



# Incoming Councillor Briefing 2022



*Ranginui e tū nei  
Papatūānuku e takoto nei  
Mai i Ngā Kurī a Whārei ki Tikirau  
Mai I Maketū ki uta mai ki  
Taupō-nui-a-Tia  
Ko te rohe kaunihera tēnei o Toi Moana*

*Kia toi te whenua, kia toi te moana,  
kia toi te taiao, kia toi te tangata  
Tihei Mauriora!*

*Haere mai i runga i te taurā nui o Āwatea.  
Kia ai he tā kōtuku ki roto o te nohoanga  
pahī, kia tau ai. He kāhu ki te rangi, he  
moho ki te koropuku. Mā wai rā e hikina  
te wero? Mā te ringa whero!*

*Nau mai, haere mai e ngā rangatira mā!*

*Ranginui stands above  
Papatūānuku stands below  
Stretching from Waihī Beach to East Cape  
From Maketū to just inland of Taupō  
This is the region of the  
Bay of Plenty Regional Council*

*Let the land remain, let the oceans  
and lakes remain, let the environment  
remain and let people remain  
Tis the breath of life!*

*Welcome on the broad back of daylight!  
Let there be a white heron feather in the  
assembly so that all may be well.  
A hawk in the sky, a rail in a hidden place.  
Who was it that has accepted these  
challenges? Only the most sturdy hands!*

*Welcome!*



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# Key Messages

Key messages can be drawn from this briefing which will shape how we work in the next triennium:

- Significant change in our operating environment, including direction from Central Government, will shape how we operate. Strategic direction and the three impact areas should be reconsidered by Council given the extent of change.
- Partnerships with Māori, local and central Government and also with communities will be key to delivering outcomes in the future.
- Our leadership, collaboration and advocacy role in the Climate Change space, ensuring that we maintain momentum, along with considering the evolution of our role to ensure our region can adapt to a changing climate and consider how our transport and urban planning roles ensure a low emissions future.
- We will need to be responsive and flexible with how we use our resources and keep the focus on demonstrating value to ratepayers and communities.
- We will need to balance how we engage meaningfully with our communities with responding to hard and fast timeframes for some programmes.
- Connections and dependencies between workstreams will require us to relentlessly and continuously 'connect the dots', both internally and externally.
- There will be a continual focus on the Customer, including the whole customer experience along with enabling a much deeper understanding of Regional Council's role.
- Council has a strong collaborative and values-based leadership approach which has seen past councils unified in their decision-making and staff engagements results above Local Government benchmarks.

## Introduction

This briefing booklet has been prepared for Elected Members of the Toi Moana Bay of Plenty Regional Council (Council) for the 2022-2025 Triennium as part of the Incoming Councillor Induction.

The purpose of the briefing is to provide a brief summary of the work that Council does (our core business and our responsibilities) and draw your attention to challenges and strategic issues on the horizon.

## Bay of Plenty region

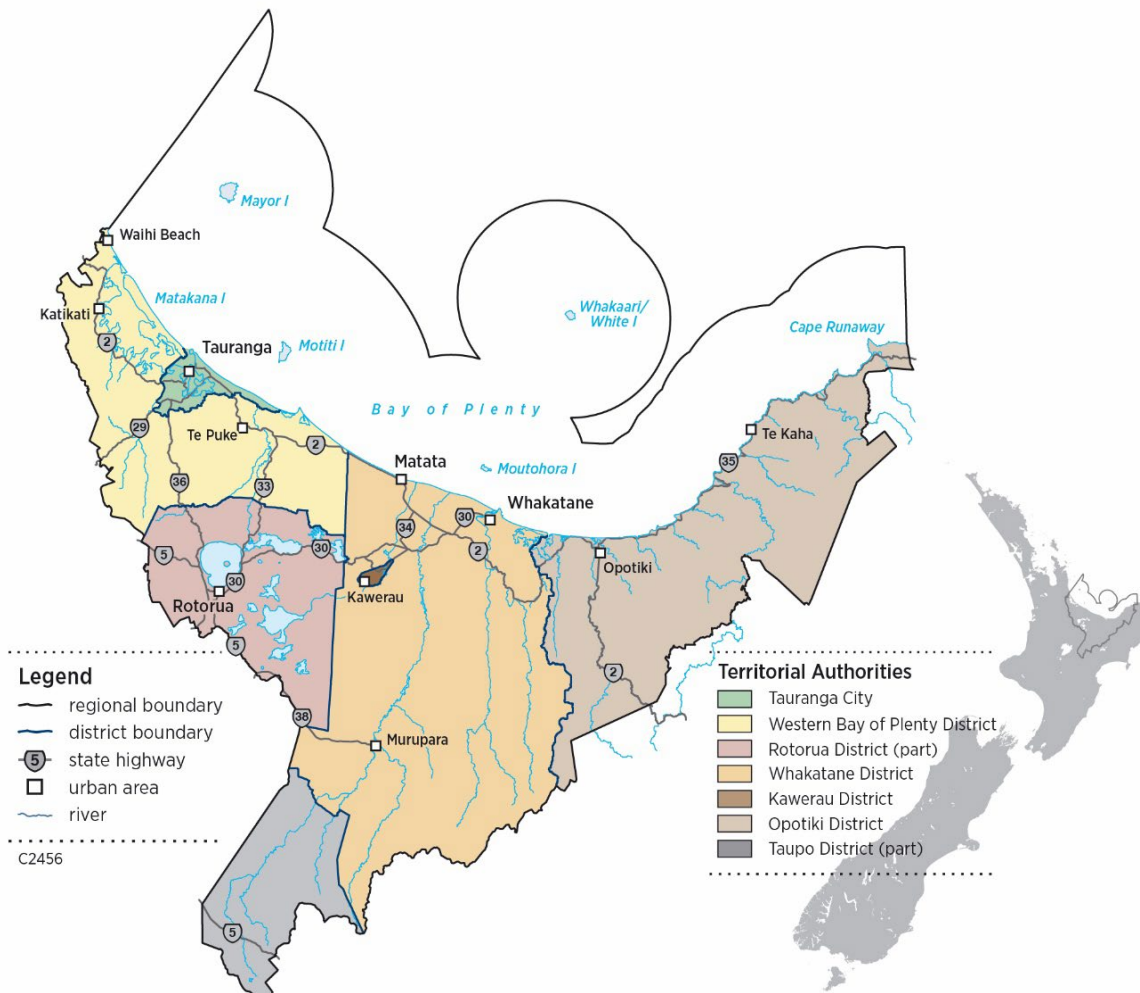
The Bay of Plenty region takes in the full sweep of the coastline from Pōtikirua in the east, to Waihi Beach in the west, and includes 18 offshore islands extending out to the 12-nautical-mile boundary. The area of the region is 21,837 square kilometres comprising 12,254 square kilometres of land and 9,583 square kilometres of coastal marine area.

The region extends inland, generally to the ridges of the catchments that drain into the Bay of Plenty. The eight major rivers emptying into the region are the Wairoa, Kaituna, Tarawera, Rangitāiki, Whakatāne, Waioeka, Mōtū and the Raukōkore.

The Bay of Plenty region is home to approximately one third of all iwi and holds the second largest regional Māori population. As enhanced provisions for Māori participation in Local Government are delivered through Central Government reforms, together with ongoing Treaty of Waitangi settlements, the role and contribution of iwi to regional leadership and decision-making will continue to flourish.

To date within our region, 21 iwi settlements have been enacted through legislation, with nine settlements at an advanced stage of development and at least three others yet to enter negotiations.

There are seven Territorial Authorities (TAs) that are also part of Local Government in the region. They are Tauranga City Council, Western Bay of Plenty District Council, Whakatāne District Council, Ōpōtiki District Council, Kawerau District Council, Rotorua District Council (part) and Taupō District Council (part).



## Our Community

There were an estimated 307,000 people living in the Bay of Plenty as at 30 June 2018. The region has a rich cultural dynamic with 26% of the population identifying as Māori and 8% as an ethnic group, other than New Zealand European or Māori. Māori are key partners, stakeholders and members of our community; with 39 iwi, approximately 260 hapū and about 224 marae. Building and maintaining relationships with these groups is an important part of Council's role.

Our relationships with others are crucial to the success of our work. We have a strong regional leadership role. There are many cross-boundary issues facing our region, such as climate change and transport planning, where we aim to work collaboratively with our local partners, complementing the work they do at the local level and facilitating a single voice for the region. These partners and stakeholders are found across the region and include Local and Central Government, Māori, volunteer groups and the private sector.

