited	TCC may nominate a potential director, however does not have the power to appoint as it does not have a controlling share.

Contacting Council

A proposal to alter the boundary between WBOPDC and TCC

Post	Hand deliver	Phone	E-mail	Web site
Tauranga City Council, Private Bag 12022, Tauranga.	Reception, 91 Willow St, Tauranga.	07 577 7000	info@tauranga.govt.nz	www.tauranga.govt.nz

The Customer Contact Centre (call centre) is staffed 24 hours a day 7 days a week.

Council Service Centres

- 91 Willow Street, Tauranga

Appendix 4 –Meetings, Hui, engagement and consultation undertaken to date as part of the overall Tauriko for Tomorrow project

(Ref BOPRC Change 4 – Urban Limits Line)

1.0 Tauriko for Tomorrow Urban Growth Project - Summary of consultation and engagement carried out as part of the overarching project.

This section summarises feedback from the **Tauriko West Urban Growth Project (Tauriko for Tomorrow)** received during consultation from iwi/hapū, indirectly and/or interested members of the public.

1.1 Tangata Whenua

Pre-notification engagement with the tangata whenua of the Tauriko West area has been undertaken through local hapū who whakapapa to Ngāti Ranginui and Ngāti Te Rangi Iwi of Tauranga Moana. These hapū are: Ngāti Kahu, Ngāti Rangī, Ngāti Pango, Pirirakau, Ngāti Hangarau, and Ngāi Tamarawaho. Following the signing of the Te Kauae a Roopu Engagement Agreement, these hapū are collectively referred to as the 'Te Kauae a Roopu hapū'.

Preliminary feedback

The SmartGrowth Western Corridor Strategic Study: Option 3B Settlement Pattern Review 2016 underpins the Tauriko for Tomorrow work in identifying Tauriko West as a preferred area for potential development.

During the development of the review, engagement with tangata whenua was undertaken via a series of hui during March and April 2016 with Ngāti Kahu, Ngāti Pango, Ngāti Rangī, Pirirakau, Ngāti Hangarau, and Ngāti Ranginui.

Feedback was received from each of these hapū/iwi and a range of concerns, issues and opportunities were raised. These can be summarised as follows:

- No fatal flaws were identified for the potential urbanisation of the Wairoa River (Tauriko West) area.
- There is a strong desire for enhancement of the water quality in the Wairoa River. There is an expectation that at the very least bathing water quality is achieved, but preferably drinking water quality.
- There is a clear desire for local biodiversity to be improved.
- Preference for some restoration of the Wairoa River with the hope of improving ecosystem for flora and fauna.
- It is critically important that should urbanisation occur, the protection of sites of significance to Tangata Whenua are built into structure planning and development and that these are publicly recognised.
- Enhanced access to the Wairoa river as a recreation resource.

A proposal to alter the boundary between WBOPDC and TCC

- There is a preference for non-motorised use of the Wairoa River.
- Ongoing engagement and liaison with relevant iwi and hapū occurs.
- Archaeological and/or cultural assessment of the area is undertaken prior to development and identified sites protected.

Tangata Whenua Engagement Hui

On 3 April 2017, a meeting was held with representatives from Ngāti Hangarau, Ngāti Kahu, Ngāti Pango, Ngāti Rangī, Pirirakau, TCC, WBOPDC, NZTA and Regional Council. The purpose of the meeting was to provide tangata whenua with an overview of the Tauriko West urbanisation proposal and seek their feedback. Ngāti Ranginui Iwi Society Inc and Ngāi Tamarawaho were also invited to this meeting.

A number of concerns were raised at this meeting about various aspects of the development of Tauriko West. Most of the concerns were focused on future state highway/roading work and land use and protection issues. Hapū were advised that the issues raised would be addressed in detail during later stages of the Tauriko for Tomorrow work where NZTA and TCC would be working directly with hapū on state highway/multimodal and structure planning aspects of the larger project.

Concerns raised did not directly relate to adjustment of the Urban Limit or reluctance to include Tauriko West in the Urban Limit, or the proposed boundary alteration between WBOPDC and TCC. Concerns were specifically focused on ensuring hapū involvement and input as Tauriko for Tomorrow work advances and echoed many of the concerns raised during the earlier SmartGrowth Settlement Pattern review engagement hui referred to above.

Feedback was received following the 4 April 2017 meeting and the potential of a memorandum of understanding was raised by hapū.

Subsequent meetings were held between the parties (including Ngāi Tamarawaho who did not attend the first meeting) to agree on terms of an engagement agreement.

Hapū Engagement

On 31 May 2017, a meeting was held with hapū whose rohe falls within the Tauriko for Tomorrow project area to discuss the Tauriko for Tomorrow project and to identify issues and concerns of each hapū directly affected by the proposed urbanisation of Tauriko West. Representatives from Ngāi Tamarawaho and Pirirakau were not in attendance but both received minutes following the meeting and Pirirakau supported the discussions that took place. As with earlier discussions regarding the potential development of Tauriko West, concerns focus mostly on state highway and structure planning aspects of the work.

A number of meetings were held over the remainder of 2017 between hapū representatives and the Mayors, Chair and Chief Executives of TCC, WBOPDC, and Regional Council, and NZTA to develop a Partnership Engagement Agreement – Te Kauae a Roopu.

The Te Kauae a Roopu agreement was formally signed on 21 December 2017. The agreement sets out a framework to work collaboratively on the Tauriko for Tomorrow Project. The intent of the agreement is to establish a solid foundation to build enduring working relationships.

The partnership is committed to working in the spirit of good-faith and cooperation based on the relationship principles below:

- Mana – Recognition and respect for each partner’s mana and authority; acknowledging hapū autonomy.
- Whakapono – Acting with integrity, respect and being open and transparent.
- Kōrero a kanohi – Engaging on issues face to face; being upfront and honest.
- Rangatira ki te Rangatira – Recognising respective leaders and involving key decision makers where and when appropriate.
- Kaitiakitanga and Te Ao Māori – Providing for kaitiakitanga; valuing mātauranga Māori; integrating Tikanga and Te Reo Māori where appropriate.
- Kotahitanga – Meeting agreed milestones; seeking solutions and looking for ways to mitigate challenges.

Since the Te Kauae a Roopu agreement was signed, meetings have been held on a regular basis during 2018.

Iwi Authority Consultation

Ngāti Ranginui Iwi Society representatives were involved in hui held during March and April 2016 to discuss the SmartGrowth Settlement Pattern Review that underpins the Tauriko for Tomorrow work and identified Tauriko West as a preferred area for potential development. Feedback received during the hui related to Transport Agency transport work and structure planning.

Iwi have been kept informed through a Tauriko for Tomorrow project update at the SmartGrowth Combined Tangata Whenua forum on 9 August 2017. Feedback received from the forum was in relation to storm water run-off. The forum indicated they would like to be involved in the process. Members were advised that this work will form part of the structure planning work carried out by Tauranga City Council and will be addressed during this part of the Tauriko for Tomorrow project.

The Tauranga Moana/Te Arawa Ki Takutai Partnership Forum were provided with a verbal update with regards to the Boundary Alteration Proposal and a written update on Proposed Change 4 (Tauriko West Urban Limit) to the Bay of Plenty Regional Policy Statement at their meeting held on 13 March 2018. Representatives from Ngāi te Rangi and Ngāti Ranginui were present. No feedback was received or recorded in the minutes of this meeting.

A Tauriko for Tomorrow project update was given at the SmartGrowth Combined Tangata whenua forum on 11 April 2018. Ngāti Ranginui and Ngāi te Rangi iwi Authority representatives were invited but not present. No feedback on Proposed Change 4 or boundary alteration proposal was received.

1.2 Public and Interested Parties

Regular newsletters have been sent to landowners and interested parties as part of the wider Tauriko for Tomorrow project. In April 2017, letters were sent to affected residents advising of the Tauriko for Tomorrow work and informing them of upcoming open days.

Public Open days were held on 27 and 28 May 2017 at the Tauranga Crossing in Tauriko and attended by 769 people. The demographic attendance ranged from families, young couples, individuals as well as older adults. A separate landowner session was also held.

Members of the public were able to fill in a survey that asked “do you have any thoughts or feedback on the proposed change to the Urban Limit line”. The survey was available from the open days through to 16 June 2017, in paper form and online. It is unlikely that respondents differentiated between the ‘urban limits line’ and the ‘proposed change to the WBOPDC boundary line’, the overall response is considered valid for both processes.

There were 87 points made from 85 responses. Approximately 60 percent of respondents supported or provided qualified support, 21 percent opposed. The two main themes of the feedback were protecting/maintaining the rural feel or green space (20 percent of comments); and addressing the traffic concerns (19 percent).

2.0 Schedule of engagement undertaken to date for the overall Tauriko for Tomorrow Project (excluding specific WBOPDC boundary alteration)

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
March/ April 2016	Hui with iwi and hapū was undertaken on the Western Corridor Study	Obtain feedback from hapū during the SmartGrowth Settlement Review	Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau, Ngati Hangarau, Ngati Ranginui	Western Corridor Group

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
3 April 2017	Tangata Whenua Engagement Hui	To provide Tangata Whenua with an overview of the Tauriko West Urbanisation Proposal	Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau, Ngati Hangarau (Ngāti Ranginui and Ngāi Tamarawaho invited but did not attend)	TCC, NZTA, WBOPDC, BOPRC
28 April 2017	Letter sent to Tauriko West residents from Western Corridor Group	Advise residents that Tauriko West has been identified as the next urban growth area and provide an overview of the Tauriko for Tomorrow project. Advise of upcoming Public information days.	Affected residents – identified through GeoView	
25, 26, 27 May 2017	Tauriko West Public Information Open Days	To provide an early overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	Key stakeholders and community	TCC, NZTA, WBOPDC, BOPRC
31 May 2017	Meeting to discuss Tauriko for Tomorrow project and changes required to accommodate Tauriko West Development	Seek feedback from hapū on issues and concerns about proposed urbanisation of the Tauriko West area	Ngati Kahu, Ngati Pango, Ngati Rangī, Ngati Hangarau, (Ngāi Tamarawaho and Pirirakau invited but did not attend)	TCC, WBOPDC, BOPRC
5 July 2017	Cottage meeting with River Oaks Drive residents	To provide an early overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	River Oaks Drive residents	TCC, NZTA, WBOPDC, BOPRC

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
9 August 2017	Te Tumu and Tauriko West update – Historic Village	To provide an update of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	SmartGrowth Combined Tangata Whenua Forum, BOPRC, WBOPDC, NZTA, TCC	BOPRC, WBOPDC, TCC, Ngāti Ranginui Iwi RMU
23 August 2017	Western Corridor Landowner Meetings – Cottage Meetings	To provide an overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	Belk Road landowners	TCC, NZTA, WBOPDC, BOPRC,
23 August 2017	Western Corridor Landowner Meetings – Cottage Meetings	To provide an overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	Redwood Lane landowners	TCC, NZTA, WBOPDC, BOPRC
24 August 2017	Western Corridor Landowner Meetings – Cottage Meetings	To provide an overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	SH29/Silkwood Lane/Oakwood Lane landowners	TCC, NZTA, WBOPDC, BOPRC
30 August 2017	Cottage Meetings – NZTA Corridor Focus Only	To provide an overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	Whiore Ave/Tauranga Crossing landowners	TCC, NZTA, WBOPDC, BOPRC
30 August 2017	Cottage Meetings – NZTA Corridor Focus Only	To provide an overview of the Tauriko West Urbanisation Proposal and to listen/document any concerns/questions	SH29A/Takitimu Drive/Barkes Corner landowners	TCC, NZTA, WBOPDC, BOPRC
From February 2017	Western Corridor Group – Fortnightly Meetings	Regular meeting on progression of the project.	WBOPDC, NZTA, SmartGrowth, TCC staff	BOPRC, WBOPDC, NZTA, SmartGrowth, TCC staff

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
From April to December 2017	Various hui with local hapū	To develop a Engagement Partnership Agreement	Ngati Kahu, Ngati Pango, Ngati Rangī, Ngati Hangarau, Ngāi Tamarawaho and Pirirakau	BOPRC, WBOPDC, TCC, NZTA
21 December 2017	Te Kauae a Roopu – Partnership Agreement signing meeting	Sign Partnership Engagement Agreement – Te Kauae a Roopu	Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau, Ngati Hangarau, Ngāi Tamarawaho, TCC, NZTA, WBOPDC, BOPRC	Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau, Ngati Hangarau, TCC, NZTA, WBOPDC, BOPRC
From January 2018	Te Kauae a Roopu Partnership meetings	Regular meetings on progression of the project.	Te Kauae a Roopu Group members – TCC, WBOPDC, NZTA, Hapū, BOPRC	Te Kauae a Roopu Group members – TCC, WBOPDC, NZTA, Hapū, BOPRC
26 January 2018	Western Bay Local Government and Iwi Leaders hui	To discuss working together on specific key issues including – PC4, RMA Streamlined Planning process, and MfE Direction re consultation	Local Government representatives and Iwi Leaders	BOPRC, WBOPDC, TCC, Ngāi te Rangī Iwi Trust, Ngāti Pūkenga Iwi Trust
7 March 2018	Email - Letter, s32 report, list of Independent Commissioners with expertise in tikanga Māori	Seek feedback from Te Kauae a Roopu hapū on draft s32 report and Māori Commissioner	Te Kauae a Roopu hapū	Te Kauae a Roopu hapū Ngati Kahu, Ngati Pango, Ngati Rangī, Pirirakau, Ngati Hangarau
8 March 2018	Letter sent seeking feedback on draft change and s32 (via email)	Seek feedback	NZTA, WBOPDC, TCC	

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
8 March 2018	Letter sent seeking feedback on draft change and s32 (via email)	Seek feedback	Ngāti Ranginui Ngāi te Rangi	
12 March 2018	Landowners/developers meeting	Update main landowners/developers	Element IMF, Classic Builders, landowners and land owner representatives	TCC, BOPRC, developers and landowners
13 March 2018	Tauranga Moana/Te Arawa Ki Takutai Partnership Forum	Te Kauae a Roopu Pirirakau representative and BOPRC provide a memorandum update on PC4 and SPP to members	Tauranga Moana/Te Arawa Ki Takutai Partnership Forum members	
16 March 2018	Letter sent seeking feedback on draft change and s32 (via email)	Seek feedback	Ngāti Hinerangi	
16 March 2018	Letter sent to landowners/occupiers	Advise 38 landowners/occupiers within the proposed area to be included in the Urban Limit	Affected landowners	
March to May 2018	Follow up emails and phone calls	To obtain feedback on s32 Evaluation Report	Ngāti Ranginui, Ngāi te Rangi, and Ngāti Hinerangi	
4 April 2018	Meeting with Ngāti Ranginui Iwi	Clarify consultation concerns, build understanding about PC4 & SPP, clarify future consultation methods	Ngāti Ranginui Iwi	

A proposal to alter the boundary between WBOPDC and TCC

Date	Event	Event purpose	Meeting/ Correspondence with...	In attendance
11 April 2018	SmartGrowth Combined Tangata Whenua Forum	To provide an update on the Tauriko for Tomorrow work	SmartGrowth Combined Tangata Whenua Forum members (Ngāti Ranginui and Ngāi te Rangi representative s invited but did not attend)	TCC, NZTA, WBOPDC, BOPRC
27 April 2018	WBOPDC workshop with Te Kauae a Roopu	Wairoa River Strategy identification of issues to inform the overall process. (part of TCC/WBOPDC MOU)	Te Kauae a Roopu hapū	Te Kauae a Roopu hapū Ngati Kahu, Ngati Pango, Ngati Rangi, Pirirakau, Ngati Hangarau
30 July 2018	<ul style="list-style-type: none"> Tauriko for Tomorrow Newsletter with a bulk distribution of 9,538. 	Project update and information	Subscribers and general public	



Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Mat Taylor, General Manager, Corporate Performance

Residents survey proposal

Executive Summary

The Chief Executive is proposing to commission a survey of Bay of Plenty residents, to assess how well Regional Council is currently performing in relation to the community's expectations and perceptions of us.

