

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 27 September 2018 commencing at 9.30 a.m.

Present:

Chairman: D Leeder

Deputy Chairman: J Nees

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

In Attendance: Bay of Plenty Regional Council: Fiona McTavish – Chief Executive, Mat Taylor – General Manager, Corporate, Namouta Poutasi – General Manager, Strategy and Science; Sarah Omundsen – General Manager, Regulatory; Yvonne Tatton – Governance Manager, Debbie Hyland – Finance and Corporate Planning Manager; Andy Dixon – Accounting Team Leader; Sam Rossiter-Steed – Communications Manager, David Phizacklea – Regional Integrated Planning Manager, Rebekah Waltham – Planner, Ian Morton – Strategy and Science Manager, Anaru Vercoe – Māori Policy Team Leader, Tone Nerdrum-Smith – Committee Advisor

Other: Craig O’Connell – BOPLASS, Ben Halford and Anton Labuschagne – Audit NZ, Sue Laurence - on behalf of WBOPDC

Apologies: B Clark and A von Dadelszen

1 **Karakia**

An opening Karakia was provided by Cr Tahana.

2 **Apologies**

Resolved

That the Regional Council:

- 1 **Accepts the apologies from Cr Clark and Cr von Dadelszen tendered at the meeting.**

**Thurston/Love
CARRIED**

3 **Acceptance of Late Items**

Resolved

Nil

4 **General Business**

Nil

5 **Confidential Business to be Transferred Into the Open**

Nil

6 **Declaration of Conflicts of Interest**

- Cr Crosby declared an interest in agenda item 9.8 – Quayside Holdings Ltd Annual Financials and Public Excluded agenda item 10.6 – Quayside Holdings Ltd Director Appointments.

7 **Previous Minutes**

7.1 **Regional Council Minutes - 6 September 2018**

Resolved

That the Regional Council:

- 1 Confirms the Regional Council minutes - 6 September 2018.**

**Leeder/Bruning
CARRIED**

Matters Arising

- The Chief Executive was progressing the matter of a Council representative on the Department of Conservation Board. If supported, expressions of interest would be called from the Councillors.

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

PowerPoint Presentation – Reference A2969488

Debbie Hyland - Finance and Corporate Planning Manager, supported by Ben Halford and Anton Labuschagne – Audit NZ presented this item.

Key Points of Presentation

- 2017/18 Annual Report: For Adoption

- Financial Performance 2017/18 Highlights – Council and Group
- Additional Capital Items to be Carried Forward into 2018/19
- Non-Financial Performance (key performance indicators)
- Audit Process.

Staff in Response to Questions

- Flood recovery work that had been budgeted for through Annual Plan 2017/18 as operating expenditure, had been reclassified as capital expenditure. This was approved by Council as part of the in-year monitoring.
- An operating deficit was recorded for the 2017/18 year mainly due to funding certain expenditure from reserves including third party infrastructure grants consistent with Annual Plan 2017/18.
- Clarified the definition of uncalled capital, which was unpaid shares, owned by Council
- Council did not have a specific strategy for the uncalled capital as it sat within the broader financial strategy.
- Closing reserve balances for Annual Report 2017/18 (note 27) were in line with opening balance sheet figures for Long Term Plan 2018-2028. The closing balance of Council's investment reserves included \$46 million in the infrastructure fund reserve and \$50 million in the regional fund reserve.

Ben Halford and Anton Labuschagne – Audit NZ

Key Points

- Presented unmodified audit report on the Annual Report 2017/18
- Recognised the early availability of the draft annual report and the positive cooperation with Council staff
- Identification and valuation of assets was a key factor
- Had reviewed Council's transactions
- Council's reporting was fully compliant with regards to Quayside Holdings Ltd as a major council controlled organisation.

Key Points – Members

- Sought update reports from the Rotorua Lakes Incentives Board on its performance against agreed KPIs.