## Local Government

Local Government is the means by which communities, defined by location, make decisions about their local area and the range of publicly provided and funded services that will be available.

Council's core purpose and role is defined in the Local Government Act 2002 (LGA). Council's responsibility to sustainably manage the environment is currently set out in the Resource Management Act 1991 (RMA). The LGA and RMA provide the basis for Council's core services and responsibilities. The RMA is subject to a programme of reform, which will see it repealed and replaced with three pieces of legislation which will have direct implications for Council. This is covered further in the document.

The purpose of Local Government under the LGA is to:

- enable democratic local decision-making and action by, and on behalf of communities, and
- promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

The LGA further establishes that the role of a local authority is to give effect, in relation to its district or region, to the purpose of Local Government as stated above; and perform the duties and exercise the rights, conferred on it by, or under the LGA and any other enactment.

# Strategic Direction and Community Outcomes

## Strategic Direction

Council's vision of 'Thriving Together – mō te taiao, mō ngā tāngata' is about supporting our environment and our people to thrive.

Our four community outcomes provide more detail on what this vision would look like for the Bay of Plenty and focus on: a healthy environment, freshwater for life, safe and resilient communities and a vibrant region.

This is all combined into our Strategic Direction Diagram (**Appendix 1**), and links everything together, including our wellbeings, our values, the way we work and our strategic priorities. Three of the strategic priorities are highlighted as Impact Areas where we are specifically looking to make the most impact with our community, with the resources we have, and within the role we are tasked to do by Central Government. These areas are *Climate Change*, *Partnerships with Māori* and *Community Participation*, which are covered in more depth in the next section of this Briefing.

The Strategic Direction underpins the activities and services we are responsible for across the region. For the full work programme for 2022/23, we encourage you to read our Long Term Plan 2021-2031 (LTP) and Annual Plan 2022/23 (AP) which sets out our work plan in more detail.



## Ngā kaupapa e tautokohia e āu reiti

### The work your rates help fund



Catfish removed from Rotorua Te Arawa Lakes

**60,000\***



Number of public transport trips taken

**2.66M\***



Water quality testing sites

**270+**



Natives planted for environmental protection

**870,000\***



Visitors to Regional Parks

**120,000\***



Spoke with

**14,800\***

harbour and lake users to educate them and keep them safe

Pollution hotline calls investigated

**3,736\***



Support of volunteer groups

**50+**



Inspections for pests

**4,725\***



Environmental consent checks

**4,861\***

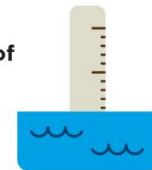


Stopbanks for flood protection

**380km**

Water level monitoring sites to protect against the impact of both flooding and droughts

**680+**



\* Latest annual figures

Based on 2020/2021 Financial Year

## Community Outcomes

Below are our four Community Outcomes and some of the areas of work we are focusing on as we work to deliver the outcomes and work towards our Council vision of 'Thriving Together – mō te taiao, mō ngā tāngata'. For further information we encourage you to read our LTP.

### A healthy environment - He taiao ora

A healthy environment is at the heart of what we do. We protect and enhance our air, land, freshwater, geothermal, marine and coastal resources, and biodiversity for our communities. We support a range of groups, including volunteers to do the same.

Our objectives for this outcome are that:

- Our community understands the state of our environment and is involved in its care,
- The diverse range of ecosystems in the region are in a healthy state,
- Resource users implement good practice in using our natural resources,
- A sound science base, including mātauranga Māori, supports decision-making,
- Effective natural resource limits are in place, enforced and monitored, and
- Prioritised actions are in place where natural resources do not meet community expectations.

The levels of service we aim to deliver in this outcome area include to: investigate 90% of air quality exceedances within 10 days; process 95% of resource consent applications within time; ensure 85% of our pest management programmes are on track and increase the number of visitors to regional parks.

**Some key projects and activities we have delivered in this area include:**

- In 2021/2022 we published 14 State of Environment (SoE) reports, with four more reports due later this year. SoE reports capture and interpret scientific data, and show how healthy our air, land, freshwater, geothermal, coastal resources and biodiversity are. This robust evidence supports decision-making so we can plan, protect and sustainably manage our natural resources so our communities can thrive.
- In 2021/2022 there were five days where air quality limits (PM<sub>10</sub> particulate levels) were exceeded in the Mount Maunganui airshed, a considerable improvement on the 21 days recorded in the previous year. All investigations of the exceedances were started within 10 working days.
- Ninety seven percent of all non-notified consents were processed within statutory timeframes in 2021/2022, with no consent decisions overturned on appeal or judicial review.
- In 2021/22, 3,719 compliance inspections were conducted and 12,609 monitoring reports from consent holders reviewed. Compliance levels have remained largely consistent over the last three years, with approximately 80% found to be complying with their consent conditions, and only a minute amount (1%) considered to be significantly non-compliant.
- We respond to significant breaches with a range of enforcement tools. Over the last three years, Council has issued 274 Abatement Notices and 154 Infringement Notices. In this time, sentencing decisions have been issued for 12 Regional Council RMA related prosecutions, resulting in \$814,425 in fines, \$85,000 in reparation orders, two enforcement decisions and a prison sentence.
- There are 112 Regional Pest Management Plan (RPMP) Programmes. At the end of the 2021/2022 period, 107 of those programmes were recorded as being 'on track'.
- 102,250 visitors to our Regional Parks (Pāpāmoa Hills Cultural Heritage Regional Park and Onekawa Te Mawhai) were recorded in 2022. Roadworks restricted access to Pāpāmoa Hills during February and March which affected visitor numbers. Ninety eight percent of the 254 respondents who completed the visitor satisfaction survey were satisfied with the parks.

## Freshwater for life - He wai māori, he wai oranga

Freshwater is vital for the health of people and communities, and that makes it important to us. Our water and land management practices maintain and improve the life-giving ability of the region's freshwater resources.

We are responsible for two kinds of freshwater: groundwater and surface water. Surface water is all the water above ground – rivers, lakes and streams, drains, ponds, springs and wetlands, while groundwater comes from rainfall and rivers and accumulates in underground aquifers.

We invest millions of dollars each year to maintain and improve water quality and quantity in the Bay of Plenty and we work with the community to look after the rivers, estuaries and coastal environments. We monitor water quality and quantity; ensuring people follow the rules set through the consents process.

Our work in this area is guided by national legislation, regulations and standards for water, that prescribe public processes for setting requirements and rules. This area is becoming increasingly complex, and we are working hard to translate the policy into action on the ground.

Put simply, we manage the freshwater that is in and on the ground so there is enough for people and wildlife to thrive now and in the future.

Our objectives for this outcome are that:

- Our community is connected to freshwater and involved with its management,
- Freshwater ecosystems, along with estuarine and coastal connections in the region, are thriving, and
- Freshwater provides for intrinsic wellbeing, along with cultural, recreational and economic wellbeings.

The levels of service we aim to deliver in this outcome area include to: ensure 75% of monitored sites meet swimmability requirements, 95% real-time deliverable environmental data available online, respond to 99% of urgent and non-urgent pollution calls within time, and monitor 90% of swimming sites for water quality.

**Some key projects and activities we have delivered in this area include:**

- Twenty four monitored river and stream sites were analysed over 2021/2022 with 17 deemed as swimmable in the bathing season.
- Ninety seven percent of real-time deliverable environmental data was made available online by the end of 2021/2022.
- We contributed to the regional sector Environmental Data Management System for New Zealand.
- We respond to over 3000 calls to our Pollution Hotline every year, with 3,169 calls in 2021/22. All calls were responded to within required timeframes.
- Our laboratory completed the swimming sites monitoring programme for the summer period, which was over 23 weeks. 98.8% of the designated sites only had two or less weekly samples missed throughout that period.
- Our laboratory has supported the new water services regulator for New Zealand - Taumata Arowai, through the provision of an enhanced water quality sampling and reporting service.
- The Regional Policy Statement (RPS) Plan Change 5 (Kaituna) was approved for notification, within the timeframe and without substantive changes.

## Safe and resilient communities - Kia haumarū, kia pakari te hapori

Our region is subject to a number of natural hazard risks and events, including volcanic activity, earthquakes and extreme rainfall. These natural hazard events and risks can endanger our communities. Our planning and infrastructure supports resilience to natural hazards so that our communities' safety is maintained and improved.

We work to keep people safe by providing flood protection, such as stopbanks and pump stations, and ensuring we are prepared for emergencies through our Civil Defence and Emergency Management (CDEM) services.