The survey will provide a useful benchmark for Regional Council at the start of a new Long Term Plan period and Chief Executive term. It will help Regional Council to identify opportunities for operational improvement. It also offers Councillors an opportunity to verify their understanding of the concerns and priorities of the communities they represent.

For practicality and budget purposes, a limited number of questions can be included in the survey. Research report findings will be based on a 15 minute survey of 1300 individuals from various demographic groups that collectively provide a representative sample of Bay of Plenty residents.

A range of options for specific questions and comparisons are currently being explored. Councillors are invited to provide feedback on specific survey questions that would be of most interest to them.

Recommendations

That the Regional Council:

- 1 Receives the report, Residents survey proposal;**
- 2 Approves the appointment of Key Research to undertake a residents survey**
- 3 Instructs the Chief Executive to provide a report, based on the results of the research, to a future meeting of Council**

1 Background

The last time that Regional Council commissioned an organisation-wide community satisfaction and perceptions survey was in 2010. Since then, we have commissioned a

range of programme-specific surveys from various providers at different times, such as for biosecurity, Tauranga Harbour, water, and bus user satisfaction, to inform our service delivery and management decisions.

Many city and district councils conduct annual or quarterly customer satisfaction surveys as standard practice. Tasman (a unitary), along with Northland and Hawkes Bay Regional Council have also been conducting high level community perceptions research in recent years.

Given the absence of recent, organisation-wide research on customer expectations and satisfaction levels, the Chief Executive is proposing to commission a survey of Bay of Plenty residents this year. It is anticipated that such a survey will provide a useful benchmark for Regional Council at the start of a new Long Term Plan period and Chief Executive term. It will also help Regional Council to identify any opportunities for operational improvement.

2 Research proposal

A number of research providers have been considered to design and deliver the proposed survey. Key Research is recommended as the preferred supplier due to their extensive experience in delivering market research for local government agencies in New Zealand and Australia.

Key Research are a Tauranga-based, full service international market research company. We have used them for some of our past survey work and they have been used by Western Bay of Plenty District, Tauranga City and Northland Regional Councils for their recent surveys, as well as the recent Acorn Foundation Bay of Plenty Vital Signs research reports, allowing for easy comparison of other relevant data if required.

Key Research have supplied a proposal for the design and delivery of a Bay of Plenty residents survey at a total cost of \$54,900.

This involves engaging 1300 residents in a 15 minute survey, using best-practice telephone and online methods. The survey pool will include quotas for specific demographic groups to ensure a representative cross-community view is gathered. This will also enable specific reporting on Māori perspectives.

The survey would include questions that build a holistic view of Council's performance based on three key attributes:

- Organisational reputation; based on level of trust, strength of leadership, quality of outcomes and financial management
- Service delivery satisfaction across core activities
- Value for money

The research, analysis and reporting work will be completed over an eight-week period. If approved, survey work will commence in the coming weeks and produce a report on high-level findings by November 2018, with detailed reporting to follow.

3 Council's Accountability Framework

3.1 Community Outcomes

This project/proposal directly contributes to the all four Community Outcomes in the Council's Long Term Plan 2018-2028.

3.2 Long Term Plan Alignment

This work is planned under the Corporate Services Activity in the Long Term Plan 2018-2028.

Current Budget Implications

This work is being undertaken within the current budget for the Corporate Services Activity in the Year 1 of the Long Term Plan 2018-2028.

Future Budget Implications

If the research work was to be repeated in future years, it would be provided for within Council's Long Term Plan 2018-2028.

Sam Rossiter-Stead
Communications Manager

for General Manager, Corporate Performance

19 September 2018



Receives Only – No Decisions

Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Namouta Poutasi, Acting General Manager, Strategy & Science

Update on Treaty claims and settlements in the Bay of Plenty

Executive Summary

This report provides an update on Treaty settlements and related matters within the Bay of Plenty region for the 12 months to date.

Within Te Moana a Toi (Bay of Plenty) there are approximately 37 iwi (and 260 hapū), more than any other region across the country. 19 comprehensive Treaty settlements have been completed with several more being progressed. Within the next 1-5 years as many as 30 Treaty settlements will have been completed within the Bay of Plenty region.

Treaty settlement legislation requires Council to engage with tangata whenua through mechanisms including co-governance, co-management and partnerships with iwi to whom statutory functions have been mandated. Through the Treaty settlement process and as partners to the Treaty, Māori will increasingly play an enhanced role in shaping the future wellbeing of Te Moana a Toi and its communities.

As a third party, Council has no general expectation of direct involvement in settlement negotiations. Recently however, the Crown has shown an increased openness to Council involvement with an invitation to attend select negotiations. Staff guidance on local government role and functions has been well received.

In addition to the Treaty settlement framework, uptake of a range of other mechanisms (Mana Whakahono, relationship protocols) has gained impetus, providing another tool to strengthen relationships between Council and iwi.

Recommendations

That the Regional Council:

- 1 Receives the report, Update on Treaty claims and settlements in the Bay of Plenty;**

1 Treaty Settlement landscape at a glance

Within Te Moana a Toi (Bay of Plenty) there are approximately 37 iwi (and 260 hapū). 19 comprehensive Treaty settlements have been completed with several more being progressed. Within the next 1-5 years as many as 30 Treaty settlements will have been completed within the Bay of Plenty region.

No	Status	Comments
19	Comprehensive Treaty Claims settled (legislation enacted)	16 individual iwi 3 iwi collectives
5	Deeds of Settlement (DoS initialled / awaiting legislation)	- Ngāti Tara Tokanui - Ngāti Ranginui - Ngāi Te Rangi & Ngā Potiki - Tūwharetoa (Taupō) - Pare Hauraki Collective (12 iwi)
2	Agreement in Principle	- Whakatōhea - Ngāti Hinerangi
2	Negotiations (in progress)	- Ngāti Rangitahi - Te Whanau a Apanui
0	Mandate	
3	On-hold	Tauranga Moana Collective (Harbour interests) Pare Hauraki (Tauranga Harbour interests) Ngāti Whakaue
1	Not currently active	Ngai Tai

As partners to the Treaty of Waitangi, Māori play a key role in the future wellbeing of the Bay of Plenty. Treaty settlement legislation requires Council to engage through mechanisms including co-governance, co-management and partnerships with iwi to which statutory functions have been mandated (e.g. Te Urewera Act 2014).

Many settlements involve implementation responsibility for Council particularly around co-governance of natural resources. Currently we are responsible for three statutory co-governance fora regarding the Rotorua Lakes, Rangitaiki River and Kaituna River, with others expected in the near future.

The Marine and Coastal (Takutai Moana) Act 2011 (MACA) also enables tangata whenua to seek formal recognition of their customary rights and interests in the common marine and coastal area. There are approximately 114 applications within the Bay of Plenty region.

2 Treaty Settlement Update

Te Moana a Toi (Bay of Plenty) has several iwi with active Treaty claims at various stages of the settlement process. As a third party, Council has no general expectation of involvement in settlement negotiations and the relationship with the Crown is generally based only on the exchange of information. Recently however, Council has been invited to attend select negotiations, providing guidance on local government role and functions. Recent developments are highlighted below.

2.1 Tauranga Moana Collective –

The Tauranga Moana Collective (3 iwi) Deed of Settlement was signed on 21 January 2015. The Deed provides for the development of the *Tauranga Moana Framework* - a co-Governance entity over the Tauranga Harbour. A 2014 report to Council discussed the proposed Framework and key implications as they existed at that time.

Subsequently Pare Hauraki negotiations and interests in the Tauranga Harbour, placed an interim hold on further development of the Tauranga Moana Framework, pending the determination of a process to reconcile all parties interests'. A process towards this outcome has now been determined by the Crown, and is set out in the Pare Hauraki Collective Redress Deed (as above).

2.2 Pare Hauraki – Collective Redress Deed (Deed of Settlement)

The Crown and Pare Hauraki Collective (12 iwi) signed a Collective Redress Deed of Settlement on 2 August 2018.

Among other matters, the Deed sets out a process to reconcile Pare Hauraki interests in the Tauranga Moana region alongside those of Tauranga Moana iwi and others. The outcome of this process will likely impact the design of the Tauranga Moana Framework proposed earlier in the Tauranga Moana Collective settlement.

Noting recent interest in the Pare Hauraki settlement, further analysis of the settlement and discussion of potential implications is noted in a separate confidential report at this meeting.

2.3 Ngāti Pūkenga

The Ngāti Pūkenga Claims Settlement Act 2017 was enacted on 14 August 2017. Ngāti Pūkenga claims regarding interests in Tauranga Harbour, and been ring-fenced and will be settled together with the Tauranga Moana Iwi Collective.

2.4 Ngāti Hinerangi

The Crown and Ngāti Hinerangi (Kaimai ranges / Tauranga) signed an Agreement in Principle in 2015, which includes statutory acknowledgment over areas within the Tauranga coastal harbour. A Deed of Settlement is expected within the current year.

Ngāti Hinerangi interests in Tauranga Harbour will be addressed as part of the Tauranga Moana Framework, in conjunction with Pare Hauraki, Tauranga Moana and the Crown.

2.5 Ngāti Rangitahi

The Crown recognised the Ngāti Rangitahi (Matatā) Deed of Mandate in 2015 and an Agreement in Principle is expected this year.

The Tarawera River is a key component of settlement negotiations; however, some uncertainty exists as to the scope of the potential redress mechanism. Discussions have alternated between a high level co-governance model (similar to the Rangitāiki River Forum) or a project focused Restoration Strategy Group. Council staff have met with and continue to provide guidance to Ngāti Rangitahi and the Crown, on the practicalities of each model from a local government perspective.

2.6 Whakatōhea

The Crown and Whakatōhea (Ōpōtiki) signed an Agreement in Principle on 18 August 2017, with a view to the settlement being finalised over the next 12 to 18 months.

Subsequently an urgent application to the Waitangi Tribunal was lodged on behalf of several claimants and hapū, challenging the mandate of the Whakatōhea negotiators

to represent their interests. On 17 April 2018 the Tribunal released its report and recommended a temporary halt in negotiations pending a vote by all of Whakatōhea on how best to proceed.

The settlement offer includes options for enhancing the existing Ōhiwa Harbour Implementation Forum, including expansion into a co-Governance or other statutory arrangement. This has been discussed with both existing Forum members and Whakatōhea, though no decisions have been concluded.

2.7 Te Whānau a Apanui –

The Crown and Te Whānau a Apanui (East Coast BoP) signed Terms of Negotiation on 7 September 2017 and are working towards an agreement in principle (or similar).

Whilst negotiations are at an early stage, the implementation of an environmental management framework has been signalled as a likely redress mechanism. This may incorporate changes to a range of local government functions and the operation of these within the Te Whānau-a-Apanui rohe.

Council staff have attended several negotiation meetings and maintain an active role in the provision of guidance on local government role and functions, to assist negotiations.

3 Post settlement implementation

As we move further into the post-Treaty settlement environment, outcomes of several settlements have recently taken form.

3.1 Rangitaiki River Forum – *Proposed Change 3*

Appeals against Council's decisions on Proposed Change 3 (Rangitāiki River) to the Regional Policy Statement have now been resolved, following mediation and Environment Court consent order approval on 27 July 2018. This enables Council to complete the process of embedding the Rangitāiki River document into the Regional Policy Statement.

This will conclude the first Treaty co-governance change to the Regional Policy Statement arising from the Ngāti Manawa and Ngāti Whare Treaty Settlement Acts 2012 and is a significant milestone to celebrate with Rangitāiki River Forum partners.

3.2 Te Maru o Kaituna – He Taonga Tuku Iho: Te Maru o Kaituna River Document

Pursuant to the Tapuika Claims Settlement Act 2014, Te Maru o Kaituna was established as a co-governance partnership to protect and enhance the health and well-being of the Kaituna River. Following several years of development, *He Taonga Tuku Iho: Te Maru o Kaituna River Document* was formally approved by Te Maru on 22 June 2018.

With the release of the Kaituna River Document in August, Council and Te Maru o Kaituna are now tasked with progressing the second RPS Treaty Co-governance change, for the Kaituna River Catchment.

3.3 Ngāti Whare – Whirinaki Te Pua a Tane Conservation Management Plan

The Ngāti Whare Claims Settlement Act 2012, provides for the co-governance of the Whirinaki Te Pua-a-Tane Conservation Park. Through that arrangement, Ngāti Whare, Department of Conservation and Bay of Plenty Conservation Board have developed a new conservation management plan to guide the future management of the Park. The management plan was officially launched on 21 October 2017.

3.4 Tuhoe - Te Kawa o Te Urewera

Te Urewera Act 2014 establishes Te Urewera as an independent legal identity. Te Urewera Board (consisting equally of Crown and Tūhoe representatives) holds primary responsibility for its management. Te Kawa o Te Urewera was launched on 14 September 2017 and sets out principles to guide annual priorities, operational management plans and decisions by the Board.

4 Marine and Coastal (Takutai Moana) Act 2011

The Marine and Coastal (Takutai Moana) Act 2011 (MACA) enables iwi, hapū and whānau to seek formal recognition of their customary rights and interests in the common marine and coastal area.

In areas where a customary marine title (CMT) exists or protected customary rights (PCR) are upheld, corresponding MACA restrictions and obligation must be applied by Council, where a subsequent resource consent activity is proposed.

A MACA application may be advanced through either the High Court or direct engagement with the Crown. A close off date of 3 April 2017 was set by the legislation for any new applications. There are approximately 114 existing MACA applications within the Bay of Plenty region: 44 applications via the High Court and 70 seeking direct Crown engagement. The High Court has given priority to those applications transitioned across from the former foreshore and seabed legislation. No estimate has been provided by the Crown as to expected timeframes for those applications before it. As yet no MACA applications within the Bay of Plenty region have been successfully determined.

5 Mana Whakahono

The Mana Whakahono a Rohe (MWR) regime, (part of the 2017 RMA Amendments) provides a mechanism for enhanced participation of iwi in decision making processes under the RMA.

Council received an invitation from Tapuika in June 2017 and initial negotiations began at that time. Subsequently in April 2018 Ngāti Rangiwewehi and Ngāti Rangiteaorere joined with Tapuika and a multi-iwi MWR is now being negotiated, with an agreement anticipated by October 2019.

Several other iwi (including Ngāti Hineuru (upper Rangitaiki catchment)) have recently indicated a strong interest in a MWR agreement. Several have sought preliminary discussion with Council, prior to formal commencement of the MWR statutory process.

Whilst the MWR regime is part of the RMA statutory framework, as distinct from being a Treaty settlement mechanism, it provides a valuable tool to strengthen relationships between Council and iwi.

In order to assist in resourcing iwi participation in the Mana Whakahono process Council has allocated contributory funding as part of its Long Term Plan. Additionally Council has written directly to Minister/s for the Environment, seeking clarification of earlier MfE commitments in this regard. No response has been received to date.

6 Relationship protocols

Relationship protocols provide a mechanism to structure the way in Council and iwi engage over shared interest. Relationship protocols may occur by way of Treaty settlements ie (Tūhoe Relationship Protocol 2013) or as an independent (non-statutory) initiative.