Resolved

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;**
- 2 Receives the audit report and audit opinion from Audit New Zealand.**
- 3 Adopts the Bay of Plenty Regional Council Annual Report and Consolidated Financial Statements for the year ending 30 June 2018.**
- 4 Adopts the Bay of Plenty Regional Council Annual Report Summary 2017/18.**

- 5 Authorise the Chief Executive to make minor numerical, editorial or presentation amendments prior to final publication.
- 6 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.
- 7 Confirms that the decision has a low level of significance.

Nees/Thompson
CARRIED

8 Public Forum

Craig O'Connell – Independent Chair BOPLASS

Key Points

- Was keen to engage with shareholders on a more regular basis to ensure the Statements of Intent were not the only document guiding the relationship with BOPLASS
- Board had decided to defer the independent review of its governance structure, with the rationale being the current uncertainty regarding the strategic direction of BOPLASS as well as the local/regional government sector
- There had been a shift in the strategic focus of the Board meetings to being a forum to foster opportunities and areas for collaboration with shareholders
- BOPLASS was currently focussed on share procurement, which generated positive results
- If a business case to change BOPLASS' focus did not pass the scrutiny of shareholders, it would not be progressed by the Board.

Speaker in Response to Questions

- LG Futures had identified potential opportunities that had not been progressed at this stage
- Recognised that shareholders may not have been listened to sufficiently in the past and was looking at ways to improve this situation
- Considered the composition of the Board to be appropriate and that it was more a case of re-defining the focus of BOPLASS
- Suggestions had been made with regards to alterations to the BOPLASS Board, which a higher component of Independent Directors, rather than Council CEs, which would change its focus
- The board was conscious of the pressure placed on its staff and that at this stage there was limited capacity to adapt to changed focus
- BOPLASS would be responsible for gathering information in preparation of a joint shareholders meeting to discuss the strategic direction and scope.

Key Points – Members

- Concerned that the Board's Terms of Reference limited the ability of the Directors to expand their scope
- Recognised that BOPLASS performed well in what was done and that the issue pertained to what was currently not being done

- An independent governance review should be undertaken in accordance with the wishes of its shareholders; opportunities be discussed and agreed on; then the composition of the Board and its Directors further considered.
- Suggested that a meeting of shareholders and the BOPLASS Board be arranged, with the purpose being to discuss the scope, strategic direction and parameters for collaboration.

9 Reports

9.1 Chairman's Report

Chairman Leeder presented this item.

Key Points

- Had accepted the invitation from the Officer of Auditor General to be a member of the OAG Advisory Panel
- Freshwater hui in Rotorua had identified two 'philosophies', being either reaching solutions via the Court system or attempting a more collaborative approach with Local and Central Government
- Work was underway in establishing an operative protocol between BOPRC and Te Arawa Lakes Trust.

Resolved

That the Regional Council:

- 1 Receives the report, Chairman's Report.

Leeder/Nees
CARRIED

10.27 am The meeting **adjourned**.

10.50 am The meeting **reconvened** and it was noted that Cr Thompson had **withdrawn** from the meeting.

9.2 Western Bay of Plenty District Council Boundary Alteration - Tauriko West

Namouta Poutasi – General Manager, Strategy and Science introduced the presenters; David Phizacklea – Regional Integrated Planning Manager, Rebekah Waltham – Planner and Sue Laurence (on behalf of WBOPDC).

Key Points

- Provided an outline of the reasons for the boundary change and the process undertaken to date.

Resolved

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.**

**Love/Thurston
CARRIED**

9.3 Chief Executive's Report

Key Points

- This would be a standing item on the Council agenda
- The intention was for Council's vehicle fleet to be gradually replaced with e-vehicles
- A number of public transport options, beyond traditional buses, was being explored
- Confirmed the permanent appointment of Namouta Poutasi as General Manager Strategy and Science and Sarah Omundsen as General Manager Regulatory Services.
-

Staff in Response to Questions

- Passenger vehicles were suitable to be replaced by e-vehicles
- Recognised the current limitation of e-vehicle technology, however rapid improvements were taking place
- Council had approached other councils and DHBs with regards to bulk procurement of e-bikes as an alternative means of transport for staff.