Raising awareness and preparing for issues such as climate change are also important aspects of building strong communities that can cope with change.

We are responsible for controlling the use of land to avoid or mitigate the effects of natural hazards, and we work with other local councils and Emergency Management Bay of Plenty (EMBOP), to identify natural hazards and reduce risk.

Our objectives for this outcome are that:

- Our communities understand the natural hazard and climate change risks they live with.
- Our partners and our organisation incorporate climate change and hazard risk into planning and decision-making.
- Our region has the capacity and capability to respond to and recover from emergencies.
- Our region's natural hazard risks, in particular flood risk, are managed through how we work in a way that is affordable and takes a long term view.
- Navigation and water activities within our region strive to keep people safe.

The levels of service we aim to deliver in this outcome area include to: complete 85% of planned maintenance and 75% of planned renewals for flood control infrastructure, ensure 100% of flood warnings are given correctly, respond to 95% of oil spills within 30 minutes or two hours depending on location, and ensure 95% of maritime navigational aids are of good quality.

### **Some key projects and activities we have delivered in this area include:**

- Civil Defence Emergency Management responded to four significant emergency events over the last triennium – Whakaari Eruption, COVID-19 responses, Tsunami event (2021) and East Coast roading event.
- We have also deployed in support of emergency events in other regions such as the Westport, Tairāwhiti, Nelson-Tasman and Marlborough floods, and the West Coast weather event in 2022.
- Maintenance and repairs were fully completed in 2021/2022 in accordance with the Rivers and Drainage Asset Management Plan.
- Planned renewals for flood control infrastructure in accordance with the Rivers and Drainage Asset Management Plan was delivered in 2021/2022.
- In 2021/2022, there were 44 flood warnings issued in the region which were all made in accordance with the flood warning manual.
- In 2021/2022, there were 31 oil spills in Tauranga, with action taken within 30 minutes for all spills. During the same period, all four oil spills outside of Tauranga were responded to within two hours.

- During the 2021/2022 period, 99.9% of our navigational aids were rated as good quality or higher. During the year, 828 navigational aids throughout the region were maintained by Council.

## A vibrant region - Toitū te rohe

People and the environment are at the heart of our region. We support the growth of jobs in the Bay of Plenty and development of new industries. Our stewardship of natural resources and the connections we make provides for sustainable economic development across our region.

We facilitate Bay of Connections (BOC), the economic development framework for the wider Bay of Plenty. Its goal is to deliver regional, transformational, and long-term cultural, economic, environmental and social benefits for the communities across the region, that we live and work in. We also keep the community connected by contracting, funding and monitoring public passenger transport services across the region, including the regional network of Bay Hopper and Cityride buses, and concessionary fare schemes such as Total Mobility.

Our objectives for this outcome are that:

- Economic development opportunities are enabled and connected across our region.
- Regional transport and regional land use planning is integrated and responsive to growth and natural resource pressures.
- A fit for purpose public transport system enables a growing economy and a safe, healthy and vibrant region.
- Our partnerships and collaborative approach lead to improved environmental outcomes.
- Our region is reducing net greenhouse gas emissions in line with national targets and is transitioning to a low carbon economy.
- Our region is recovering quickly and well from COVID-19.

The levels of service we aim to deliver in this outcome area include to: increase bus patronage from last year, increase the number of shared decision-making arrangements with Māori organisations, ensure 90% of community groups funded for environmental work achieve their goals, and make 90% of Council meetings accessible via livestream.

### **Some key projects and activities we have delivered in this area include:**

- 2.25 million bus trips were taken within the region over 2021/2022.
- There are five governance-level, shared decision-making arrangements that are supported by Council. They are: Ōhiwa Harbour Implementation Forum, Rangitāiki River Forum, Rotorua Te Arawa Lakes Strategy Group, Tauranga Moana Advisory Group, and Te Maru o Kaituna River Authority.
- We currently have 50 Hapū/Iwi Management Plans recognised by an Iwi Authority and lodged with Council. The plans inform Council's decision-making and assist Council to identify Tangata Whenua areas of interest, resource management issues, and preferred methods of engagement.
- In 2021/2022, 73 new jobs were created through the BOC Ōpōtiki Harbour Development Project which will enable the growth of a large-scale aquaculture industry.
- BOC have developed a:
  - Regional Recovery Framework in response to COVID-19, which complemented work done by other agencies and informed future thinking and action planning.

- Regional Economic Development Forum, which was a series of events hosted by BOC to bring the region's economic development community leaders together to facilitate strong networks and connect with Ministers, Central Government officials and other distinguished guests.
- Data Project, created to provide quality data and insights to support interventions within regional economic development priority areas to support stakeholders' decision-making. Cross-agency collaboration led to the establishment of a Regional Data Group to share expertise, insights and develop collective solutions.
- The livestreaming of core Council meetings to members of the public was introduced in September 2021. During 2021/2022, 33 meetings were livestreamed.
- Six Environmental Enhancement Fund (EEF) projects were completed over 2021/2022. The projects received \$64,274 in Council funding and included 4,545 volunteer hours. The EEF supports local projects that aim to enhance, preserve or protect the region's natural or historic character.
- Te Hāpai Ora Regional Community Outcomes Funding was provided to 29 applicants this year. The fund supports community led initiatives across the region, with financial assistance for events or projects that align with one or more of our community outcomes.
- He Toka Tū Moana Environmental Scholarship has been awarded to 23 tertiary students over the last triennium, where their environmental studies, research or training contribute and link to our community outcomes.

# Key Impact Areas

## Climate Change

On 27 June 2019, Regional Council Councillors acknowledged climate change as a serious issue for the region by declaring a climate emergency and making a commitment to work with the community, on transitioning to a low carbon future and adapting to our changed climate. We recognise the importance of our leadership and advocacy role but we are also committing to:

- Supporting new and additional community initiatives.
- Working with other local authorities as they engage with their communities.
- Engaging with sectors and industry to find solutions.
- Exploring ideas and opportunities with others.
- Sharing our information and knowledge.

Since declaring a climate emergency, Council has developed a Climate Change Position Statement and a Climate Action Plan. The Action Plan for 2021-23 contains 19 projects across both mitigation and adaptation, aligned to four goals. These goals are:

- 1 Bay of Plenty Regional Council is net zero carbon by 2050.
- 2 Reducing regional greenhouse gas emissions.
- 3 As a region we understand, are preparing for and adapting to a changing climate.
- 4 Our Bay of Plenty community is aware, engaged and resilient.

## What is currently happening?

Council has a range of initiatives funded in the LTP which contribute to mitigating climate change (goals 1, 2 and 4) and adapting to climate change (goals 3 and 4). Delivery of our climate change actions are managed through Council's Climate Change Programme, ensuring coordinated delivery, monitoring, and reporting.

### **Goal 1: Bay of Plenty Regional Council is net zero carbon by 2050**

- Council's Toitu Carbon Reduce certification for the financial year 2020-21 shows Council's emissions were 999 tonnes CO<sub>2</sub>-equivalent; a 3.8% reduction in emissions from 2019-20. The top two emissions sources are vehicle diesel (66%) and electricity usage (20.5%).

### **Goal 2: Reducing regional greenhouse gas emissions**

- Council operates approximately 165 public buses across the Bay of Plenty, of which five are electric. Work has commenced on a feasibility study on how to decarbonise the public bus fleet by the end of 2035 in line with the Government mandate.
- Development of a Transport Emission Reduction Plan (TERP) to set out an evidence-based and prioritised investment strategy, identifying the greenhouse gas reduction measures, which will have the fastest and most significant impact across the Bay of Plenty.
- Council is currently working to understand the potential extent of saltmarsh in the region that could be rehabilitated to sequester carbon (Blue Carbon). (Also contributes to Goal 3).

### **Goal 3: As a region we understand, are preparing for and adapting to a changing climate**

- We have worked with NIWA to downscale national climate projections specifically for our region. The resulting technical report, summary video, and interactive maps are resources for our regional communities to use to better understand how climate change affects our region. (Also contributes to Goal 4).
- Based on the climate projections for the region, we contracted Tonkin and Taylor to produce a regional risk assessment. The purpose of the assessment is to provide a regional overview of current and future climate risks and is expected to be completed by the end of 2022. (Also contributes to Goal 4).
- Council has a clear role to lead the adaptation response for the region's river schemes. Increased intensity and likelihood of extreme rainfall events, coupled with sea level rise means we need to assess the long-term resilience of the river schemes. Council has initiated a significant project to review the future resilience of these schemes with an initial focus on the Waioeka Otara Scheme in the Ōpōtiki District. (Also contributes to Goal 4).