Waitaha (Western BoP) have signalled an interest in a relationship protocol (as provided for in their 2011 Treaty settlement). Formal discussions have yet to begin.

Council Chair and (former) CE met with the Te Arawa Lakes Trust (TALT), following a request to reaffirm that relationship and potentially formalise a relationship agreement. Discussions for this purpose remain ongoing.

The Central North Island (CNI) Collective (Ngāti Whakaue, Ngāti Rangitahi, Te Arawa, Ngāti Tūwharetoa, Ngāti Manawa, Ngāti Whare, Tūhoe, Raukawa) initiated a (non-statutory) relationship protocol in early 2018, which is expected to be signed with the current year.

7 LGNZ – Crown funding case

Local Government New Zealand (LGNZ) has put forward a proposal to the Crown seeking an increase to financial contributions to local government, for implementing Treaty settlement arrangements.

Current Crown policy is to provide *one-off* financial contributions to local government for the implementation of Treaty settlement outcomes. Experience to date across local government has identified a series of shortcomings with this approach. The proposal evidences current Crown contributions to be inadequate, and that greater financial contributions are required for a longer period.

Council contributed to the report having regard to our experience and obligations under both current and forthcoming settlements. The report was lodged with the new Minister for Treaty Negotiations; however, a formal response remains outstanding.

8 Implications for Māori

The completion of each Treaty settlement marks a significant milestone for the iwi concerned, and more broadly, the wider region as well. Treaty settlements have produced a number of new arrangements to bolster the role of Maori in local leadership, as drivers of strategic plans, iwi-lead initiatives and economic development opportunities across the region. As we move further into the post-Treaty settlement era, it is expected this trend will continue.

9 Community Outcomes and Long Term Plan

Each Treaty settlement, its implementation and any specific obligations for Council are enacted by legislation. Council has a responsibility to meet those obligations as with any other legislative framework in which it operates.

The Treaty settlement process and associated redress mechanisms, broadly contribute to improving the Bay of Plenty region – socially, culturally, economically and environmentally. This directly aligns with the **Vibrant Region** outcome in Council's Long Term Plan 2018 – 2028,

Current Budget Implications

A Crown contribution of \$250,000 was provided to Te Maru o Kaituna to assist with its administration and implementation cost. Otherwise, Councils implementation costs for Treaty settlements are absorbed within existing budgets.

Future Budget Implications

A Crown contribution of \$575,000 has been ear-marked for the forthcoming Tauranga Moana Framework. Ongoing negotiations between the Crown and iwi regarding the Framework, may result in some movement to this figure.

Further Crown contributions to Councils implementation costs may also attach to forthcoming settlements and as part of any outcome to the LGNZ report discussed at paragraph 5.

Herewini Simpson
Senior Advisor (Treaty)

for Acting General Manager, Strategy & Science

18 September 2018

APPENDIX 1

LGNZ - Treaty Settlement Costs Report



TREATY SETTLEMENTS

WHAKATAUNGA TIRITI

THE CASE FOR INCREASED FINANCIAL
CONTRIBUTION TO LOCAL GOVERNMENT
FOR IMPLEMENTING TREATY SETTLEMENT
ARRANGEMENTS

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**We are.
LGNZ.**

PROPOSAL

TĀ MĀTOU E

WHAKATAKOTO NEI

That the Crown consider the evidence in this report and make a greater financial contribution (both one-off and ongoing) to local government for the implementation of Treaty of Waitangi settlement arrangements.

EXECUTIVE SUMMARY

KŌRERO WHAKARĀPOPOTO

The Crown is committed to settling historic claims for breaches of the Te Tiriti o Waitangi/Treaty of Waitangi (the Treaty) through Treaty settlement. An outcome of Treaty settlements is the provision of co-governance and co-management arrangements over significant natural resources and reserve lands. Local authorities are critical to the successful implementation of these arrangements, both as the regulatory authority for the natural resource or land, and as the co-governance and co-management partner with Treaty settling groups.¹

Treaty settlement arrangements provide valuable connectivity between iwi and local government, and opportunities to deliver mutually beneficial environmental and resource management outcomes. At the same time however, they impose costs on local authorities that are over and above councils' business as usual costs.

Crown policy is to provide one-off financial contributions to local government for the implementation of Treaty settlement outcomes.² This report, while recognising the short and long term benefits of Treaty settlements to iwi, communities and councils, provides evidence that current Crown contributions are inadequate, that greater financial contributions are required and for a longer period. Evidence of the Crown's inconsistent approach to funding for similar arrangements is also provided.

This report provides a costs framework (the Framework) to record costs associated with the functions and activities of Treaty settlement arrangements. The Framework allows a greater level of accuracy, visibility and consistency in tracking the cost of establishing, implementing and maintaining Treaty settlement arrangements. The Framework is attached as a separate document.

1 The terms "local authorities", "councils" and "local government" are used interchangeably in this report to mean the same thing: regional councils, territorial authorities and unitary authorities.

2 The term Crown policy refers to the documents provided in Appendix A.

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RECOMMENDATIONS

WHAIKUPU

That the Crown:

1. Consider this report and the Framework to assess the actual costs of implementing Treaty settlement arrangements by local authorities.
2. Increase the financial investment provided to local authorities for the functions and activities of Treaty settlement outcomes.
3. Introduce the provision of staged financial contributions in addition to one-off financial contributions.
4. Update Crown policy to cover all forms of Treaty settlement arrangements currently being negotiated.
5. Address inequities in the provision of financial support to local authorities and consider how financial support can be retrospectively provided.
6. Provide financial assistance to iwi for capacity and capability building to ensure iwi can participate and contribute equally in co-governance and co-management arrangements to assist in reducing local government costs.



INTRODUCTION

HE KUPU WHAKATAKI

TREATY SETTLEMENTS ARE AN IMPORTANT ASPECT OF NEW ZEALAND'S NATURAL RESOURCE MANAGEMENT LANDSCAPE. WHILE THEY ARE AN EXPRESSION OF THE CROWN-IWI RELATIONSHIP THEY ALSO PROVIDE AN AREA WHERE LOCAL GOVERNMENT CAN BUILD ROBUST RELATIONSHIPS WITH IWI. COUNCILS HAVE A STRONG INTEREST IN ENSURING THE NEW ARRANGEMENTS ESTABLISHED THROUGH TREATY SETTLEMENTS ARE SUCCESSFUL, AND THAT THE SETTLEMENTS ARE DURABLE, FAIR AND FINAL.

Treaty settlement arrangements involving local government do, however, come with costs. With the significant number of Treaty settlements over recent years involving co-governance entities and co-management arrangements (including authorities, committees, joint management agreements and various descriptions of natural resource plans), the issue of cost needs to be recognised and discussed.

Treaty settlements provide opportunities to develop relationships with iwi that benefit not only environmental and resource management outcomes, but the many other outcomes for central and local government. Whilst local government has non-Treaty settlement requirements to engage with iwi under the Resource Management Act 1991 (RMA) and the Local Government Act 2002 (LGA), it is the post-settlement landscape that attracts additional costs. The requirements that are placed on councils can be challenging in terms of resourcing and planning community priorities. Councils operate within financial constraints, and expenditure in one area can mean less expenditure in another.

Funding provided to local government by the Crown as a contribution to costs has been welcomed. However, analysis shows that both establishment and ongoing costs of co-governance and co-management arrangements are far greater than anticipated, and that Crown contributions have been underestimated.

There are significant risks associated with the current levels of Crown funding. The first risk is that an undue financial burden is placed on councils to implement Treaty settlement redress that the Crown has determined is required to settle long-standing grievances of Māori. That outcome means costs of settlements are carried by ratepayers, rather than

by central government. It is the Crown, not councils, that settles the historical grievances of iwi, and it is inequitable that ratepayers of today are being expected to pay for the settlement of grievances by the Crown. Vote Conservation, for example, is not expected to cover the costs of Treaty settlement redress from its baseline funding. Rather, the Department of Conservation is funded via detailed costing estimates (and despite having the strongest statutory Treaty weighting to give effect to the principles of the Treaty). In the same way, local authorities should not incur the costs for settlement redress that is over and above its business as usual activities and statutory commitments to iwi.

The second risk is that fiscal pressures will, over time, undermine the ability of local government to support co-governance and co-management arrangements, meaning they will not produce the outcomes sought. Non-delivery of Treaty settlement arrangements could ultimately undermine the durability of settlements, create new injustices for iwi, and potentially trigger contemporary Treaty claims against the Crown.

Evidence suggests individual councils are operating on a continuum that ranges from meeting the minimum requirements to complying with Treaty settlement legislation, to full engagement with iwi under co-governance and co-management arrangements. Although the latter is the outcome sought from settlements, it is not always achievable. A key reason for Treaty settlement outcomes not being fully achieved is that there are significant costs associated with engagement for both local authorities and iwi entities. It is also common for iwi authorities to rely on council staff for support as they participate in Treaty settlement arrangements.³

³ It should be noted too that not all iwi authorities/entities rely

The Crown practice of making limited one-off financial contributions does not adequately recognise the ongoing commitment required by councils to ensure Treaty settlement arrangements are enduring and sustainable. Furthermore, there needs to be greater clarity, visibility, certainty and consistency across councils as to how financial contributions are determined by the Crown in each region.

REPORT STRUCTURE

This report sets out the need for increased funding from the Crown and provides a Framework that can be used when negotiating financial investment with the Crown. The following section describes the scope of this exercise and the methodology underlying the report. The Treaty settlement arrangements, and those likely to be established in the foreseeable future, are then set out with their key functions described. The estimated cost to respective councils for the establishment and implementation of each entity, plan and/or agreement is then provided.

Importantly, the report details the numerous activities performed by councils to support the implementation of the arrangements. For example, organising meetings and assisting with the drafting of statutory plans and governance documents. By documenting these activities the extent of required council staff time is revealed. Often that time and associated costs is not immediately visible or was not contemplated when Treaty settlement arrangements were established. The Crown's factors for considering financial contribution towards arrangements are compared with that of local government's factors to provide a complete list for the Crown to consider.

Lastly, the Framework's purpose, benefits and practical application are explained.

LOCAL GOVERNMENT IN TREATY SETTLEMENTS

Treaty settlements are increasingly providing mechanisms for local government to work with iwi authorities to govern nationally and regionally significant natural resources: important rivers or other water bodies, reserves and parks, etc. Iwi, councils and the Crown share an interest with the public to ensure these resources are well governed and protected for future generations.

A crucial role for councils is the implementation of Treaty settlement arrangements. A council's role includes establishing and maintaining co-governance entities, providing technical advice for the entities, and plan development. This includes legal, scientific, policy, planning and resource consenting advice, to name a few. In addition, councils provide physical resources and time to assist with the upskilling of iwi entities on council functions, plans and processes.

Although local authorities are not a party to the deeds of settlement they are nonetheless bound by the resulting legislation, which gives councils responsibilities and duties to carry out. These obligations can be perceived by local government as being undertaken on the Crown's behalf. Appropriate Crown financial investment for local government is therefore critical to conduct this role.

PARTICIPATING COUNCILS

TE TŌPŪ KAUNIHERA

Over several years, councils – both collectively and separately – have raised concerns over sustainable post-Treaty settlement funding with Ministers and Crown officials. In late October 2016 councils agreed a nationally coordinated approach was required to identify options to resolve this collective issue. Local Government New Zealand (LGNZ) provided their support for this report, as did seven North Island councils (the participating councils).⁴

REPORT SCOPE

ARONGA PŪRONGO

This report focuses on Treaty settlement arrangements, the costs incurred and the estimated costs for undertaking arrangements by the participating councils. It is assumed these costs are common to all councils across New Zealand. It reviews financial and other information for the participating councils and provides a rationale for the best approach to obtain fair and accurate funding from the Crown for such arrangements.

The following matters are not captured by this report.

- Costs for local authorities to engage with the Crown and iwi through Treaty settlement negotiations on an as and when required basis.⁵
- Costs associated with Treaty settlement arrangements that are not directly provided for by settlement legislation.
- Costs to local government of engaging with iwi/Māori under non-Treaty settlement legislation (i.e. (LGA, RMA and the Reserves Act 1977).
- Mana Whakahono a Rohe Agreements (iwi participation agreements) provided through recent amendments to the RMA.

- RMA or voluntary arrangements between councils and iwi authorities.
- Notification obligations for statutory acknowledgements.
- Marine and Coastal Area (Takutai Moana) Act 2011 (MACA) applications.

Costs to local authorities who have not contributed to this report are not included. For example, city and district councils contribute as members on a range of co-governance and co-management arrangements. These councils however, will have similar costs when undertaking Treaty settlement functions and activities, to varying degrees.

This is the second report prepared specifically for the Crown on the financial impact of Treaty settlements on local authorities. The first study was conducted by Bay of Plenty Regional Council and Waikato Regional Council in 2012.⁶ This report expands on the types of settlement costs identified in the 2012 study. It also provides a methodology or tool for calculating local government costs, while providing for a discount method to ensure a phase out time for business as usual costs commences.

⁴ A proposal was tabled at the Regional Council Chief Executive Officers meeting in February 2017 entitled "Establishing a Methodology to Assess Costs (over and above business as usual costs) to Local Authorities for Implementing Treaty of Waitangi Settlement Arrangements". The participating councils are acknowledged on the back of this report.

⁵ Participating in Treaty settlement negotiations also incurs significant costs for councils. For example, councils are often asked to provide technical advice and information, Light Detection and Ranging (LiDAR) data, and feedback and support for the development of the settlement options the Crown proposes.

⁶ Bay of Plenty Regional Council and Waikato Regional Council, "Supporting Information: Impact of Treaty Settlements on Bay of Plenty and Waikato Regional Council", November 2012.

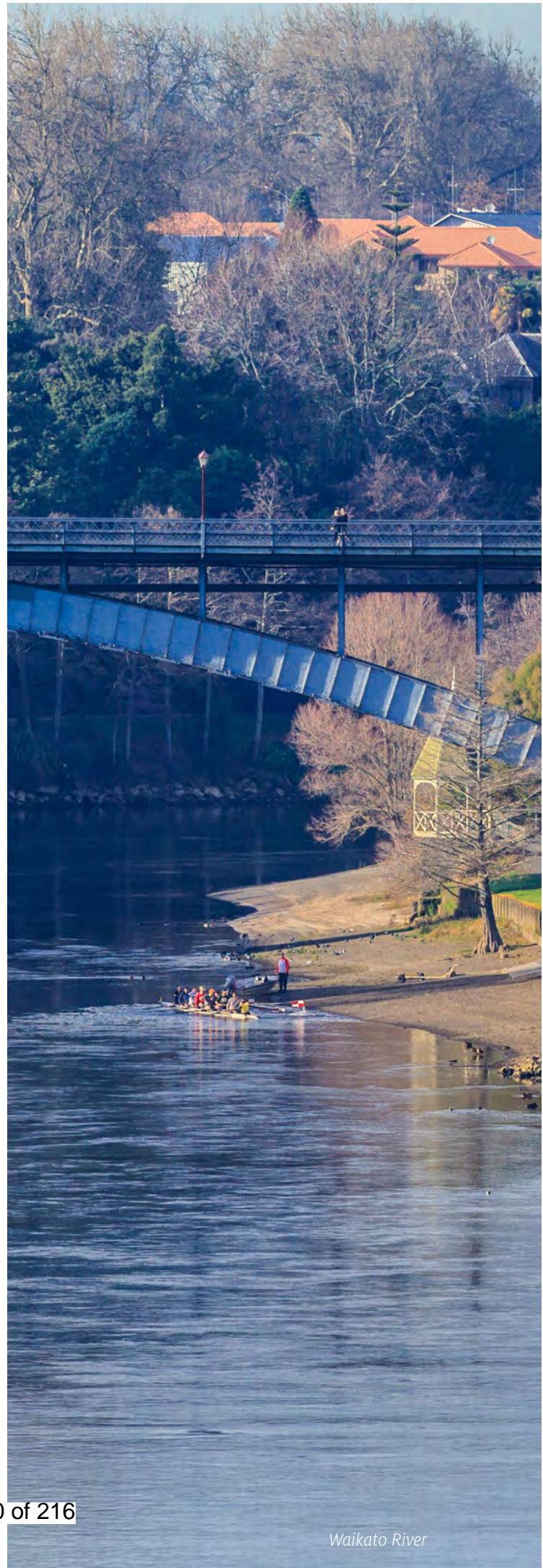
METHODOLOGY

Participating councils provided information on the costs they have incurred implementing Treaty settlement arrangements. Information was also provided on the wide range of tasks, processes and activities councils undertook to deliver these arrangements.