Staff Follow-up

- Include Provincial Growth Fund updates in the future reports.

Resolved

That the Regional Council:

- 1 Receives the report, Chief Executive's Report;**
- 2 Request a collective meeting of BOPLASS shareholders to discuss the purpose and future direction;**
- 3 Request that the Chief Executive allocate funding to support an independent report of future collaboration, direction, governance and opportunities to inform this collective shareholders meeting**

**Leeder/Thurston
CARRIED**

9.4 Eastern Bay of Plenty Regional Leadership Group Report

Namouta Poutasi – General Manager Strategy and Science and Ian Morton – Strategy and Science Manager presented this item.

11.07 am Cr Thompson **entered** the meeting.

Key Points

- Noted that the report requested Council to re-assess the Ōpōtiki Harbour Development as it was currently being re-scoped.

Key Points – Members

- Noted that any amendments to the Regional Land Transport Plan would require a resolution by the Regional Transport Committee.

Resolved

That the Regional Council:

- 1 Receives the report, Eastern Bay of Plenty Regional Leadership Group Report;**
- 2 Endorse the Eastern Bay of Plenty Regional Development reports (Summary and Full);**
- 3 Assign the BOPRC Chief Executive delegated authority to approve minor amendments to final report, prior to public distribution.**

**Marr/Bruning
CARRIED**

9.5 Residents Survey Proposal

Mat Taylor – General Manager, Corporate and Sam Rossiter-Steed – Communications Manager presented this item.

Key Points

- There had been no residents' survey undertaken since 2010
- LGNZ Council Mark, which Council participated in, required a survey to be undertaken in 2019.

Presenters in Response to Questions

- Councillors would be able to view and comment on the questions in the survey, before they were released
- Different methods of engaging with residents would be used, e.g. mail, telephone, face-to-face, social media channels etc.

Key Points – Members

- Emphasised the importance of getting the questions right and reaching as wide a group of residents as possible, ideally beyond the 1300 considered to be a representative sample.

Resolved

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**

**Love/Crosby
CARRIED**

9.6 Update on Treaty Claims and Settlements in the Bay of Plenty

Namouta Poutasi – General Manager Strategy and Science and Anaru Vercoe – Māori Policy Team Leader presented this item.

Key Points

- The Waitangi Tribunal enquiry into the mandating process requiring a reconfirmation of the Whakatōhea Settlement Trust's mandate will begin on 1 October 2018
- A further two Mana Whakahono a Rohe (Iwi Participation Agreements) were being considered
- A number of applications under the Marine and Coastal (Takutai) Moana Act 2011, were either before the High Court or the Minister. At this stage, the processing of applications was expected to take some time and staff would provide an update on progress towards the end of 2018.
- The Crown, Council and Te Whānau a Apanui had been in discussions to identify options on how the iwi would like to participate in Council decision making processes, as well having some autonomy over the management of natural resources. The Crown was currently drafting options to present to Cabinet.

Resolved

That the Regional Council:

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

**Crosby/Thurston
CARRIED**

9.7 Quayside Holdings Limited Annual Financial Statements for the year ended 30 June 2018

Mat Taylor – General Manager, Corporate presented this item.

Noted the declarations of interest from Cr Crosby, Cr Nees and Cr Thompson who all abstained from discussion and voting.

Resolved

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.

Cronin/Marr
CARRIED

9.8 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
Regional Council minutes -	Please refer to the relevant	Good reason for

06 September 2018	sections in the open minutes	withholding exists under Section 48(1)(a)
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)
Opotiki Harbour Transformation	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)
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)
Regional Property Update	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)
Quayside Holdings Limited - Director Appointment	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)
Chief Executive's KPIs 2018-19	To protect the privacy of natural persons, including that of deceased natural persons	Good reason for withholding exists under Section 48(1)(a)

**Leeder/Thurston
CARRIED**

10 **General Business**

Nil

The meeting closed at 1.55 pm

Confirmed DATE

Doug Leeder
Chairman Bay of Plenty Regional Council