### **Goal 4: Our Bay of Plenty community is aware engaged and resilient**

- Council is providing funding for community led projects to take the first steps in adaptation planning. Five community projects have each been funded \$15,000 so far across the region. Three are coastal hapū, along with Ōhinemutu village on Lake Rotorua, and an iwi-wide food security initiative. (Also contributes to Goal 3).
- Council has updated the Regional carbon footprint on our website, including a breakdown by district and greater detail around transport emissions. (Also contributes to Goal 2).

Council is well connected to progress nationally and regionally in the impact area. Staff have been on working groups established by Ministry for the Environment for the Risk Assessment Guidance and for the National Adaptation Plan (NAP). Staff are also involved in the cross-Council climate change network, the Local Government Aotearoa Climate Adaptation network and facilitate Local Government officials' groups in the Bay of Plenty.

## **Challenges**

There are challenges for Council with regards role clarity in both the emissions reduction and the climate adaptation space. To date, national direction has provided little clarification.

**Adaptation:** Despite no explicit requirement for regional risk assessments nor regional downscaling of climate projections, Council has taken the initiative in undertaking these projects. 'Who pays' for adaptation interventions is an unresolved question on which decisions on a range of adaptation issues hinges. The Climate Adaptation Act (draft due in 2023) may provide some resolution as to who pays, along with resolving complex technical and legal issues associated with managed retreat.

**Mitigation:** Council's transport responsibilities point to a more direct role for Council in emissions reductions, although there are also challenges with emerging Government direction from the Emission Reduction Plan (ERP) such as Vehicle Kilometres Travelled reduction targets for Tier 1 and 2 Councils, and conflict with the housing and growth agenda. Beyond this, and aside from Council corporate operations, there is no clearly defined role for Council in wider emissions reductions across the region.

Wider challenges for Council are the complex and evolving landscape of resource management reform, evolution of national climate policy, and the Future for Local Government (FFLG) review, all of which have implications for both emissions reduction and adaptation planning.



## Opportunities

### Adaptation

- Scope to extend and resource the Council's community-led adaptation funding, which has been well received and this approach is being followed by Central Government and other regions. This could transform into support for community led adaptation planning, as opposed to purely funding. Build on Council's role in providing technical information for adaptation planning, such as the NIWA climate projections and story maps, to develop a regional climate information portal.
- Potential role in facilitation of a regional adaptation plan/programme, building on the current climate risk assessment work. This would need appropriate governance and subsequent secretarial support. However, territorial authorities are beginning to develop adaptation programmes of their own and will draw on the regional assessment.
- Explore a local funding mechanism for adaptation initiatives in the region, which could provide some early wins from the first community led projects we have already funded.

### Mitigation

- Support focused and inclusive behaviour change programmes and campaigns based on the regional pilot of the Future Fit carbon footprint tool (due to be launched last quarter 2022).
- Leading on transport emissions reductions across the region, based on the TERP and bus decarbonisation feasibility study. This is likely to require significant resourcing and staffing to implement, in partnership with others.
- Council could expand its work within the corporate operations and procurement space, following the lead set by Central Government's Carbon Neutral Government Programme, which aims for the public sector to achieve carbon neutrality by 2025.
- Potential role in facilitating regional emissions reduction using the updated regional carbon footprint as a platform for initiating conversations with our community, including householders, businesses, farmers and iwi.

### Nature-based solutions

- Nature-based solutions are conservation, land management, or restoration activities that increase carbon sequestration or resilience to a changing climate, at the same time as supporting biodiversity and wider environmental outcomes. There is the opportunity for Council to develop a role in nature-based solutions that aligns well with our land management and technical roles e.g. through the implementation of the National Policy Statement for Freshwater Management 2020 (NPSFM) and proposed National Policy Statement for Indigenous Biodiversity (NPSIB).

## On the horizon...

The Regional Risk Assessment will be complete in the final quarter of 2022. No immediate decisions are required as the risk assessment is a resource for the region. However, Council will need to consider, along with partners, whether there is a collective response to the risk assessment e.g. a regional adaptation programme and any governance associated with this.

Similarly, Council may wish to consider its role in facilitating regional conversations and action around emissions reduction following the release of the updated regional carbon footprint.

The Government's ERP signalled that '*Councils will need to ensure that their investments and spending align with climate objectives.*' This highlights the importance of incorporating a robust and transparent assessment of climate change considerations into the funding and financial decisions in the next LTP process.

## Community participation

Community participation is a critical element of Local Government. We are focusing on ensuring that we engage with a representative sample of the community so that we meet the needs of all our region's communities.

We are also looking to transform how we work with volunteers – we know how valuable the work they deliver is in terms of environmental and cultural wellbeing.

We are looking at increasing participation in our work and decision-making by doing more with our communities. This includes getting their perspectives and thoughts, but also enabling them to deliver some of the work we do through community and volunteer groups.

The deliverables identified in the Community Participation Action Plan intersects with both Partnerships with Māori and Climate Change Impact Area plans.

## Transforming volunteers

The Bay of Plenty has a long-established network of environmental care groups, led by passionate local volunteers across the region. Approximately 75 of these volunteer groups are supported in some way by Council through being provided with equipment or direct funding. We have included an additional \$500,000 per annum in the LTP for focused work with volunteer groups.

## Transforming community engagement

Our new engagement policy aims to trial new (for us) approaches. These could include participatory budgeting, where we ask the community how to allocate a portion of our budget, or citizen juries, where people are provided the time and resources to make an informed recommendation to Council. We will be implementing these new approaches over the course of our LTP.

## What is currently happening?

The Community Participation Network is providing a coordinated approach to delivering across four workstreams: Community engagement, Volunteering, Funding community led projects and Democracy.

An Action Plan approved by Council on 16 December 2021 captures actions from the LTP plus additional stretch targets. Already, a trial participatory budgeting project has enabled more than 1,400 people to help allocate funds to community projects, and additional support for volunteers has grown the number of care groups we work with from 60 to 75.

Baseline measurements are now in place so we can measure representativeness of community participation in appropriate decision-making processes based on gender, age, ethnicity and geography. A Youth Engagement Plan, prepared by rangatahi from across the region was presented to Council in June 2022, to guide how we can best involve them in Council actions and processes.

## Challenges

- Increasing polarisation of community views, misinformation and distrust of Government by some sectors of society can make community engagement more challenging.
- Succession within volunteer groups and encouraging greater youth participation in care groups.
- Feedback from some community volunteers about feeling undervalued by some other agencies, may impact on Council's relationship with volunteers.
- High community expectations of engagement in decision-making and change that the organisation is potentially unwilling or unable to fulfil.

## Opportunities

- Increased digital access and platforms enabling community engagement and communications to reach wider audiences.
- Increased use of Te Reo Māori in communications and engagement in line with the goal at Council for Te Reo Māori "to be seen, heard, spoken and felt".
- Seek out community experts with relevant lived experience to take part in direction setting directly with Elected Members at workshops i.e. rangatahi.
- The FFLG Review Panel has highlighted nationwide trends that community participation in Local Government decision-making tends to be limited to a narrow demographic and has not provided for meaningful input from Tangata Whenua on issues that affect them. This review may generate new approaches or opportunities to increase representation and reach of participants in authentic engagement.

## On the horizon...

- Wider community engagement for the NPSFM commencing early in 2023 is anticipated to be contentious and multifaceted.
- Review of how we approach funding to support community aspirations within the scope of Council responsibilities including participatory budgeting for community initiative funding.
- Challenging conversations with community on immediate and longer term environmental issues including the Navigation Bylaw review, Mount Maunganui Air Shed, Mōtiti Marine Protected Area and planning for Climate Change Resilience especially in the Eastern Bay.

## Partnerships with Māori

The Treaty principles and the partnership upon which it is founded are an established part of our Local Government framework. As Treaty partners, Māori hold a unique role in shaping and contributing to regional leadership and direction. The relationship that Māori have with Te Taiao has been recognised through a suite of Government policies and regulatory reforms spanning freshwater management, urban development, climate change and biodiversity.

In response, Council has developed policies and guidelines that enhance its relationship with Māori building upon a framework of change based on partnerships. We continue to work collaboratively with Māori to set our strategic direction that supports a vibrant community.

## Māori Participation in Decision-making

As Council, we share an obligation to support the development of Māori capacity and capability to contribute to Council decision-making processes. Central to achieving this is Komiti Māori, which provides leadership and guidance on key kaupapa including: partnership opportunities with Māori, and measures to support the delivery of our strategic priorities and Māori outcomes.