Every effort has been made to record activities required to establish and operate new arrangements and where possible the actual costs of these arrangements. In most instances councils have been able to call upon financial records to provide accurate numbers. In other instances, cost estimates have been provided. One limitation of the data is that the practice of recording costs after settlement has not been undertaken by councils until more recently.

Work by the Post-Settlement Commitments Unit within the Ministry for Justice, and by Te Puni Kōkiri, has been reviewed to inform the development of the Framework. A register was developed of councils' obligations under the various Treaty settlements by the Post-Settlement Commitments Unit and a stocktake of council-iwi participation agreements was developed by Te Puni Kōkiri.⁷ Financial and supporting information provided by the participating councils, and primary documents such as the settlement legislation and deeds of settlement, were also reviewed.

⁷ "Te Puni Kōkiri Draft Stocktake of Council Iwi Participation Agreements (November 2015)" was developed based on publicly available information and it includes voluntary arrangements as well as those required under Treaty settlements. Te Puni Kōkiri with the support of the Ministry for the Environment developed a spreadsheet. The Post-Settlement Commitments Unit developed a Master List of Commitments for all councils based on Treaty settlement deeds and legisla



TYPES OF TREATY SETTLEMENT COSTS

NGĀ MOMO UTU WHAKATAUNGA TIRITI

Local authorities incur two types of costs when implementing Treaty settlement arrangements:

1. Additional costs, which are imposed on councils due to settlement legislation.
2. Business as usual costs, which occur as a result of engaging with iwi irrespective of settlement legislation.

ADDITIONAL COSTS

Additional costs, as defined here, are costs that local authorities incur as a direct result of Treaty settlement arrangements. Notably, additional costs are associated with the establishment and ongoing costs of co-governance entities, and the development and implementation of plans, documents or agreements. Additional costs vary from region to region depending on the type of settlement arrangement negotiated between iwi and the Crown. Examples of additional costs are listed in Appendix 3 and are classified as functions and activities that need to be undertaken when implementing Treaty settlement arrangements. For example:

- Administrative support, democratic services and other council staff services required for the provision of the exercise of powers and functions for the co-governance entities, boards or committees.
- RMA policy development activities that are not planned or anticipated but are required by a Treaty settlement within a specified timeframe.
- Specialist technical staff time on the development and implementation of co-governance entity plans, documents and joint management agreements or other such agreements as required.
- Assistance with building iwi capacity to participate in the Treaty settlement arrangements. For example, councils contracting independent advisors for the tangata whenua representatives who sit on the Hawke's Bay Regional Planning Committee and the establishment of two senior Treaty advisors to support the Rangitāiki River Forum, Kaituna River Authority Te Maru o Kaituna and the forthcoming Tauranga Harbour Governance Group in the Bay of Plenty.

BUSINESS AS USUAL COSTS

Business as usual (BAU) costs are associated with the normal conduct of business, regardless of current circumstances, such as administering iwi arrangements under the RMA. Treaty settlement costs may be considered BAU if they overlay or can be accommodated within current processes. For example, if a regional or district plan is due to be reviewed or changed at or around the same time as a co-governance entity is developing or has developed its own plan for consideration by council, coordination of the two projects should negate any extra Treaty settlement cost. This needs to be qualified by the amount and type of additional work involving council staff, which will vary between councils.

Relationship management with iwi is also considered a BAU cost. For example, councils can act in an intermediary capacity for iwi with the Crown or other entities both within and outside Treaty settlement arrangements. Council staff are regularly asked to interpret maps or legislation, or to assist with the resolution of other relevant issues or concerns that may arise from arrangements.

ISSUES WITH TREATY SETTLEMENT COSTS

1. Not all arrangements are put into place immediately following Treaty settlement legislation being enacted. Some are delayed for several reasons. One example includes a Joint Management Agreement with Tūwharetoa Māori Trust Board. The Waikato River section of this Joint Management Agreement was developed in August 2016, with the Taupo Waters section currently being developed. However, the legislation came into force in October 2010.⁸ Similarly, one arrangement was put into place prior to Treaty settlement legislation being enacted. For example, the Hawke's Bay Regional Planning Committee.⁹
2. Costs vary for councils in each region. Whilst the arrangements may be similar in nature the scale and functions may vary for each. In addition, staff time, expertise and experience with the arrangements is key.

8 Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010.

9 Hawke's Bay Regional Planning Committee Act 2015.



TREATY SETTLEMENT ARRANGEMENTS AND COSTS

NGĀ RITENGA/UTU WHAKATAUNGA TIRITI

The Treaty settlement arrangements for the participating councils are set out in the Appendices. Appendix 1 highlights the types of settlement arrangements for the participating councils and Appendix 2 highlights the costs associated with each arrangement.¹²

TYPES OF TREATY SETTLEMENT ARRANGEMENTS

Participating councils are all involved in the implementation of Treaty settlement arrangements for co-governance and co-management within their respective regions. Each arrangement has different levels of responsibilities and obligations that trigger activities and thereby attract additional costs.

Appendix 1 outlines 25 arrangements that are either in place through statute or are at the Bill or deed of settlement stage and are thus imminent. In all cases, the participating councils are required to establish and maintain some form of permanent co-governance entity, committee or board. These entities must prepare and approve a plan or document of some description, which has varying legal weight and status, for consideration by councils under the RMA and the LGA.

Obligations arise for councils when preparing, reviewing or amending RMA planning documents, considering resource consent applications and making decisions. These functions require a significant amount of council time, money and resource in the development and implementation stages.

TREATY SETTLEMENT COSTS

Appendix 2 compares Crown contributions to the actual costs (where available) or estimated costs for councils when implementing Treaty settlement arrangements. The table also shows what councils have sought from the Crown for future settlement arrangements where this has occurred. These amounts have been forecasted by councils and are significantly more than past Crown contributions. In some instances the Crown has directed where Crown funding is spent. In other instances councils can determine how funding is apportioned across arrangements or the co-governance entity can determine.

The evidence is clear that council costs of implementing Treaty settlement arrangements far exceed Crown contributions. The evidence is also clear that ongoing costs for councils are significant. A strong argument can be made, therefore, for the Crown to also contribute to ongoing costs for a defined period.

For example, the Hawke's Bay Regional Planning Committee received \$100,000 as a one-off Crown contribution on its establishment. Actual costs to run the committee for the period 2010 to 2016 were \$787,627 (or an average of \$131,271 per annum). The annual costs of running the now formally established body is estimated at \$753,480. This greater cost is due mainly to an increase in the number of meetings (two per month), the type of work undertaken by the committee and the addition of two contracted independent iwi advisors for the tangata whenua representatives who sit on the committee.¹¹

¹⁰ Some costs are estimated or forecasted.

¹¹ The Hawke's Bay Regional Planning Committee established its *Year 2010-2016 Strategic Plan*.

The Crown's approach to funding has been inconsistent with different amounts provided to councils for similar arrangements. For example, within the Bay of Plenty region there are two mandated co-governance entities: the Rangitāiki River Forum and the Te Maru o Kaituna Kaituna River Authority. Both require the development of statutory river planning documents (which are not required by any other legislation). The Crown did not provide any funding for the establishment of the Rangitāiki River Forum co-governance entity or plan. Bay of Plenty Regional Council has provided a conservative estimate that the development of the Rangitāiki River Document (plan) has cost around \$164,000 and believes the ongoing costs of implementation will be significant.¹² In contrast the Crown provided a contribution of \$250,000 to establish the Kaituna River Authority. The Kaituna Statutory River Planning Document is currently out for public consultation thereby potentially attracting further costs for Bay of Plenty Regional Council.

Treaty settlement legislation can also require reviews and amendments of statutory plans earlier than when required by the council. This can lead to additional costs for councils. For example, under the Waikato and Waipā rivers settlement legislation Waikato Regional Council is required to assess whether the Regional Policy Statement gives effect to the Vision and Strategy for the Waikato River, and to initiate an amendment to the Regional Policy Statement if it does not do so. In 2012 a review was carried out which determined the regional plan needed to be reviewed to give effect to the Vision and Strategy. No funding was provided by the Crown for this work. In contrast, the RMA only requires Waikato Regional Council to commence a review of sections of the regional plan every 10 years.¹³

The cost to Waikato Regional Council to develop the Healthy Rivers/Wai Ora: Proposed Waikato Regional Plan Change 1 to the notification stage is conservatively estimated at \$13 million. Due to both the co-governance arrangements and the highly collaborative nature of the Healthy Rivers Wai Ora process, the \$13 million spend to date is higher than any other policy process implemented by this regional

council. Costs incurred by Waikato Regional Council to support participation in the process by the five Waikato and Waipa river iwi have been estimated at \$5,860,000.¹⁴

TREATY SETTLEMENT ACTIVITIES

The research undertaken for this report reveals a significant amount of council staff time is spent on drafting documentation, processes and policies for the various arrangements. This includes undertaking activities and tasks for a co-governance authority, a joint management agreement, or for plan development and implementation. Rarely is this time recorded in an accurate or consistent fashion. Often there are reactive or unplanned tasks associated with activities which are not immediately obvious from the deeds of settlement and empowering legislation. The importance of staff time should not be underestimated as this is the key area where councils carry additional costs. It is these functions and activities that underpin council costs and form the basis of the Framework set out in the next section.

Appendix 3 shows a breakdown of the functions and activities including tasks required for each Treaty settlement arrangement.¹⁵

CROWN POLICY

Under Crown policy the level of Crown contribution to local government is at the discretion of Cabinet and is assessed on its own merits taking into account a range of factors. These factors have been assessed and updated by the participating councils to show what should be considered when determining the financial investment needed to establish and implement arrangements. These factors are outlined in Appendix 4 alongside the Crown policy.

¹² This amount does not factor in staff and management time, engagement and public notices, meeting and venue costs, technical expertise, the Tuna Plan or Regional Policy Statement Change 3. These are variables that will increase this cost estimate. The plan was developed in 2014/2015.

¹³ Section 79(1)(b) of the RMA.

¹⁴ The five Waikato and Waipa river iwi are Waikato-Tainui, Maniapoto, Raukawa, Te Arawa and Ngāti Tuwharetoa.

¹⁵ Appendix 3 is not an exhaustive list. Further activities are listed in the Framework.

THE FRAMEWORK

TE ANGAANGA

As set out in this report Crown contributions for costs are discretionary and have been inconsistently applied across the many Treaty settlement arrangements. To make clear the higher than assumed costs for councils to implement Treaty settlement arrangements, and to ensure consistency in the provision of future funding arrangements, a comprehensive planning framework has been developed.

PURPOSE OF THE FRAMEWORK

The Framework is designed to assist the Crown and councils to assess accurate costs of establishing, implementing, maintaining, monitoring and reviewing Treaty settlement arrangements. It is recommended as a tool during the negotiation stages to provide consistency, certainty, accountability and transparency for Crown funding.

KEY PURPOSES OF THE FRAMEWORK INCLUDE:

- Provide a tool to calculate actual costs of Treaty settlement arrangements and associated functions and activities.
- Show accountability and transparency to Treaty partners, ratepayers, interest groups, industries, communities and stakeholders when entering legislated arrangements.
- Provide certainty and clarity to local government on how Crown financial contributions are determined and applied nationally.
- Demonstrate that the Crown has a strong interest in ensuring that Treaty settlement arrangements are successful and enduring.
- Highlight the importance of local government's acceptance of responsibilities for the Crown (as Treaty partner) in ensuring beneficial social, economic, cultural and environmental outcomes are achieved for iwi.

DESIGN OF THE FRAMEWORK

The Framework is based on actual commitments or obligations arising from each Treaty settlement arrangement. These commitments have been transferred into activities and tasks typically undertaken by groups within council responsible for the regulatory, integrated catchment management and policy functions.

The activities have been identified through the research undertaken with each participating council and have been merged to form a complete set. Not all activities are required by each council and not all are required for each Treaty settlement arrangement. This is an outcome of variation between different settlement arrangements and the practices of individual councils.¹⁶

The Framework provides a selection tool to assess what each council is required to undertake when discussing with the Crown the type of arrangement being considered. It is flexible in that additional arrangements, functions, activities and tasks can be added to the Framework. Rates for staff, management and councillors have been provided as an example and can be substituted for each council's own rates. Once activities and costs have been entered a discount method is applied automatically to the costs.

The discount method can discount BAU costs from additional costs. This is done in the following way.

- If there is a new activity under the arrangement or an activity that has been brought forward by five years or more due to Treaty settlement legislation, then 100 per cent of the costs are applied.

¹⁶ Updates are being made to the Framework to recognise the dynamic nature of the arrangements and to allow for council variation. This will be an ongoing process.

- If a council has planned to undertake an activity within a five-year period, but due to Treaty settlement requirements the activity is bought forward, then 20 per cent of the total implementation costs per annum are applied for each year that the activity is implemented earlier. This is represented in the Framework as a 20 per cent discount for the Crown off the full cost of implementation of the activity for each year within the five-year period that the activity is bought forward. The discount method is shown in appendix 5.
- The discount rate and the five-year time period are based on the established principle that every three years the long term plan is reviewed and every five years catchment or other council plans are reviewed, amended or developed including consideration of RMA planning documents for review.¹⁷ In this situation BAU costs under the Crown policy could commence from five years as opposed to three years. This would provide the Crown with a phase out or transition period for arrangements to become 'normalised' within councils.

BENEFITS OF THE FRAMEWORK

THE FRAMEWORK:

- Contains a comprehensive spectrum of costs.
- Has been developed to enable each council to actively negotiate a financial contribution for costs with the Crown.
- Can be used to highlight the costs of all arrangements to the Crown retrospectively.
- Caters for delayed or staged arrangements, so that planning for a Joint Management Agreement or other such arrangement two or more years after the commencement date can be accounted for.
- Details functions and activities to enable councils to undertake better planning, financial management and project management, and avoid duplication of work.

ALIGNMENT WITH CROWN POLICY

THE FRAMEWORK ALIGNS WITH CROWN POLICY:

- It is a transparent tool capturing all activities and can be adapted to include more, recognising the varied nature of Treaty settlement arrangements.
- It deals with additional costs in a consistent manner as opposed to an-hoc approach across councils.
- Each contribution can be assessed on its own merits based on activities that must be undertaken.
- It allows the Crown to retain a phasing-out policy for BAU costs so that longer term arrangements are 'normalised'.
- It allows the Crown to contribute to new arrangements that are not part of a council's LTP or annual plans (i.e., that are not BAU costs).
- It provides a clear framework to consider true costs, but also allows flexibility to respond to different circumstances and the nature of a particular arrangement.
- The complexity of arrangements are broken down into manageable components so that the scale and nature of costs can be assessed more easily.
- It has the ability to be updated and amended in line with changes to Crown policy or council specific arrangements.

¹⁷ These plans are not all on the same cycle but at any given point over the five year period a plan of some description will need reviewing, amending or developing.

REFERENCES

KOHIKOHINGA RAUEMI

LEGISLATION

- Hawke's Bay Regional Planning Committee Act 2015
- Nga Wai o Maniapoto (Waipa River) Act 2012
- Nga Mana Whenua o Tamaki Makaurau Collective Redress Act 2014
- Ngāi Takoto Claims Settlement Act 2015
- Ngāi Tāmanuhiri Claims Settlement Act 2012
- Ngāti Manawa Claims Settlement Act 2012
- Ngati Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010
- Ngāti Whare Claims Settlement Act 2012
- Ngati Whatua o Kaipara Claims Settlement Act 2013
- Ngati Whatua Orakei Claims Settlement Act 2012
- Orakei Act 1991
- Rangitane o Manawatu Claims Settlement Act 2016
- Pare Hauraki Collective Redress Deed 2017
- Raukawa Claims Settlement Act 2014
- Reserves Act 1977
- Tapuika Claims Settlement Act 2014
- Te Arawa Lakes Settlement Act 2006
- Te Awa Tupua (Whanganui River Claims Settlement) Act 2017
- Te Aupouri Claims Settlement Act 2015
- Te Hiku Claims Settlement Act 2015
- Te Rarawa Claims Settlement Act 2015
- Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010

DEEDS OF SETTLEMENT

- Ahuriri Hapū and the Trustees of the Mana Ahuriri Trust and the Crown Deed of Settlement of Historical Claims 2 November 2016
- Deed of Settlement of Historical claims - Ngāti Tūwharetoa
- Nga Mana Whenua o Tamaki Makaurau Collective Redress Deed
- Ngāti Rangi and the Trustees of Te Tōtarahoe o Paerangi Trust and the Crown Deed of Settlement of Historical Claims 17 August 2017
- Pare Hauraki Collective Redress Deed
- Tauranga Moana Iwi Collective Deed

AGREEMENTS

- Co-Management Agreement for Waikato River Related Lands – Waikato Raupatu River Trust and Waikato Regional Council (2012)
- Joint Management Agreement – Raukawa Settlement Trust and Waikato Regional Council (10 May 2012)
- Joint Management Agreement – Tuwharetoa Maori Trust Board and Waikato Regional Council (August 2016)
- Joint Management Agreement – Te Arawa River Iwi Trust and Waikato Regional Council (August 2012)
- Joint Management Agreement – Maniapoto Maori Trust Board and Waikato Regional Council, Otorohanga District Council, Waikato District Council, Waipa District Council and Waitomo District Council (April 2013)
- Joint Management Agreement – Te Runganganui o Ngati Porou Trustee Limited and Gisborne District Council (October 2015)
- Joint Management Agreement – Waikato Raupatu River Trust and Waikato Regional Council (18 June 2013)
- Ngāti Whātua Iwi and the Crown Kaipara Moana Framework Agreement (18 August 2014)

REPORTS AND PLANS

- “Establishing a Methodology to Assess Costs (over and above business as usual costs) to Local Authorities for Implementing Treaty of Waitangi Settlement Arrangements (the Proposal)
- Local Government New Zealand [LGNZ] “Frequently Asked Questions on Council – Maori Engagement: A Resource to Support Councils”, October 2007
- Office of Auditor-General “Principles for Effectively Co-Governing Natural Resources” February 2016
- Te Oneroa-a-Tohe “Board Request for Proposal Māori Focus Treaty Settlement Implementation: Beach Management Plan”
- Waikato Regional Council “Joint Management Agreement Review Waikato Raupatu Settlement Trust Case Study” 2014
- Te Puni Kōkiri Draft Stocktake of Council Iwi Participation Agreements (November 2015)
- Waikato Regional Council and Bay of Plenty Regional Council, “Supporting Information: Impact of Treaty Settlements on Bay of Plenty and Waikato Regional Councils” November 2012

APPENDIX 1: SETTLEMENT ARRANGEMENTS

SETTLEMENT ARRANGEMENTS FOR PARTICIPATING COUNCILS

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2006 BAY OF PLENTY REGIONAL COUNCIL Te Arawa Lakes Settlement Act 2006	ROTORUA-TE ARAWA LAKES STRATEGY GROUP Formerly Rotorua Lakes Strategy Group Permanent joint committee of council	Catchment includes the 12 large Rotorua lakes and their associated catchments. ¹⁸ Six members <ul style="list-style-type: none"> • Two appointed by iwi • Four appointed by relevant local authorities • One MfE member attends meetings Members must comply with the terms of the Strategy Group Agreement.	Develop Vision and Strategy for the Lakes of the Rotorua district. Overarching policy document.
2010 WAIKATO REGIONAL COUNCIL Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010	WAIKATO RIVER AUTHORITY Independent statutory body	Covers a catchment comprising the Waikato River from Huka Falls to Te Puaha o Waikato, the Waipā River from its source to its connection with the Waikato River, and their catchments. Ten members <ul style="list-style-type: none"> • Five appointed by iwi • Five appointed by the Crown 	Develop Vision and Strategy for the Waikato River ¹⁹ (Te Ture Whaimana o Te Awa o Waikato). The Vision and Strategy forms part of the Waikato Regional Policy Statement. It is binding on all national, regional, and district policy statements and decisions for the management of the Waikato and Waipā rivers.
2012 AUCKLAND COUNCIL Ngāti Whātua Ōrākei Claims Settlement Act 2012	NGĀTI WHĀTUA ŌRĀKEI RESERVES BOARD Formerly Ngāti Whātua o Ōrākei Reserves Board under the Ōrākei Act 1991 Statutory body	Control and manage the Whenua Rangatira (Bastion Point). ²⁰ Six members <ul style="list-style-type: none"> • Three appointed by iwi • Three appointed by Auckland Council 	Prepare and approve a management plan (under s41 of the Reserves Act 1977). Governance and management work under the Reserves Act 1977.
2012 BAY OF PLENTY REGIONAL COUNCIL Ngāti Whare Claims Settlement Act 2012 and Ngāti Manawa Claims Settlement Act 2012	RANGITAIKI RIVER FORUM Permanent joint committee of council	Rangitaiki River and its catchment including the Whirinaki, Wheao and Horomanga rivers. Twelve members <ul style="list-style-type: none"> • Six appointed by iwi • Six appointed by relevant local authorities • Ngāti Tūhoe and Ngāti Hineuru were subsequently added to the Forum after its establishment in 2012²¹ 	Prepare and approve Rangitaiki River Document. RMA planning documents Local authority must recognise and provide for the vision, objectives and desired outcomes contained in the Rangitaiki River Document. Prior to plan change local authority must have particular regard to the River document.

18 Rotorua lakes means Lakes Ōkareka, Ōkato, Ōkātaina, Rerewhakaaitu, Rotoehu, Rotoiti, Rotorokakahi, Rotomā, Rotomahana, Rotorua, Tarawera, and Tikitapu.

19 The Guardians Establishment Committee first developed the Vision and Strategy for the Waikato River in 2008. Legislation was enacted in 2010 creating the Waikato River Authority. See Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

20 As described in Schedule 3 of the Ōrākei Act 1991.

21 Hineuru and Tūhoe all have a seat on the Rangitaiki River Forum through their claim settlement Acts. Ngāti Awa and Ngāti Tūwharetoa have membership via the settlement acts of Ngāti Whare and Ngāti Manawa. Whakatane District Council, Taupo District Council and BoPRC make up the remaining seats. Other iwi and local authorities may join the forum through consensus.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2012 WAIKATO REGIONAL COUNCIL Ngāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT Raukawa Settlement Trust and Waikato Regional Council	Waikato River and activities within its catchment affecting the Waikato River and matters relating to activities in the catchment of the Waipā River from its source to its junction with the Puniu River Eight members - Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waikato River Integrated Management Plan (to be developed).
	Te Arawa River Iwi Trust and Waikato Regional Council Statutory committee of council	Waikato River and activities within its catchment affecting the Waikato River. Eight members – Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waikato River Integrated Management Plan (to be developed).
2012 WAIKATO REGIONAL COUNCIL Ngāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT Te Arawa River Iwi Trust and Waikato Regional Council	Waikato River and activities within its catchment affecting the Waikato River. Eight members – Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waikato River Integrated Management Plan (to be developed).
	Statutory committee of council	Waikato River and activities within its catchment affecting the Waikato River. Eight members – Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waikato River Integrated Management Plan (to be developed).
2012 WAIKATO REGIONAL COUNCIL Waikato Tainui Raupatu (Waikato River) Settlement Act 2010	CO-MANAGEMENT AGREEMENT FOR WAIKATO RIVER RELATED LANDS Waikato Raupatu River Trust Waikato Regional Council	For Waikato River related lands including fee simple sites, managed properties and reserve sites.	Development of Co-managed Lands Agreement.
	Waikato Tainui Raupatu (Waikato River) Settlement Act 2010	Waikato River related lands including fee simple sites, managed properties and reserve sites.	Development of Co-managed Lands Agreement.
2013 AUCKLAND COUNCIL Ngāti Whātua o Kaipara Claims Settlement Act 2013	TE POARI O KAIPĀTIKI KI KAIPARA BOARD Formerly Parakai Recreation Reserve Board	Kaipātiki (formerly Parakai Recreation Reserve). Six (or eight, if agreed) members <ul style="list-style-type: none"> • Three appointed by iwi • Three appointed by Auckland Council 	Prepare and approve Reserve Management Plan. Governance and management work under the Reserves Act 1977.
	The Board is a public entity within the meaning of s4 of the Public Audit Act 2001	Kaipātiki (formerly Parakai Recreation Reserve). Six (or eight, if agreed) members <ul style="list-style-type: none"> • Three appointed by iwi • Three appointed by Auckland Council 	Prepare and approve Reserve Management Plan. Governance and management work under the Reserves Act 1977.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2013 WAIKATO REGIONAL COUNCIL Ngā Wai o Maniapoto (Waipā River) Act 2012	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT	Waipā River and activities within its catchment affecting the Waipā River. Eight members – Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waipā River Integrated Management Plan (to be developed).
	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT	Waikato River and activities within its catchment affecting the Waikato River. Eight members – Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Integrated River Management Plan (to be developed).
2013 WAIKATO REGIONAL COUNCIL Waikato Tainui Raupatu (Waikato River) Settlement Act 2010	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT	Waikato Raupatu River Trust and Waikato Regional Council Statutory committee of council	Development of Joint Management Agreement. Establishment of co-governance committee. Establishment of processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Integrated River Management Plan (to be developed).
	TE MARU O KAITUNA	Kaituna River including its tributaries. Ten members <ul style="list-style-type: none"> • Five appointed by iwi • Five appointed by relevant local authorities • Ngāti Whakaue was appointed onto the Forum through a consensus decision of the forum in June 2017 	Kaituna River Document. RMA Planning Documents Local authority must recognise and provide for the vision, objectives and desired outcomes of the Kaituna River Document. Prior to plan change local authority must have regard to the Kaituna River Document. LGA Councils must take into account the provisions of the Kaituna River Document when making decisions under the LGA.
2014 BAY OF PLENTY REGIONAL COUNCIL Tapuika Claims Settlement Act 2014	TŪPUNA MAUNGA O TĀMAKI MAKĀURAU AUTHORITY	Covers the 14 Tūpuna Maunga (ancestral mountains) transferred collectively to Ngā Mana Whenua o Tāmaki Makaurau. ²³ Thirteen members <ul style="list-style-type: none"> • Six appointed by iwi • Six appointed by Auckland Council • One non-voting member appointed by the Minister for Arts, Culture and Heritage 	Prepare and approve the Integrated Management Plan (IMP) - s41 of the Reserves Act applies to the IMP. Hold annual hui between Ngā Mana Whenua o Tāmaki Makaurau and Auckland Council. Each year the Tūpuna Maunga Authority and Auckland Council must agree and adopt an annual operational plan. Other governance and management work under the Reserves Act 1977.
	Statutory authority		
2014 AUCKLAND COUNCIL Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014	Statutory authority		

22 Ngāti Rangiwēhē, Waitaha and affiliate Te Arawa all have a seat on the Kaituna River Authority via the Tapuika Settlement Act. Other iwi and local authorities can join the Kaituna River Authority through consensus of the Authority or through Treaty legislation.

23 The collective group of iwi of Auckland.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2015 NORTHLAND REGIONAL COUNCIL Te Hiku Claims Settlement Act 2015 Collective redress for Ninety Mile Beach ²⁴	TE ONEROA A TŌHĒ BOARD Ninety Mile Beach Permanent joint committee of council	Te Oneroa a Tōhē management area which includes the marine and coastal area, marginal strips adjacent to the beach, Beach sites A to D (Mai I Waikanae ki Waikoropūpūnoa, Mai i Hukatere ki Waimahuru, Mai i Ngāpae ki Waimoho and Mai i Waimimiha ki Ngāpae) and may include any adjacent land subject to Board and land owner agreement Eight members <ul style="list-style-type: none"> • Four appointed by Te Hiku iwi • Four appointed by relevant local authorities 	Development and approval of Beach Management Plan. Includes the development of four Reserve management plans (under s41 of the Reserves Act 1977). RMA planning documents Local authority must recognise and provide for the vision, objectives and desired outcomes identified in the Beach Management Plan. Council must have regard to the Beach Management Plan until the obligation above has been complied with. LGA Councils must take into account the Beach Management Plan when making decisions under the LGA.
2015 HAWKE'S BAY REGIONAL COUNCIL Hawkes Bay Regional Planning Committee Act 2015	HAWKE'S BAY REGIONAL PLANNING COMMITTEE Permanent joint committee of council	To oversee the development and review of RMA documents. Twenty members <ul style="list-style-type: none"> • Ten appointed by iwi • Ten appointed by Hawke's Bay Regional Council 	The Hawkes Bay Regional Planning Committee may recommend to the council for public notification the content of any draft change to the regional policy statement or regional plan, or proposed plan and to monitor the efficiency and effectiveness of the RMA documents in accordance with s35 of the RMA and implement a work programme for their review. Voting by committee requires at least a super majority (80 per cent of members present). Council cannot simply reject a recommendation made by the Hawkes Bay Regional Planning Committee. Council is required to refer back for further Hawkes Bay Regional Planning Committee consideration if council is minded not to accept a Hawkes Bay Regional Planning Committee recommendation.
2016 WAIKATO REGIONAL COUNCIL Ngaāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010	JOINT COMMITTEE UNDER JOINT MANAGEMENT AGREEMENT Tūwharetoa Māori Trust Board and Waikato Regional Council (signed 2016) Statutory committee of council	Matters relating to the Waikato River and activities within its catchment affecting the Waikato River and matters relating to the waterways within Taupo Waters. Eight members - Joint Management Agreement joint committee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by Waikato Regional Council 	Development of Joint Management Agreement. Establishment of co-governance committee. Established processes for RMA planning documents, resource consents, monitoring and enforcement and customary activities. Upper Waikato River Integrated Management Plan (to be developed).