In support of Komiti Māori, policy development focussing on setting the foundation for partnerships has been underway over the previous two trienniums beginning with He Korowai Mātauranga (HKM), the framework which sets the direction for Council's Kaupapa Māori policy. Since its adoption by Komiti Māori in 2018, three significant pieces of work have been produced:

- Te Hononga (the Māori engagement plan to implement the NPSFM),
- The Māori Partnership Statement and its Action Plan (2022), and
- He Ara Whiwhinga – the Māori Services Procurement Guidelines (2022).

These documents establish the platform for Council to support partnerships with Māori in managing natural resources.

The Bay of Plenty region has 21 Treaty settlements, the highest in the country. All of them have influence over the activities of Council, and the majority have provisions that relate to the management of the natural environment.

Three settlements provided for the establishment of co-governance entities: Te Maru o Kaituna River Authority, the Rangitāiki River Forum and the Rotorua Te Arawa Lakes Strategy Group. The recent Ngāti Rangitihī Claims Settlement Act 2022 establishes the new Tarawera River co-governance forum. Staff and Ngāti Rangitihī representatives are currently in the process of initiating this new entity. In addition to these three entities, there are two non-statutory forums which provide similar resource management arrangements as with other settlements in train. These are the: Tauranga Moana Advisory Group; and Ōhiwa Harbour Implementation Forum.

Treaty settlements, the statutory reforms and recent decisions in the Courts require a response from Council and to this end it has positioned itself well in advance of these sweeping changes. Conversations with Māori span a range of issues covering consent applications, catchment projects, planning, river maintenance, all of which require a more focussed approach based on collaboration.

Our work with Māori plays a significant part in Council's strategic direction. It will require working more closely with other agencies like the Ministry for the Environment to ensure that our efforts are aligned in supporting Māori capacity and capability. It will also continue to set the direction in collaboration with Māori towards achieving the desired outcomes for the Bay of Plenty community.

## What is currently happening?

There are several significant projects underway that underpin the partnership strategy adopted by Council:

- *Implementation of the Māori Partnership Programme and Action Plan 2022:* with the approval of the Māori Partnership Statement in 2021, its Programme and Action Plan was approved by Komiti Māori in April 2022. Taking its cue from He Korowai Mātauranga, the plan seeks to set out core actions that will underpin the partnership programme across Council and with Māori.

- *Implementation of Te Hononga (Māori Engagement Plan for the Implementation of the NPSFM 2020)*: implementation of this plan began in mid-2020 following the LTP deliberations and the arrangement of early discussions with Māori. Some 270 discussions with Iwi, Hapū, Māori Land Trusts and Kaitiaki have been completed to date. Through this process, the Ngā Kaitohutohu Roopu (Technical Māori Advisory Group) was established and has been providing advice to staff since September 2021. Other arrangements regarding collaboration with iwi/hapū are in the process of being signed off. This work will continue until notification of a plan change to implement the NPSFM in 2024.
- *Preparation and Implementation of He Ara Whiwhinga*: He Ara Whiwhinga - The Māori Services Procurement Guidelines is the first of its kind in the country, recognising the skills and knowledge associated with Mātauranga Māori. It creates a set of procurement classes or taumata that identify the type of skillset sought for procurement purposes based on mātauranga.

## Challenges

The policy programme is long term and will take into account the changing regulatory and policy environment. In this regard, one of the key challenges is supporting Māori to become equipped with the tools to work with Council. There are broader matters affecting Māori which also need to be considered as part of the partnership programme. These include but are not limited to:

- Other priorities for Māori including housing, health, education, Treaty settlements and employment.
- Building meaningful and sustainable relationships with Māori, central to a successful partnership programme.
- Climate change especially for Marae and Papakāinga located near the coast, or a river.
- Access to technology that broadens the engagement reach.
- Central Government timeframes that do not take into account Māori readiness to participate in implementation of policy.

Most of these issues have affected Māori communities for some time and will continue to do so. Council is undertaking a concerted effort to address these challenges within its role and statutory obligations and by adopting innovative approaches to support Māori capacity and capability.

## Opportunities

The Partnership Programme will present opportunities for Council in the future, particularly where Māori can function autonomously as is the case in Canterbury under Mahaanui Kurataiao Ltd. This organisation was established through a partnership approach with Māori and is now a successful independent resource management entity working in the interests of Māori, for the benefit of the community at large. While the iwi landscape is different in the South, there are aspects of this approach Council have identified and implemented as noted above.

Innovation is central to the changing operating environment and continues to underpin the work undertaken by staff. Responsive policy, recognising the principles of the Treaty as well as removing barriers for Māori involvement and creating an inclusive environment for co-decision-making forms the foundation of the partnership programme.

## On the horizon...

The RM reforms including the Three Waters Programme has, in many respects, built on some of the core Kaupapa Māori provisions in the NPSFM, the recommendations presented in the Randerson Report and the recommendations of the Waitangi Tribunal in its Stage 2 Report WAI 2358.

Of particular note is the introduction of co-governance entities into the resource management process, the requirement to give effect to the Treaty of Waitangi, and the centralisation at a regional level on decisions relating to planning.

These changes along with current and future provisions under Treaty settlements creates both opportunities and tensions for Māori. The increased involvement in decision-making by Māori will mean that the discussion around policy development is going to change. It will create opportunities to acknowledge the Te Ao Māori perspective across the majority of policy making processes.

The challenge to enable the intent of these changes is to enhance the capacity and capability of Māori to fully participate as decision-makers. There will also be challenges for Māori with respect to the mana of hapū, iwi, land trusts and incorporations. Representation of the interests that these specific groups hold across the Bay of Plenty region will create tensions with the entities provided for under the empowering legislation.

Climate Change poses a number of issues for Māori, particularly for those communities located near rivers and along our coastline. Managed retreat can mean disconnection from the land and whakapapa particularly where wāhi tapu, Marae, and other sites of significance are affected.

Across the public sector, there is an increasing focus on the concept of equity and seeking to incorporate this as an underlying tenet of public policy. What this may mean for Local Government is something that has yet to be fully explored, however, at a conceptual level, it potentially heralds a new area of opportunity for tangata whenua and Local Government alike.

Central to these current and emerging issues will be the strength of Council's relationship with Māori, at all levels. Changes in the way Council engages with Māori have in many respects already been introduced through our planning, consenting and integrated catchment activities. Council has received national recognition of its work in building and supporting relationships with Māori. However, with the significant changes coming, Council's Māori Partnership Programme will be central to the future success of projects undertaken with Māori.

# Changing Operating Environment

During the last Triennium, we worked under an increasingly changing operating environment with a substantial number of significant change proposals from Central Government. The implementation and implications of some of those changes will land early on in this Triennium. The collective changes will likely lead to a significant reshaping of Local Government's current roles and functions, and the systems and processes we have in place.

Council needs to be cognisant of the looming overlap and potential bottleneck between changes that are about to land and upcoming change proposals from Central Government, the detail of which we do not yet know.

This section provides brief details on the key changes that are coming our way. The biggest of these change proposals on our horizon, are the RM Reform and FFLG Review which will both directly impact Councils' core work.

Across each of these changes flows the need for Council to be well-connected to Central Government, to be nimble in our response and how we use our resources, and to connect the dots between related work-streams where we can. Given the nature and timing of these changes, the latter approach is vital for how Council operates in this changing operating environment.

There is also a key opportunity here amongst all this proposed and developing change, for Council to demonstrate leadership in acting as a connection point and local voice for partners, key stakeholders and the community, across this changing environment.

## Megatrends and Transitions

Given the continuous change Council's operating environment is under, monitoring this environment requires an ongoing scanning process given the nature of what we do, and the external pressures and influences that require changes to our day-to-day activities.

Some of these forces/drivers of change that reshape what we do are 'Megatrends'. These Megatrends include: a changing climate/scarcity of resources; increased use of and reliance on technology; changing demographics; an increasing level of urbanisation; and economic volatility.

There is a move to look at these megatrends as a series of 'transitions'. This is a more integrated view of the megatrends, and a shift in thinking from what does this megatrend mean, to how do we make the societal transitions that are both necessary and urgent. Relevant examples of these for Council are: the transition to low carbon living and the transition to living in a climate disrupted environment.

In recent years the COVID pandemic has impacted these megatrends and will likely continue to do so for some time in some way, shape or form. There is also the potential impact from the uncertainty of the global political climate with the current Ukraine/Russia War, increasing tensions and volatile political relationships between World Leaders, and ongoing geopolitics.