²⁴ Te Hiku Claims Settlement Act 2015 contains the collective redress for Ninety Mile Beach. It includes the following iwi: Te Aupouri, Ngāitakoto, Te Rarawa and Ngāti Kuri. Ngāti Kahu is at the deed of settlement stage but has decided not to join the Te Oneroa a Tōhē Board.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2016 HORIZONS REGIONAL COUNCIL Rangitāne o Manawatu Claims Settlement Act 2016	MANAWATU RIVER CATCHMENT ADVISORY BOARD Statutory board Board can be disestablished by majority vote	Manawatu River catchment that is within Horizons Regional Council jurisdiction. Membership <ul style="list-style-type: none"> Horizons Regional Council and iwi to draft terms of reference for the appointment of members, operation and administration of the Board 	The Board may provide written advice to Horizons Regional Council in relation to freshwater management issues. Horizons Regional Council must have regard to advice of the Board and report back to the Board as to how the council considered that advice.
	2017 HORIZONS REGIONAL COUNCIL Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 ²⁵	TE KŌPUKA NĀ TE AWA TUPUA (STRATEGY GROUP) Permanent joint committee of council	Whanganui River catchment from the mountains to the sea. Up to seventeen members <ul style="list-style-type: none"> One appointed by Ngā Tāngata Tiaki o Whanganui Up to five appointed by iwi with interests in the Whanganui River Up to four appointed by the relevant local authorities One appointed by Fish and Game New Zealand One appointed by the Director-General of Conservation One appointed by Genesis Energy Limited Four members appointed by Horizons Regional Council to represent the following interests: <ul style="list-style-type: none"> environmental and conservation tourism recreational primary sector.

25 Te Awa Tupua is the Whanganui River's legal identity.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
2017 WAIKATO REGIONAL COUNCIL Deed of Settlement of Historical claims – Ngāti Tūwharetoa (signed 8 July 2017)	TE KOPIA KĀNAPANAPA (Taupo Catchment Entity) Permanent joint committee of council	Jurisdiction across the whole Lake Taupo catchment. Eight members <ul style="list-style-type: none"> • Four appointed by Ngāti Tūwharetoa • Four appointed by relevant local authorities 	Te Kaupapa Kaitiaki (Taupo Catchment Plan) RMA planning documents Local authority must recognise and provide for the vision, objectives and desired outcomes in Te Kaupapa Kaitiaki. Resource consent Local authority must have particular regard to Te Kaupapa Kaitiaki. LGA A local authority must have particular regard to Te Kaupapa Kaitiaki in preparing or approving long term plans or annual plans under the LGA.
2017 GISBORNE DISTRICT COUNCIL Ngai Tāmanuhiri Claims Settlement Act 2012	LOCAL LEADERSHIP BODY Permanent joint committee of council	Purpose of the Local Leadership Body is to contribute to the sustainable management of the natural and physical resources in the Local Leadership Body Area. ²⁶ Twelve members <ul style="list-style-type: none"> • Six appointed by iwi • Six appointed by Gisborne District Council 	Primary function is to achieve the purpose. Gather and disseminate information and hold meetings to identify existing and new issues. Develop policy and strategies and monitor the same. Promote integrated and coordinate management of the natural and physical resources of the Local Leadership Body area. Provide information to assist with the preparation of RMA planning documents.
FUTURE NORTHLAND REGIONAL COUNCIL AND AUCKLAND COUNCIL Ngāti Whatua Iwi Kaipara Moana Framework Agreement (signed 2014)	KAIPARA MOANA BODY Committee status to be determined	The coastal marine area of the Kaipara Harbour (Kaipara Moana) and any agreed parts of the rivers flowing into the Kaipara Moana and the coastal environment of Kaipara Moana (to be determined). Membership to be determined but equal iwi and council members	Prepare and approve the Kaipara Moana Strategic document. Level of legal weighting to be determined.

26 The Local Leadership Body area is outlined in the OTS Deed plan OTS-005-044 under the Ngai Tāmanuhiri Deed of Settlement.

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
FUTURE BAY OF PLENTY REGIONAL COUNCIL Tauranga Moana Iwi Collective Deed ²⁷ (signed 2015)	TAURANGA MOANA GOVERNANCE GROUP Committee status to be determined	The waters (including internal waters and tidal lagoons) and other natural resources and other geographical features (including Tauranga Harbour) comprising the coastal marine area; and the rivers, streams, creeks and natural watercourses within the catchment in Tauranga Harbour or the sea at any points; and wetlands, swamps, and lagoons within the catchment and the beds and aquatic margins of the water bodies; and the ecosystems associated with the waters and natural features. Membership to be determined but equal iwi and council numbers.	Prepare and adopt Nga Tai ki Mauao (Tauranga Moana Framework document). Level of legal weighting to be determined.
FUTURE WAIKATO REGIONAL COUNCIL Pare Hauraki Collective Redress Deed of Settlement (initialled December 2016)	WAIHOU, PIAKO, COROMANDEL CATCHMENT AUTHORITY Statutory authority	The waterways of the Coromandel, Waihou and Piako catchments. Fourteen members <ul style="list-style-type: none"> • Seven appointed by iwi • Two appointed by Waikato Regional Council • Five appointed by relevant territorial authorities Subcommittee Te Mātāpuna o ngā Waihou Piako is to be established as a committee of the co-governance authority and will focus on the upper Waihou and Piako rivers. Eight members on subcommittee <ul style="list-style-type: none"> • Four appointed by iwi • Four appointed by relevant local authorities 	Hauraki Authority Resource Plan (HARP) Effect of HARP on the RPS and resource consents Two methods for incorporation of the plan into the RPS. Through direct incorporation or through the obligation to “recognise and provide for” the plan through the RMA process. Council must have regard to plan until the obligation above has been complied with. If direct incorporation then the component of the RPS containing HARP may not be amended even when the RPS is under review. Schedule 1 of the RMA does not apply to direct incorporation. LGA A local authority must have particular regard to the catchment plan when making decisions under the LGA.
FUTURE WAIKATO REGIONAL COUNCIL Mangatangi and Mangatawhiri Waterways (separate but part of Hauraki Collective)	UPPER MANGATANGI AND MANGATAWHIRI CATCHMENT AUTHORITY Status of committee to be determined	The waterways of the Upper Mangatangi and Mangatawhiri catchments. Committee membership to be finalised.	Upper Mangatangi and Mangatawhiri Catchments Plan. Effect on RMA and LGA documents to be finalised.

27 Tauranga Moana Iwi Collective Deed includes Ngāi Te Rangī, Ngāti Pūkenga and Ngāti Rangihui.

DOCUMENT AND LEGAL WEIGHTING

SCOPE AND MEMBERSHIP

TYPE OF ENTITY OR ARRANGEMENT

SETTLEMENT

SETTLEMENT	TYPE OF ENTITY OR ARRANGEMENT	SCOPE AND MEMBERSHIP	DOCUMENT AND LEGAL WEIGHTING
<p>FUTURE HAWKE'S BAY REGIONAL COUNCIL Ahuriri Hapu Deed of Settlement (signed 2016)</p>	<p>TE KOMITI MURIWAI O TE WHANGA Statutory authority</p>	<p>Ahuriri Estuary and catchment areas.²⁸ Eight members Four appointed by iwi Three appointed by relevant local authorities One appointed by the Department of Conservation</p>	<p>Prepare and approve Te Muriwai o Te Whanga Plan. Local authority must have regard to the Te Muriwai o Te Whanga Plan when preparing or amending a RMA planning document or resource consent application. LGA A local authority must have regard to Te Muriwai o Te Whanga Plan when making a decision under the LGA 2002.</p>
<p>FUTURE HORIZONS REGIONAL COUNCIL Ngāti Rangī Deed of Settlement (initialled August 2017)</p>	<p>TE WAIŪ-O-TE-IKA (WHANGAEHU RIVER) CATCHMENT ENTITY (Entity name to be determined) Permanent joint committee of council</p>	<p>Te Waiū-o-te-Ika (Whangaehu River) Catchment. Ten members</p> <ul style="list-style-type: none"> • Five appointed by iwi • Five appointed by relevant local authorities 	<p>Prepare Te Waiū-o-te-Ika catchment document. When making decisions on resource consents, a consent authority must have particular regard to the Te Waiū-o-te-Ika catchment document. LGA A local authority must have particular regard to the Te Waiū-o-te-Ika catchment document.</p>

²⁸ Te Muriwai o Te Whanga or Te Whanga means the Ahuriri Estuary and catchment areas shown on SO 486367 under the Ahuriri Hapu Deed of Settlement.



Lake Taupo

APPENDIX 2: TREATY SETTLEMENT COSTS

The estimated costs in the table below are indicative for all councils. Participating councils have assessed costs by either using the Framework or by another means. Once an updated and enhanced version of the Framework is available all councils will be able to use it to predict the costs associated with Treaty settlements.

TREATY SETTLEMENT COSTS (CROWN AND COUNCIL) FOR PARTICIPATING COUNCILS.

COUNCIL	SETTLEMENT	CROWN CONTRIBUTION	ACTUAL OR ESTIMATED COSTS TO COUNCILS
WAIKATO REGIONAL COUNCIL	Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Ngāti Tuwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010	Nil	RMA planning document changes (Healthy Rivers) ²⁹ Treaty legislation related plan change process cost \$5,860,000 . ³⁰
WAIKATO REGIONAL COUNCIL	Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010	\$41,104.59 ³¹ For development of the Joint Management Agreement with Waikato Raupatu Settlement Trust	Joint Management Agreement (and committee costs) ³² Development costs for the Joint Management Agreement were \$664,754 . Ongoing costs are unknown.
GISBORNE DISTRICT COUNCIL	Ngai Tāmanuhiri Claims Settlement Act 2012	Nil	Board Establishing the Local Leadership Board has been estimated at \$50,000 . Ongoing costs have been estimated at \$50,000 per annum. ³³
BAY OF PLENTY REGIONAL COUNCIL	Ngāti Whare Claims Settlement Act 2012 and Ngāti Manawa Claims Settlement Act 2012	Nil	Rangitāiki River Document Development costs for the Document have been estimated at \$164,000 . Ongoing costs are unknown.
AUCKLAND COUNCIL	Ngāti Whatua Orakei Claims Settlement Act 2012	No one-off Crown contribution. However, annual grant from TPK covers member fees and meeting costs	Reserves Board Ongoing costs have been estimated at \$175,000 per annum (excluding Crown contribution). ³⁴ Management plan External assistance for the preparation of the document estimated one-off cost of \$100,000 .

29 This plan change involved the five Waikato River and Waipa River iwi suspending their joint working party meetings under their respective Joint Management Agreements with Waikato Regional Council to meet as part of the Healthy Rivers plan change. At the time Ngāti Tuwharetoa did not have a signed Joint Management Agreement with Waikato Regional Council.

30 This is for the period 2012 to 2016.

31 This amount was paid retrospectively by the Crown.

32 Waikato Regional Council "Joint Management Agreement Review Waikato Raupatu Settlement Trust Case Study" 2014.

33 This is an ongoing cost with no end period.

34 This sum includes \$10,000 per annum as an apportioned estimation of the cost of the Document (i.e., \$100,000 expended over 10 years).

COUNCIL	SETTLEMENT	CROWN CONTRIBUTION	ACTUAL OR ESTIMATED COSTS TO COUNCILS
AUCKLAND COUNCIL	Ngāti Whātua o Kaipara Claims Settlement Act 2013	Nil Ngāti Whātua o Kaipara Claims Settlement Act requires iwi participants to cover their own costs	Reserves Board Ongoing costs have been estimated at \$179,000 per annum (excluding Crown contribution). ³⁵ Management plan External assistance for the preparation of the document estimated one-off cost of \$100,000 .
BAY OF PLENTY REGIONAL COUNCIL	Tapuika Claims Settlement Act 2014	\$250,000 For establishing Te Maru o Kaituna (Kaituna River Authority)	Authority Establishing the Authority is estimated at \$20,000 per annum. Ongoing costs have been estimated between \$50,000 to \$100,000 per annum. Kaituna River Document Development costs for the document have been estimated at \$200,000 . Ongoing costs are unknown.
AUCKLAND COUNCIL	Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014	\$400,000 ³⁶ For establishing Maunga Authority	Authority The Crown contribution of \$400,000 was expended during establishment phase of the Authority. ³⁷ Ongoing costs have been estimated at \$634,000 per annum. ³⁸ Integrated Management Plan External assistance contracted for the preparation of the document carried a one-off cost of \$250,000 . ³⁹
HAWKE'S BAY REGIONAL COUNCIL	Hawke's Bay Regional Planning Committee Act 2015	\$100,000	Hawke's Bay Regional Planning Committee Establishing and maintaining the committee has cost \$787,627 . ⁴⁰ Ongoing costs have been estimated at \$753,480 per annum. ⁴¹
NORTHLAND REGIONAL COUNCIL	Te Hiku Claims Settlement Act 2015	\$400,000 to the Board \$150,000 to support the initial operation of the Te Oneroa a Tōhē Board \$250,000 for developing the first Beach Management Plan .	Board Establishing the Board has cost \$62,650 . Ongoing costs have been estimated at \$62,650 per annum. ⁴² Beach Management Plan Costs are unknown.

35 This sum includes \$10,000 per annum as an apportioned estimation of the cost of the Document (i.e., \$100,000 expended over 10 years).

36 This amount was provided for in an exchange of letters between Auckland Council and the Crown.

37 Settling up the Maunga Authority cost more than the Crown contribution. However, these costs were not accounted for separately and a full estimate has not been possible.

38 This sum includes \$25,000 per annum as an apportioned cost of the Document (i.e., \$250,000 expended over 10 years).

39 The plan will likely be reviewed in 10 years.

40 These are the actual costs spent for the period 2010 to 2016.

41 The increase in costs is due to extra meetings, two meetings per month and the costs of independent advisors to Hawkes Bay Regional Planning Committee's tangata whenua representatives.

42 Establishing the Board has cost Northland Regional Council \$62,650. This amount has been fore casted annually to maintain it. This is a conservative annual estimate. It should be noted that Northland Regional Council has incurred these costs and do not form part of the \$400,000 under the settlement arrangements.

COUNCIL	SETTLEMENT	CROWN CONTRIBUTION	ACTUAL OR ESTIMATED COSTS TO COUNCILS
HORIZONS REGIONAL COUNCIL	Rangitāne o Manawatu Claims Settlement Act 2016	Nil	Board Establishing the Manawatu River Catchment Advisory Board has an estimated cost of \$240,000 . Ongoing administration costs have been estimated at \$37,000 per annum. ⁴³
WAIKATO REGIONAL COUNCIL	Deed of Settlement of Historical claims - Ngāti Tūwharetoa 2016	\$400,000 For administrative support to Te Kopua Kānapanapa	Committee Establishing the committee has been estimated at \$360,000 . ⁴⁴ Ongoing administration costs have been estimated at \$170,000 per annum. ⁴⁵ Plan Development costs for the plan have been estimated at \$350,000 . ⁴⁶ Ongoing implementation costs have been estimated at \$62,500 per annum. ⁴⁷
HORIZONS REGIONAL COUNCIL	Te Awa Tupua (Whanganui River Claims Settlement) Act 2017	\$430,000 For establishing Te Kōpuka na Te Awa Tupua (Strategy Group) and developing Te Heke Ngahuru (Management Strategy Document)	Management Strategy Document Development and implementation costs for the strategy have been estimated at \$850,000 . Ongoing costs have been estimated at \$62,500 per annum. ⁴⁸
BAY OF PLENTY REGIONAL COUNCIL	Tauranga Moana Iwi Collective Deed	\$575,000 For administrative and technical support to the Tauranga Moana Governance Group	Governance group Establishing the governance group has been estimated at \$20,000 . Developing the Treaty document Ngā Tai ki Mauao is estimated at \$250,000 . Ongoing costs are unknown.
HAWKE'S BAY REGIONAL COUNCIL	Ahuriri Hapu Deed of Settlement	\$100,000 (to Napier City Council) Initial operation of Te Komiti Muriwai o Te Whanga and preparation and approval of the first plan	Komiti Establishing the komiti is estimated at \$10,000 for Hawke's Bay Regional Council (excluding territorial authorities). Ongoing costs have been estimated at \$50,000 per annum for Hawke's Bay Regional Council (excluding territorial authorities). ⁴⁹ Te Muriwai o Te Whanga Plan Development costs for the plan have been estimated at \$100,000 for Hawke's Bay Regional Council. Ongoing costs of the plans have been estimated at \$25,000 per annum for Hawke's Bay Regional Council.

43 This amount is for the first three years post board initiation. The implementation and ongoing costings were produced using the Framework.

44 The Framework has been used to provide these estimates over a 12 to 24-month time period.

45 The Framework has been used to provide these estimates with a three year phase out period to BAU costs.

46 The Framework has been used to provide these estimates with a 12 to 24 month phase out to BAU.

47 The Framework has been used to provide these estimates with a three year phase out period to BAU costs.

48 This is for the first three years post implementation of Te Heke Ngahuru (management strategy). The development and implementation cost was provided prior to the development of the Framework. The ongoing costing was produced using the Framework.

49 This figure assumes quarterly meetings with preparation and attendance by 1 Hawkes Bay Regional Council councillor and up to 2 relevant senior staff, plus 0.2FTE Hawkes Bay Regional Council advisory services. Initially for plan preparation, then continuing as overseeing inter-agency implementation of plan.

COUNCIL	SETTLEMENT	CROWN CONTRIBUTION	ACTUAL OR ESTIMATED COSTS TO COUNCILS
WAIKATO REGIONAL COUNCIL	Pare Hauraki Collective Redress Deed of Settlement	\$500,000 For establishing the Waihou, Piako, Coromandel Catchment Authority and its activities	Committee Establishing the committee has been estimated at \$1,000,000 . ⁵⁰ Ongoing implementation/administration costs have been estimated at \$500,000 per annum. ⁵¹ Plan Development costs for the plan have been estimated at \$3,500,000 . ⁵² Ongoing costs have been estimated at \$320,000 per annum. ⁵³
WAIKATO REGIONAL COUNCIL	Pare Hauraki Collective Redress Deed of Settlement - Mangatangi Stream, Mangatawhiri River and Whangamarino wetlands	\$395,000 – submitted to Crown for development costs for the Joint Management Agreement	Joint Management Agreement Development of the Joint Management Agreement has been estimated at \$395,000 . Ongoing costs of Joint Management Agreement are unknown.
HORIZONS REGIONAL COUNCIL	Ngāti Rangī Deed of Settlement (initialled August 2017)	\$400,000 – for establishment costs and development of the catchment document	Co-management arrangements Development costs have been estimated at \$790,000 . ⁵⁴ Ongoing costs have been estimated at \$62,500 per annum. ⁵⁵

⁵⁰ This estimate includes the co-governance authority and the statutory subcommittee establishment costs over a 12 to 24-month period. It provides for two Waikato Regional Council and five territorial authorities' members costs on the authority and one Waikato Regional Council and three territorial authorities' members costs on the subcommittee. The Framework has been used to provide these estimates.

⁵¹ This estimate includes the co-governance authority and the statutory subcommittee implementation costs over a three year phase out period to BAU costs. The Framework has been used to provide these estimates.

⁵² This estimate includes the co-governance authority and the statutory subcommittee costs for developing the natural resources plan over a 12-24 month period. The estimate also includes the incorporation process of the plan into the Waikato Regional Policy Statement. The Framework has been used to provide these estimates.

⁵³ The Framework has been used to provide these estimates with a three-year phase out to BAU costs.

⁵⁴ This is to be a three-year plan that will be implemented simultaneously with other agreements; Te Awa Tupua and Manawatu River Catchment Advisory Board.

⁵⁵ This estimate is for the first three years post implementation of the catchment document. The Framework has been used to provide these estimates.



Rangitaiaki River - Photo: Raftabout

APPENDIX 3: TREATY SETTLEMENT FUNCTIONS AND ACTIVITIES

The table below is an example of functions and activities undertaken when implementing Treaty settlement arrangements. It should be noted this is not an exhaustive list of functions and activities.

FUNCTIONS AND ACTIVITIES UNDERTAKEN FOR TREATY SETTLEMENT ARRANGMENTS.

FUNCTIONS	ACTIVITIES
ESTABLISHING AND IMPLEMENTING CO-GOVERNANCE AUTHORITIES	INTERNAL COUNCIL SUPPORT - ADMINISTRATIVE AND DEMOCRACY SERVICES Pre-meetings <ul style="list-style-type: none"> • Draft and prepare agenda (and previous minutes). • Draft and prepare procedures and standing orders and related processes (conflict of interest, fees, schedule of meetings, etc). • Draft and prepare democracy reports (for standing orders and related processes). • Negotiate, amend and review procedures and standing orders, processes and reports (editing). • Oversight of technical and other reports (planning, monitoring, etc). • Negotiate, amend and review of all reports (with staff and/or iwi) (editing). • Print, distribute and upload documents to website (or postage) • Councillor/members' support. • Organising and management of councillors/members' diaries. • Legal services advice/support. • Policy guidance/support. • Draft and prepare Health and Safety plans and registers. Meetings <ul style="list-style-type: none"> • Organise venue (council offices, iwi offices, marae). • Organise travel for members and catering. • Organise public notices/communications for meeting. • Meeting structure and minute taking. • Undertake miscellaneous tasks for members. • Legal services in attendance (if applicable). • Policy in attendance (if applicable). • Technical support in attendance (if applicable). • External consultants in attendance (if applicable). Post meetings <ul style="list-style-type: none"> • Draft minutes and finalise. • Payment of transport and member fees. • Collate a hearing commissioners register. • Change and update standing orders and related process documents. • Set up and implement processes. • Councillor/members' support and education of processes, requirements and obligations. • Miscellaneous tasks from councillors/members. • Technical support (if applicable).

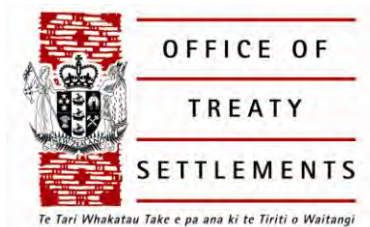
FUNCTIONS	ACTIVITIES
DEVELOPMENT OF PLANS	<p>INTERNAL COUNCIL SUPPORT</p> <ul style="list-style-type: none"> • Administrative and democratic services. • Relationship building/fostering. • Attending meetings/travel. • Technical support (plan and report writing, presenting at meetings, ongoing support and advice). • Management support (plan and report writing, presenting at meetings, ongoing support and advice). • Governance support (plan and report writing, presenting at meetings, ongoing support and advice). • Consultation with iwi and/or public/industry/partners/stakeholders. <p>Specialist services</p> <ul style="list-style-type: none"> • Scientific contributions – plan advice and support. • Legal contributions - oversight and drafting. • Iwi/Māori – advice, support and education. • Policy contributions – plan advice and drafting. • Resource use contributions – plan advice and drafting. • Maps/GIS – advice and data production and supply. • Finance – budget support. • Governance/councillor support. • Communications – communications protocol and media releases.
	<p>EXTERNAL SUPPORT</p> <p>Specialist services</p> <ul style="list-style-type: none"> • Planning, policy, legal, resource management and cultural advice. • Legal advice – process for incorporation (if applicable).
	IMPLEMENTATION OF PLANS
<p>EXTERNAL SUPPORT</p> <p>Specialist services</p> <p>Planning, policy, legal, resource management and cultural advice.</p>	

APPENDIX 4: CROWN POLICY

The Crown policy refers to the following three documents:

- “Crown contributions to costs of local authorities and iwi arising from Treaty settlements” 2013.
- “Crown contribution to costs for local government and iwi arising from new natural resource arrangements” – October 2011.
- “Involving Iwi in Natural Resource Management through Historical Treaty of Waitangi Settlements” – October 2010.





CROWN CONTRIBUTIONS TO COSTS OF LOCAL AUTHORITIES AND IWI ARISING FROM TREATY SETTLEMENTS

April 2013

Note; this sheet supplements information in the sheet titled *Crown contribution to costs for Local Government and Iwi arising from new natural resource arrangements* dated October 2011.

How are Crown contributions worked out?

The level of contribution is at the discretion of Cabinet and is assessed on its own merits, taking into account a range of factors.

What factors are taken into account?

Some of the factors likely to be taken into account include:

- a. the complexity of arrangements included in the settlement
- b. the capacity of the local authority to implement the arrangement
- c. the capacity of the iwi to implement the arrangement
- d. the extent of current Crown assistance to the local authority
- e. the level of existing commitments by the local authority for involving iwi in natural resource management
- f. the potential for efficiencies arising from the arrangement

What input can local authorities or iwi have in the process?

In order to provide good advice to Cabinet, officials need to have information about the scale and nature of costs likely to be incurred by local authorities and iwi arising from the arrangement. Officials will discuss with local authorities and iwi their estimates of costs before decisions by Cabinet about the Crown contribution.

When will this information be sought?

Negotiation teams will involve affected local authorities from an early stage in the development of natural resource management arrangements. The Crown is committed to minimising costs for the affected parties. Once the final form of an arrangement has been agreed by the Crown and iwi, officials will seek input from local authorities and iwi about their likely costs. This is likely to occur towards the end of negotiations.

What costs might be considered for a contribution?

These include;

- a. one-off set up costs for new arrangements (e.g. staff costs for setting up a new joint committee or joint management agreement, development of standing orders)
- b. the costs of preparing a new plan (not identified in long-term plan) and consequential changes to other plans (the expected timing of consequential changes will be specified and taken into account when assessing costs)
- c. ongoing costs for a transitional period up to a maximum of three years (e.g. for administration, technical support etc)

Do councils and iwi have to make applications for contributions?

No. Cabinet will consider the scale of Crown contributions as a matter of course.



OFFICE OF TREATY SETTLEMENTS

Te Tari Whakatao Take e pā ana ki te Tiriti o Waitangi

The Vogel Centre • Aitken Street • SX10111 Wellington

Phone/Waea (04) 494 9800 • Fax/Waea Whakaahua (04) 494 9801 • www.ots.govt.nz

Crown contribution to costs for Local Government and Iwi arising from new natural resource arrangements – October 2011

NB: to be read together with the handout *Involving Iwi in Natural Resource Management Through Historical Treaty of Waitangi Settlements* (October 2010).

Background

In 2010 Cabinet agreed to guidelines for involving iwi in natural resource management in the settlement of historical Treaty of Waitangi claims. The guidelines identify two standard arrangements (a Māori advisory board or a joint committee). Cabinet recognises these new arrangements may present some added costs for iwi and local government¹ and has agreed to an approach for determining what contribution the Crown will make, if any, to such costs.

Main elements of Cabinet decisions

- The Crown contribution, if any, for each case will be assessed on its own merits.
- The intention is to provide a modest, one-off Crown contribution towards set up costs to local government and iwi and ongoing costs up to a maximum of three years. The contribution will help set up new arrangements, the costs of preparing new plans (including the costs of any consequential amendments to other plans) that are not provided for in a council's long-term plan and not part of requirements at the national level.
- Negotiations, and the resulting arrangements, including compliance and transaction costs, should aim to minimise costs to local government, iwi and the Crown.
- The decisions only apply to new arrangements developed as part of an historical Treaty settlement, or in parallel to one, which are not part of a council's long-term plan and not a requirement at the national level. Situations where this might apply include arrangements dealing with specific natural resource management issues.
- A Crown contribution is not appropriate over the longer-term as arrangements should be 'normalised' by the council and embedded into budget and planning processes to become part of business as usual. A Crown contribution recognises the added costs incurred during the transitional period as new arrangements are developed and implemented.
- Local government is expected to meet its own costs of: participating in negotiations; the ongoing administrative costs of the new arrangements; and attendance fees for advisory boards or joint committees in a manner consistent with a council's policy on payment of such fees. Similarly, iwi are expected to meet their own costs of participating, and in developing iwi management plans, if no other funding is provided.

This approach provides a clear framework to consider costs but also allows for some flexibility to respond to different circumstances and the nature of particular arrangements. In applying this approach, an expectation is that any Crown contribution should not unduly "reward" those local authorities with the weakest past arrangements for involving iwi.

1. Local government refers to a regional council, territorial authority (city and district councils), or a unitary authority.



INVOLVING IWI IN NATURAL RESOURCE MANAGEMENT THROUGH HISTORICAL TREATY OF WAITANGI SETTLEMENTS

October 2010

Cabinet proposals

The Government has been working on an approach for fairly and consistently looking at the claims of iwi in historical Treaty negotiations for more effective involvement in natural resource management.

Background

The Government recognises the profound cultural relationships iwi have with awa, maunga and whenua from which they hail.

The Government recognises many iwi wish to have greater participation in natural resource management, given the historical associations of iwi with natural resources.

Local government has been devolved responsibility for natural resource management under the Resource Management Act 1991 and for making decisions on how iwi will be involved in such management under the Local Government Act 2002. Often iwi have not been satisfied with how this has been implemented. Therefore, there has been a greater desire for iwi to seek stronger decision-making roles through historical Treaty of Waitangi settlements.

Cabinet has recently made decisions to provide more certainty about what redress might be available in historical Treaty of Waitangi negotiations to involve iwi in natural resource management. The Government's approach balances needs to achieve enduring settlements, protect local democracy and ensure effective natural resource management.

Main elements of Cabinet decisions

1 *Matters to be considered when developing an arrangement to involve iwi in natural resource management*

A number of matters will be considered in all negotiations when natural resource matters are raised to guide consideration of how best to involve iwi in natural resource management. These include:

- strength and nature of association of iwi to resource
- nature of grievance in relation to resource
- how many iwi are involved or have interests in the resource
- nature and state of the resource
- nature and extent of public and private interests in the resource
- aspirations of Crown and iwi in relation to the resource
- the need for a well-designed institution
- durability of any arrangement

Any arrangement for involving iwi should:

- provide an effective role for iwi in natural resource management
- lead to good environmental, economic, social and cultural outcomes for iwi and other New Zealanders
- address issues giving rise to the claim but not create new injustices
- be well-designed, simple, transparent and affordable; and
- result in durable settlement of the claim

2 *Two standard arrangements*

Two standard arrangements can be negotiated (if shown to be appropriate after consideration of the matters above and agreed by Cabinet):

- an advisory board where the council must have regard to the advice
- a joint committee with direct input into the development of regional policy statements and regional plans under the RMA. (The recommendations of the joint committee will be subject to usual council planning processes.)

3 *Non-standard arrangements*

An arrangement outside the standard models can be considered if an assessment of the matters above show this is appropriate but this must be agreed by Cabinet before being offered as part of a settlement.

4 *Final decision making*

Local authorities should retain final decision making rights over natural resource management to maintain local democracy.

5 *Involvement of local authorities in negotiations*

Local authorities must be engaged from an early stage. Preferably, councils should agree to proposed arrangements before they are finalised.

6 *Arrangements can be made permanent (but flexible to change over time by mutual agreement)*

Settlement legislation may provide for the involvement of iwi in natural resource management. But arrangements should be able to change over time by mutual agreement.

Implementing the Cabinet decisions

The new approach reflects the sorts of considerations that have been applied in recent negotiations (and considered by Cabinet). These will continue to underpin negotiations. The new approach will make these matters more transparent and identify some bottom lines in the design of arrangements.