## Future for Local Government Review

Established by the Minister of Local Government in 2021, the independent FFLG Review aims to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership.

The Panel's draft report is currently due to be released shortly after the Local Government elections on 28 October this year. Formal consultation and public submissions will be considered by 28 February 2023 before the final report is delivered to the Minister of Local Government in June 2023. The review could potentially have a significant impact on our core services and range of functions, how we engage with our communities, and the structure of Council.

## Resource Management Reform

The Government is undergoing a comprehensive overhaul of the RMA following the review in 2020 by the independent Resource Management Review Panel led by Hon Tony Randerson, QC. The RMA and current processes are to be repealed and replaced with three new pieces of legislation:

- Natural and Built Environments Act (NBA) – the main legislation to replace the RMA, the NBA legislates the Natural and Built Environment Plans, and sets out how the environment will be protected and enhanced in the future system. The NBA is to work in tandem with the SPA, especially through the National Planning Framework.
- Spatial Planning Act (SPA) – provides a strategic and long-term approach to how we plan for using land and the coastal marine area. Also legislates the regional spatial strategies, which will enable more efficient land and development markets to improve housing supply, affordability and choice, and climate change mitigation and adaptation. It is expected that a Bay of Plenty Regional Spatial Strategy will be required.
- Climate Adaptation Act (CAA) – addresses the complex legal and technical issues around managed retreat and funding and financing adaptation.

The Bills for the NBA and SPA are expected to be released in the final quarter of 2022 and enacted in this parliamentary term. The timing for the CAA is unclear but at this stage is likely to be introduced in 2023.

## Three Waters

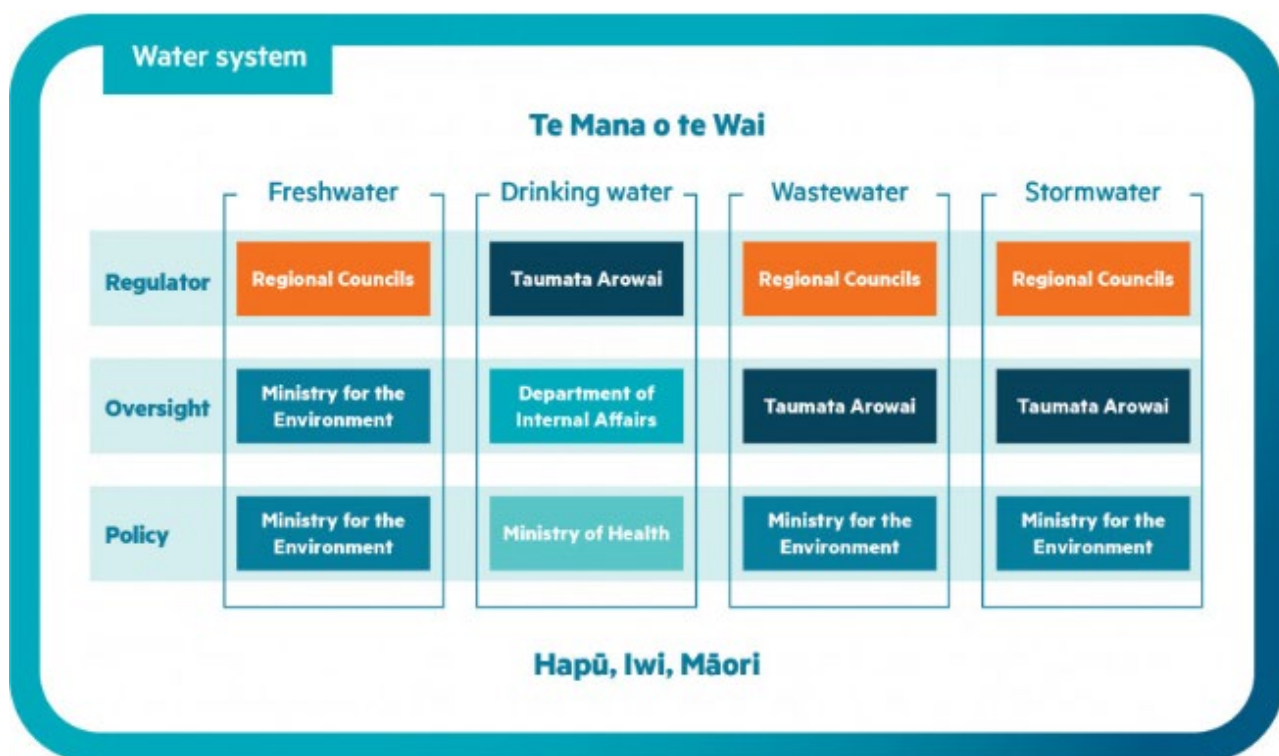
A Three Waters Review Programme has been running since mid-2017 and responds to the Havelock North Inquiry and wider concerns about the management of 'Three Waters' (drinking water, stormwater, and wastewater).

The Government's plan is to establish four new publicly owned Water Services Entities (WSEs) to run New Zealand's three waters services in the future, instead of the current arrangement of councils operating these services on behalf of their communities. The WSEs are expected to be operational from July 2024.

In November 2021, a new dedicated water regulator, Taumata Arowai, was established to oversee the regulatory regime. Taumata Arowai is a Crown entity with a Ministerial-appointed Board who sets standards and makes sure that drinking water suppliers are providing safe drinking water. They also monitor and report on the environmental performance of wastewater and stormwater networks from 2023.

While regional councils will remain the primary regulators for the environment including freshwater, wastewater and stormwater, there will be stronger Central Government oversight of drinking water, wastewater and stormwater regulation. Our regulatory compliance function for the Three Waters, can challenge relationships with Territorial Authorities. Relationships will also need to be established with the new WSE.





## Essential Freshwater

Regional Councils are responsible (under the RMA) for managing activities that affect freshwater quality and freshwater ecosystems, like land use, discharges to land and water, taking and using water, or damming, diverting and modifying lakes, streams and wetlands.

The NPSFM 2020 puts significant emphasis on Te Mana o te Wai as the fundamental concept, and sets up a hierarchy of obligations for freshwater. The first priority being to provide for the wellbeing of freshwater and freshwater ecosystems, the second being to provide for human health needs, and then for social, economic and cultural wellbeing. A number of other key changes have also been made that direct councils to involve tangata whenua in freshwater management, as well as changes that will help to halt declining water quality and focuses on improving water quality.

The RMA was also amended in 2020 to provide a freshwater planning process, and this included a deadline of 30 December 2024 to implement the new NPSFM, by way of notified proposed plan changes. The Strategy and Policy Committee also decided that Council would notify changes to both the RPS and the Regional Natural Resources Plan (RNRP) in July 2024.

Alongside the NPSFM 2020 change, new national freshwater regulations were also gazetted, which Council's Regulatory Services teams now implement through consenting and compliance work. There have been several "teething" issues associated with these regulations and some amendments to them are pending (by late 2022 or early 2023), particularly relating to activities in or near wetlands. Council will have to implement these when they are gazetted.

Freshwater management affects all people, and many key stakeholders including district councils, primary sectors, hydroelectric power generators, and various industries. Many parties will want to have a say on any changes Council makes to the RPS and RNRP regarding freshwater, so engagement on draft options throughout 2023 will be critical, as will the formal submission period after notification of proposed changes in 2024. Decisions on policy options sit with the new Council and will need to be made in late 2023 and early 2024 in order to meet the RMA deadline.

## Climate Change

The Climate Change operating environment is complex, with a significant number of intertwined guidance and legislation landing over 2023 to 2024.

Central Government has recently published both an ERP and a NAP, both of which are requirements under the Climate Change Response Act 2002 (CCRA).

The NAP is Central Government's response to the first national climate risk assessment. The plan was released in August 2022. It takes the form of a six-year work programme with four priorities: enabling better risk-informed decisions, driving climate-resilient development in the right places, laying the foundations for a range of adaptation options including managed retreat, and embedding climate resilience across Government policy. Clarity on key questions such as roles and responsibilities and who pays for adaptation interventions will emerge from several workstreams in the plan.

Council will need to have regard for both the NAP and the ERP when making or changing RPS and Regional Plans from November 2022.

## Māori Involvement and Capacity Building

Council has received regular reports over the past triennium on the broader aspects of the changing operating environment. The Randerson Report took particular note of the Waitangi Tribunal's National Fresh Water and Geothermal Resources (WAI 2358) Stage 2 report and made strong recommendations regarding the removal of regulatory barriers to Māori participation and changes to the status of the Treaty and wider Part 2 matters under the RMA.

Since the NPSFM 2020 was gazetted, a suite of proposed changes to policy and regulation have followed from Central Government. Along with the Treaty Settlement Programme, far greater opportunities exist for Māori to be more directly involved in decision-making across the activities of Council. The proposed NBA for example is likely to require persons exercising any functions under the Act to "give effect to the Treaty of Waitangi principles". The Three Waters Programme creates governance tiers that must include tangata whenua, although there are issues in giving effect to the proposal. Finally, the CAA will likely add to the already enhanced role that Māori will play in decision-making.

## Other Reform

Upcoming areas where reform is planned, that could affect Council's structure and/or role, include Emergency Management, Land Transport, Conservation Law, and Waste Management and Minimisation.

Staff will continue to monitor the reform landscape and will advise of any developments that may have implications for Council.

# Our Work

## Corporate

The Corporate Group provides central support services to Council. The Group consists of the following teams: Customer Contact, Digital Services, Finance, Rates, Transport Operations, Risk and Assurance, Legal Services, and Commercial. The Group's focus is supporting the delivery of each of our Community Outcomes both internally and externally.

<b>Team: Customer Contact</b>
<b>Function:</b> Responsible for efficient and effective customer service and facilities management support.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Front Line and Call Centre Customer Services; Property Services; and Vehicle Fleet Services.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Achievement of Rates Transition project outcomes where ratepayers understand and see how their rates contribute to the work Council does to benefit the region.</li> <li>• Improve operational efficiency of buildings and fleet as part of Toitu emissions reduction programme.</li> </ul>
<b>Team: Digital</b>
<b>Function:</b> Responsible for efficient and effective digital, data and technology services.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Digital Solutions and Services; Enterprise Systems Management; Geospatial Services; Data and Business Intelligence; Technology Operations and Security; Service Desk; Project Management; and Business Analysis.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Digital Plan and organisational enterprise roadmap.</li> <li>• Data management, business intelligence and insights.</li> <li>• Cybersecurity risk management.</li> <li>• Regional sector technology collaboration.</li> </ul>
<b>Team: Finance</b>
<b>Function:</b> Responsible for the prudent management of Council's finances, providing financial advisory and corporate support services to the business. Ensuring compliance with applicable legislation, reporting standards and Council strategies.
<b>Services</b> <ul style="list-style-type: none"> <li>• Finance – Budget preparation and monitoring; Annual Reporting; Accounts Payable and Receivable; and Treasury Management</li> <li>• Rating – including Rates Collection and Rates Debt Management.</li> <li>• Corporate Performance -Community Grant Scheme management; Manage Corporate Planning functions; Organisational Performance reporting; and Quarterly Council "Arotake" report.</li> </ul>

<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Financial sustainability, affordability, policy reviews.</li> <li>• Functional efficiency and effectiveness reviews.</li> <li>• Rates and Rating reviews.</li> <li>• Compliance with ongoing statutory change and annual audits.</li> <li>• Leveraging Council's financial position to create economic development opportunities for Council and the region.</li> </ul>
<p><b>Team: Transport Team (Transport and Urban Planning, and Transport Operations)</b></p>
<p><b>Function:</b> Leading the integration of urban growth, regional development and transport initiatives and support services for the Bay of Plenty. Also, to work with partners to deliver a compact, sustainable urban form, with supporting integrated transport that promotes environmental, social, cultural and economic wellbeing.</p>
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Delivering integrated planning and growth management strategies for sustainable urban management and considering strategic issues in urban and transport policy.</li> <li>• Supporting the development and implementation of Urban Form and Transport Initiative.</li> <li>• Responsible for the development and delivery of the Regional Land Transport Plan and Regional Public Transport Plan.</li> <li>• Responsible for the delivery of public transport and mobility support, while reducing road congestion and emissions.</li> <li>• Transport Operations Support Services across the region.</li> </ul>
<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Integrating Transport Planning, and Urban and Sub-regional Growth.</li> <li>• Public Transport fare review and confirming Public Transport principles.</li> <li>• Transport data delivery.</li> <li>• Provision of quality, cost-effective public transport.</li> <li>• Readiness for spatial planning under Local Government and RMA reform.</li> </ul>
<p><b>Team: Risk and Assurance</b></p>
<p><b>Function:</b> Responsible for risk and assurance services.</p>
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Health and Safety support; Internal Audit; Continuous Improvement business support; and Risk Management and reporting.</li> </ul>
<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Evolving Health and Safety legislative framework.</li> </ul>
<p><b>Team: Legal Services</b></p>
<p><b>Function:</b> Responsible for in-house legal services to Regional Council.</p>

<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Reduce legal, commercial and reputational risks through the provision of legal advice and support; Maintain Legislative Compliance Framework; Monitor legislative changes to identify any impacts and implications for Council; Monitor, control and improve legal practices, procedures and policies; and Enhance capability, understanding and awareness of legal and legislative compliance matters across Council.</li> </ul>
<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Dynamic and reform heavy legislative environment.</li> <li>• Ensuring legislative compliance across all of Council.</li> </ul>
<p><b>Team: Commercial</b></p>
<p><b>Function:</b> Responsible for procurement and contract management.</p>
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Centralised procurement and contract management; Provide appropriate strategic commercial advice to staff and Council; and Oversee a capability development programme for all staff involved with procurement.</li> </ul>
<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Council friendly contract terms and conditions.</li> <li>• Contractor performance regimes.</li> <li>• Implementing social procurement guidelines.</li> </ul>

## Integrated Catchments

Integrated Catchment Management (ICM) approaches sustainable resource management from a catchment-wide perspective.

Integrated Catchment Management at Council means co-ordinating the catchment teams' work with that of the Biosecurity Team, which delivers on the objectives of the RPMP. The Rivers and Drainage and Engineering teams, deliver the work programmes for the Council's four major flood protection schemes and maintain the levels of service using Council's Asset Management Plan and the Infrastructure Strategy. The Climate Change Programme and Action Plan is also run from ICM as a programme, with input from other Groups, especially Strategy and Science.

This work directly contributes to all four community outcomes: **A Healthy Environment, Freshwater for Life, Safe and Resilient Communities** and **A Vibrant Region**.

<p><b>Team: Coastal Catchments</b></p>
<p><b>Function:</b> Delivering ICM services for the coastal catchments across the Bay of Plenty.</p>
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Meeting Swimmability targets.</li> <li>• Protecting biodiversity.</li> <li>• Co-governance champion (Te Maru o Kaituna, Tauranga Moana Advisory Group, Te Uepu, Rangitāiki River forum, Ōhiwa Harbour implementation forum).</li> <li>• Wetland restoration.</li> <li>• Supporting the Coastal Science Chair.</li> </ul>

<b>Team: Engineering</b>
<b>Function:</b> Delivering Fit for Purpose engineering advice, including flood warning services.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Flood management.</li> <li>• River Flood Capacity Review.</li> <li>• Capital Project support.</li> </ul>
<b>Team: Rotorua Catchments</b>
<b>Function:</b> Delivering ICM for the Rotorua Lakes' catchments.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Water quality improvements in Lake Rotorua and the other Te Arawa Lakes.</li> <li>• Co-governance champion (Rotorua Te Arawa Lakes Strategy Group).</li> <li>• Provide sustainable land use advice service to landowners, community groups, iwi and others, to deliver on lake action plans.</li> <li>• Science – lake modelling and supporting the University Chair for Freshwater science.</li> </ul>
<b>Team: Rivers and Drainage Operations</b>
<b>Function:</b> Delivering day-to-day operations, to manage and maintain the River and Drainage Schemes in the Bay of Plenty region.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Maintenance of the drainage, pumping and river systems to protect against flooding and maintain land productivity in drainage scheme areas.</li> <li>• Deliver on Asset Management Plan upgrades/repairs arising from asset condition assessments and performance assessments.</li> <li>• Respond with practical support during and after flood events.</li> </ul>
<b>Team: Rivers and Drainage Asset Management</b>
<b>Function:</b> Ensuring the Rivers and Drainage Service Levels are met, using a Best Practice Asset Management Planning approach.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Maintain flood protection and drainage assets.</li> <li>• Support Safe and Resilient Communities.</li> <li>• Ensure asset management planning and asset strategic direction reflect best practice.</li> </ul>
<b>Team: Biosecurity</b>
<b>Function:</b> Delivering Fit for Purpose biosecurity services for the Bay of Plenty.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Implementation of the RPMP.</li> <li>• Surveillance for new pest incursions entering the region.</li> <li>• Leading collaborative pest control programmes (e.g. wallabies, Wilding pines).</li> <li>• Supporting communities to control pests by providing advice and support.</li> </ul>
<b>Current Group Challenges and Opportunities</b>
<p>Some of the matters that will need to be discussed over the coming three years, and in particular, in preparation for the upcoming LTP, include:</p> <ul style="list-style-type: none"> <li>• Our investment in the region's biodiversity needs to be reconsidered given the new NPSIB and need to develop a regional strategy within 3 years.</li> </ul>

- Continued expansion of operational partnerships with iwi and community groups (e.g. volunteers) will enable more to be delivered without needing more staff internally.
- We manage our river schemes in a way that allows for climate change, makes room for the rivers, respects the cultural values of local iwi and hapū.
- Our focus catchments help to target the Council's investment in incentives for landowners to improve local water quality; however, the level of investment may need to be reviewed if we are to meet the swimmability KPI in the LTP.
- The Rotorua Te Arawa Strategy Group are to review the Strategy for the 12 Rotorua lakes. Te Arawa Lakes Trust are leading this work, but it will need input from Council.
- The extent of the role we play in climate change adaptation and mitigation.