The Government encourages claimant groups to continue to raise any relevant issues in their negotiations with the Crown when redress concerning natural resource management is being discussed.

COMPARISON OF THE CROWN'S AND THE PARTICIPATING COUNCILS' FACTORS FOR CONSIDERATION FOR FINANCIAL CONTRIBUTION BY THE CROWN

The table below provides a breakdown of the elements and key factors outlined in the Crown Policy dated April 2013 with consideration of the 2011 and 2010 policies.

CURRENT FACTORS TAKEN INTO ACCOUNT BY CROWN	NEW/ADDITIONAL FACTORS WHEN DETERMINING FUNDING ARRANGEMENTS
<p>1. THE COMPLEXITY OF ARRANGEMENTS INCLUDED IN THE SETTLEMENT</p> <ul style="list-style-type: none"> • Strength and nature of association of iwi to resource. • Nature of grievance in relation to resource. • How many iwi are involved or have interests in the resource. • Nature and state of the resource. • Nature and extent of public and private interests in the resource. • Aspirations of Crown and iwi in relation to the resource. • The need for a well-designed institution. • Durability of any arrangement. 	<ul style="list-style-type: none"> • Is there one or are multiple iwi involved in this settlement and arrangement? • How original is this arrangement? • How big are the catchments or areas concerned? • Are there contentious issues related to this arrangement? • Is a co-governance entity being established, and how independent from council is the entity? • Is a subcommittee/s being established under the co-governance entity? • What level of involvement will council staff have in establishing and maintaining these entities? • Will new members be added over time? • What form of co-management is required? • What type of plan(s) will be developed? (Large vs small scale). • What weighting or status will this plan have for local authorities? • How will the plan be incorporated into council's current plans? (Discretionary vs mandatory inclusion of a co-governance authority's plan into a RMA planning document). • What process will this plan need to go through? Is public consultation by iwi and/or council required? <ul style="list-style-type: none"> - Is a plan change or plan review required to be undertaken by council? - If no plan change or plan review required, when will the co-governance's plan take effect and how? • What level of involvement (technical – policy, legal and administrative) is required from councils to assist in drafting the plan? • Integration of tikanga, te reo and mātauranga Māori requires adjustment to normal council ways of running meetings. Will councils require cultural upskilling? • Is a joint management agreement being considered? • Are hearing commissioners required? • Will iwi require capacity building around RMA and natural resource management? If so is council expected to undertake this role in training/upskilling iwi, including payment of it? • What is the current relationship between council and iwi like (collaborative vs non-existent)?
<p>2. THE CAPACITY OF LOCAL AUTHORITY TO IMPLEMENT THE ARRANGEMENT</p>	<ul style="list-style-type: none"> • Is the new arrangement included in the current long term plan or annual plan? • If not, when is the next long term plan or annual plan due date? • RMA planning documents: What is the council's planning round and how far away is a review or plan change for this catchment or area? • What competing priorities are present for council? • Do council staff have capability and capacity to undertake the roles within the arrangement? <ul style="list-style-type: none"> - If not, is additional resource or expertise required to undertake the roles within the arrangements (technical, legal, policy, administrative)? - If not, what external assistance is required by councils to ensure the arrangements become operational (legal, policy and/or other technical work)? • What availability/capacity do current councillors have to participate in new co-governance entity commitments? • What expertise do current councillors have to participate in new co-governance entity commitments? • Will iwi require capacity building around RMA and natural resource management? If so is council expected to undertake this role in training/upskilling iwi, including payment of it?

**CURRENT FACTORS
TAKEN INTO ACCOUNT BY
CROWN**

**NEW/ADDITIONAL FACTORS
WHEN DETERMINING FUNDING ARRANGEMENTS**

<p>3. THE CAPACITY OF IWI TO PARTICIPATE AND CONTRIBUTE EQUALLY TO IMPLEMENTING TREATY MECHANISMS</p>	<ul style="list-style-type: none"> • Will iwi require capacity and capability building around RMA and natural resource management? If so is council expected to undertake this role in training/upskilling iwi, and/or including payment of it? • What assistance is required from councils to ensure the arrangements become operational (legal, policy and/or other technical work)? • Iwi planning documents - what plans are currently in place for this iwi/hapu? • What competing priorities are present for iwi? • What availability/capacity do current iwi/board members have to participate in new co-governance entity commitments? • What expertise do current iwi/board members have to participate in new co-governance entity commitments?
<p>4. THE EXTENT OF CURRENT CROWN ASSISTANCE TO THE LOCAL AUTHORITY</p>	<ul style="list-style-type: none"> • What has the Crown contributed to so far for this settlement? • Have reviews been made available to councils of existing treaty settlement arrangements? • Does the Post Settlement Commitments Unit provide any guidance or assistance currently? If not, could it in the future? • What past financial contributions have been paid for arrangements involving this iwi? • Will the Office of Treaty Settlements and Ministry for the Environment (and other agencies) be providing ongoing support?
<p>5. THE LEVEL OF EXISTING COMMITMENTS BY THE LOCAL AUTHORITY FOR INVOLVING IWI IN NATURAL RESOURCE MANAGEMENT</p>	<ul style="list-style-type: none"> • What existing Treaty settlement arrangements are in place for this catchment? • How many council entities currently exist in the area/catchment that include iwi (with Department of Conservation, Department of Internal Affairs, Ministry for the Environment, etc.)? • What existing joint management agreements, memorandum of understandings, partnership agreements or other such arrangements are in place between council and iwi in this area (separate to Treaty settlement, i.e., RMA, LGA based)? • o If there are such entities - what are their purposes, roles and functions? • What catchment plans or other plans does the council have in place for this area/ natural resource (including existing priorities)? • Are amalgamations of any committees being considered under the new settlement legislation (whether known at the time of settlement or not)? • Does the council have relationships with the iwi authorities currently?
<p>6. THE POTENTIAL FOR EFFICIENCIES ARISING FROM THE ARRANGEMENT</p>	<ul style="list-style-type: none"> • Can one or more iwi work together? • Can one or more councils work together? • Can sharing of information and processes be utilised? • Can some existing entities merge or close down (if purpose achieved)? • Will peer reviews and/or other reviews of arrangements be undertaken?
<p>7. OFFICIALS NEED TO HAVE INFORMATION ABOUT THE SCALE AND NATURE OF COSTS LIKELY TO BE INCURRED BY LOCAL AUTHORITIES (AND IWI) THEIR ESTIMATES OF COSTS BEFORE DECISIONS BY CABINET ARE MADE</p>	<ul style="list-style-type: none"> • See row 9 below for a breakdown of costs for local authorities. • Iwi costs are not considered in this report.
<p>8. WHEN WILL THIS INFORMATION BE SOUGHT?</p>	<ul style="list-style-type: none"> • Crown - as early as possible from all councils. • Councils to be provided with all information - including overlaps with councils to obtain the full extent of new arrangements.

**CURRENT FACTORS
TAKEN INTO ACCOUNT BY
CROWN**

**NEW/ADDITIONAL FACTORS
WHEN DETERMINING FUNDING ARRANGEMENTS**

**9. TYPE OF COSTS
CONSIDERED**

- One-off set up costs for new arrangements
- The costs of preparing a new plan (not identified in long term plan and consequential changes to other plans (expected timing of consequential changes will be specified and taken into account when assessing costs)
- Ongoing costs for a transitional period up to a maximum of three years (e.g. for administration, technical support, etc.)

See Appendix 3

An example of some functions and activities undertaken when implementing Treaty settlement arrangements.

See the Framework for where costs are incurred.

**10. THE CROWN CONSIDER
SCALE OF COSTS**

- Discussion with local authorities to obtain their estimates of costs before decisions by Cabinet on the contribution is made

- Utilise the new Framework to capture costs.
- Earlier input by local authorities to the Crown.
- Councils being privy to entire settlement deal for holistic management of catchment or catchments.

APPENDIX 5: DISCOUNT TABLE

DISCOUNT TABLE SHOWING HOW THE DISCOUNT IS APPLIED UNDER THE FRAMEWORK

YEARS	DISCOUNT
NEW	0%
Earlier by 1 year	80%
Earlier by 2 years	60%
Earlier by 3 years	40%
Earlier by 4 years	20%
BAU	100%



ACKNOWLEDGEMENTS

This report has been prepared by the following seven councils in conjunction with Local Government New Zealand.

NORTHLAND REGIONAL COUNCIL
AUCKLAND COUNCIL
WAIKATO REGIONAL COUNCIL
HAWKE'S BAY REGIONAL COUNCIL
BAY OF PLENTY REGIONAL COUNCIL
GISBORNE DISTRICT COUNCIL
HORIZONS REGIONAL COUNCIL

**We are.
LGNZ.**



Report To: Regional Council

Meeting Date: 27 September 2018

Report From: Mat Taylor, General Manager, Corporate Performance

Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2018

Executive Summary

The purpose of this report is to provide a review on the performance of Quayside Holdings Limited for the year ended 30 June 2018, and for Council to receive and adopt the Annual Report and financial statements of Quayside Holdings Limited and its subsidiaries for the year ended 30 June 2018.

Performance has met the expectations set out in the Statement of Intent – with net dividend payments to Council in 2017/18 financial year totalling \$25.5 million, and gross dividend payments to Perpetual Preference Shareholders of \$11.0 million in accordance with the Investment Statement, therefore satisfying the Statement of Intent target for the year. All objectives set in the Statement of Intent were achieved in the 2017/18 financial year.

Council are also required to appoint Auditors, and set the Director remuneration pool.

Note

Quayside Holdings Limited Chair Rob McLeod and Chief Executive Scott Hamilton presented at the 6th September 2018 Council meeting where they discussed various matters relating to their financial statements. This discussion was part of the public excluded part of the agenda, and following the recommendations in this report.

Recommendations

That the Regional Council:

- 1 Receives the report, Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2018;**
- 2 Adopts the Annual Financial Statements for Quayside Holdings Limited for the period ended 30 June 2018.**
- 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 is increased by \$7,500.00 to \$197,500.00 (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.**

1 Background

Quayside Holdings Limited is required to provide annual reporting information to shareholders within three months of the end of the financial year as set out in the Local Government Act 2002. This report must include:

- A comparison of the performance of the organisation and its subsidiaries with the statement of intent
- An explanation of any material variances
- The dividend to be paid
- Audited consolidated financial statements
- Auditors report on those financial statements

The Bay of Plenty Regional Council has received the Annual Report and an assessment of performance targets against the Statement of Intent. This accompanies this report and key highlights are discussed below.

Quayside Holdings Limited Chair Rob McLeod and Chief Executive Scott Hamilton presented at the 6th September Council meeting where they discussed various matters relating to their financial statements.

2 Overall Group Financial Performance

For the 12 months to 30 June 2018 the Quayside Group recorded a net profit after tax of \$118.5 million.

Quayside Holdings and Subsidiaries - Group Results

2.1 Income Statement

The highlights from the Income Statement are:

- Total revenue is \$348.8 million compared to \$319 million in the previous year, an increase of \$29.8 million.

- Total expenditure was \$138.1 million compared to \$128 million in the previous year, an increase of \$10.1 million.
- Group net profit after tax (NPAT) increased by \$21 million from the previous year from \$97.6 million in 2016/17 to \$118.6 million in 2017/18.

3 Statement of Intent Targets 2017/18

During the year the Council has been fully informed by the Quayside Group as to the performance of the shareholding in Port of Tauranga and other investments.

The performance has met the expectations set out in the Statement of Intent – specifically, net dividend payments to Council in 2017/18 financial year totalled \$25.5 million, and gross dividend payments to Perpetual Preference Shareholders in accordance with the Investment Statement, therefore satisfying the Statement of Intent target for the year.

All nine objectives set in the Statement of Intent, and reported on pages 75-77 of the Annual Report, were achieved in the 2017/18 financial year.

4 Council's Accountability Framework

4.1 Community Outcomes

This project/proposal directly contributes to the Community Outcomes in the council's Long Term Plan 2018-2028.

4.2 Long Term Plan Alignment

This work is planned under the Corporate Services Activity in the Long Term Plan 2018-2028.

Current Budget Implications

This work is being undertaken within the current budget for the Corporate Services Activity in Year 1 of the Long Term Plan 2018-2028.

Future Budget Implications

Future work is provided for in Council's Long Term Plan 2018-2028.

Mat Taylor
General Manager, Corporate Performance

19 September 2018

APPENDIX 1

APPENDIX 1 Letter to Council Re Quayside Holdings AGM

19 September 2018

Mr Mat Taylor
General Manager, Corporate Performance and Chief Financial Officer
Bay of Plenty Regional Council

Dear Mat,

Subject: Annual General Meeting

Bay of Plenty Regional Council, as shareholder, is due to pass resolutions pertaining to Quayside Holdings Limited at its meeting on 27 September 2018.

The resolutions relate to the following items:

1. Annual financial statements
2. Auditor appointment and remuneration
3. Director remuneration

Matters relating to director appointment are handled by the Appointments Panel.

Annual financial statements

Quayside filed its audited annual financial statements with the NZX on 29 August 2018. Quayside's Chairman and Chief Executive presented the financial results to Council on 6 September 2018.

Relevant resolutions:

1. Receives the report, Quayside Holdings Limited annual financial statements for the year ended 30 June 2018;
2. Adopts the annual financial statements for Quayside Holdings Limited for the period ended 30 June 2018.

Auditor appointment and remuneration

Quayside as a Council Controlled Organisation has its auditor appointed by the Office of the Auditor General. The auditor is Audit New Zealand. The resolution allows the directors to fix the remuneration of the auditors.

Relevant resolutions:

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.

Directors remuneration

Quayside at its board meeting on 31 July 2018 discussed the matter of board remuneration for the 2018-19 year. The remuneration pool of \$190,000 (plus GST if any) is allocated to \$178,000 for Quayside Holdings and an equivalent amount for the subsidiaries.

The board considered base directors fees, fees for committee chairs and capacity of the existing pool.

Included in the consideration of the Quayside board's remuneration were a selection of comparative organisations:

- Iwi organisations Ngai Tahu, Tainui
- CCOs ATEED, Panuku
- Investment CCOs CCHL, HBRIC
- National investors ACC, NZ Super
- Listed investors Infratil, Hellaby Holdings, Rangitira

Base remuneration: The base remuneration for a Quayside director at \$53,000 was in line with peer organisations.

Chair remuneration: Quayside remunerates its Board Chair at 150% of base director remuneration. Market norm is closer to 200%. Quayside proposes to increase the Chair remuneration to 175% of base director remuneration. This equates to \$13,000 across the Quayside Group and can be achieved inside the current remuneration pool. Audit Chair remuneration was in line with market.

Succession: The board considered the ability of the pool to accommodate an additional director for small periods to support succession. An example is the ability to bring an additional independent onto the board from July to overlap with a director exiting at the end of October. This would only be utilised on an as needed basis, however is not able to be carried under the existing remuneration pool cap. The pool would need to increase by 3.9%, or \$7,500 for each of the two resolutions to accommodate this option.

Relevant resolutions:

4. Agrees that, based on seven directors, the aggregate remuneration pool for Quayside Holdings Limited directors is increased by \$7,500.00 to \$197,500.00 (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.

Please let me know if further information is required.

Yours Sincerely



Scott Hamilton

Chief Executive

CC: Fiona McTavish - Chief Executive Officer, Bay of Plenty Regional Council
Rob McLeod - Chair, Quayside Holdings Limited
Colin Groves – Chair, Appointments Panel

**SUPPORTING DOCUMENT - Quayside Holdings
Limited Annual Financial Statements 30 June 2018**