### Annual Plan Potential Changes and Key Decisions

- Completing the Ngongotaha Flood repair works, the Rangitāiki floodway spillway, The Whakatāne floodwalls work (Project Future Proof) and the up-coming Ōpōtiki scheme works likely to arise from the recent Waioeka-Otara capacity review.
- Defining Council's role in climate change adaptation to be future ready.

## Kotahitanga Strategic Engagement

The Strategic Engagement Group supports Council's legislative requirements for plans and policies and Treaty Settlements, including engagement with partners and the community. The Group's work directly contributes to all our community outcomes: **A Healthy Environment, Freshwater for Life, Safe and Resilient Communities and A Vibrant Region.**

The Group consists of the following teams: Te Amorangi (Māori Policy), Communications and Community Engagement.

### Team: Te Amorangi (Māori Policy)

**Function:** Provide strategic advice and leadership on Māori outcomes, relationship management and organisation integration of Te Ao Māori, to meet our statutory responsibilities.

#### Services:

- Leading development and implementation of Māori Partnerships work programme.
- Driving innovation and continuous improvement of Councils delivery of kaupapa and outcomes for Māori.
- Facilitating initiatives to build Māori capacity and capability in Local Government and resource management.
- Key advisors on regional Māori landscape, engagement with tangata whenua and provision of advice to Council and staff, to navigate Kaupapa Māori.
- Developing tools to support organisation cultural capability: i.e. He Korowai Mātauranga, Regional Māori Engagement Strategy.
- Engaging with the Crown on Treaty Settlements and corresponding responsibilities/implications for Council.
- Administration of Iwi Management Plans and Mana-Whakahono arrangements.

#### Challenges and opportunities:

- RM reform – broad range of new tangata whenua specific provisions.
- Competing resources/capacity of Iwi and Hapū to engage with Council operations.

<b>Team: Communications</b>
<b>Function:</b> Responsible for Fit for Purpose communications support services.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Media handling.</li> <li>• Internal and external communications.</li> <li>• Graphics.</li> <li>• Council branding and reputation management.</li> <li>• Communications framework and consistent messages.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Digital and Social Media monitoring and response.</li> <li>• Growing community expectations regarding accessible information.</li> <li>• Communicating to our community and our customers the role and impact of Council.</li> </ul>
<b>Team: Community Engagement</b>
<b>Function (Community Engagement):</b> Connects the aspirations, needs and values of our diverse communities with Council's work.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Leading the cross-organisational network implementing the Community Participation Impact Area and Action Plan.</li> <li>• Delivering the <i>Youth Engagement Plan</i> to support young people to be more involved in decision-making and action with Council.</li> <li>• Engagement planning, facilitation, advice and support across Council with a specific focus in 22/23 on Freshwater, Climate Change including Transport, and Youth.</li> <li>• Coordination for the organisation wide online engagement platform, (<a href="http://www.participate.boprc.govt.nz">www.participate.boprc.govt.nz</a>) including support, advice and reporting for projects.</li> <li>• Pilot enhanced engagement tools and strategies for priority issues which may include deliberative practices, extending our current use of digital engagement, and social science-based approaches in line with the Community Participation Action Plan.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Supporting both online and in-person engagement techniques to reduce barriers to participation for our diverse community.</li> <li>• Seeking considered feedback on complex issues requires significant commitment from participating community and is likely to reflect the views of smaller groups than broader more informal engagement.</li> <li>• Encouraging greater reach and representative participation in Council processes by offering community more influence in decision-making such as participatory budgeting.</li> </ul>

## People and Leadership

The People and Leadership Group provides central and support services to the Council and consists of the following teams: People and Capability, Organisational Development and Governance Services.

The focus of the Group is both internal and external, supporting the delivery of each of our Community Outcomes.



<b>Team: People and Capability</b>
<b>Function:</b> Responsible for people and capability support services to enable our people to lead and deliver.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Payroll Services.</li> <li>• People Processes/Recruitment Support.</li> <li>• Business Partnering/Advisors.</li> <li>• Employment legislation expertise.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Workforce/People Planning/Skills retention.</li> <li>• Dynamic union environment and legislative requirements.</li> </ul>
<b>Team: Organisational Development</b>
<b>Function:</b> Responsible for supporting Council to achieve greater effectiveness by developing, improving and reinforcing organisational strategies, structures and people processes.
<b>Services:</b> <ul style="list-style-type: none"> <li>• People and culture strategy.</li> <li>• Leadership effectiveness.</li> <li>• Learning and professional development.</li> <li>• Staff Te Ao Māori capability.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Changing nature of work and employee expectations post-Covid.</li> <li>• Changing legal and political environment.</li> </ul>
<b>Team: Governance Support</b>
<b>Function:</b> Responsible for Fit for Purpose governance support services.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Councillor and appointed member support.</li> <li>• Advisory support on democratic processes.</li> <li>• Meeting support.</li> <li>• Organisational agenda management support.</li> <li>• Elections and Representation Review management.</li> </ul>
<b>Challenges and opportunities:</b> <ul style="list-style-type: none"> <li>• Changing political and democratic decision-making environment.</li> <li>• New System implementation.</li> <li>• New Triennium establishment.</li> </ul>

## Regulatory Services

The Regulatory Services Group includes Council's consents, compliance, data services, maritime and emergency management teams. The focus of the Group is to keep our communities safe and the environment healthy, and directly contributes to three of the four community outcomes: **A Healthy Environment, Freshwater for Life, and Safe and Resilient Communities.**

The Group consists of the following teams: Data Services, Regulatory Compliance (Air, Industry and Response), Regulatory Compliance (Land and Water), Consents, Maritime Operations, and Emergency Management Bay of Plenty.

<b>Team: Data Services</b>
<b>Function:</b> Provide accessible and reliable data to enable evidence-based decisions.
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Collects and manages data for ongoing environmental monitoring programmes throughout the region.</li> <li>• Provides a reliable, quality assured and cost-effective laboratory service to analyse samples.</li> <li>• Enables data access, use and understanding for the community (e.g. online dashboards for live monitoring data).</li> <li>• Collects and manages compliance data submitted from consent holders.</li> </ul>
<p><b>Challenges and opportunities:</b></p> <ul style="list-style-type: none"> <li>• Continued increase in demand for data and knowledge, particularly through the Government's Freshwater Reform Programme. Requires collection, analysis and management of more samples.</li> <li>• Community expectation for more comprehensive and timely monitoring throughout the region (particularly air quality) which is expensive and logistically difficult.</li> <li>• Open data and information sharing expectations (e.g. Land, Air, Water Aotearoa (LAWA), access to live monitoring data etc).</li> <li>• Contributing to regional sector Environmental Data Management System (EDMS) for New Zealand.</li> <li>• Responding to Three Waters Reform in terms of water supply services provided by the laboratory.</li> </ul>
<p><b>Key decisions coming up</b></p> <ul style="list-style-type: none"> <li>• Service delivery decisions will need to be made for the next LTP given increasing demands.</li> </ul>
<b>Team: Regulatory Compliance (Two compliance teams – Air, Industry and Response; and Land and Water)</b>
<b>Function:</b> Promote compliance and encourage sustainable resource use through regulatory and non-regulatory tools.
<p><b>Services:</b></p> <ul style="list-style-type: none"> <li>• Responds to complaints received particularly through the 0800 Pollution Hotline; Monitors compliance with rules and resource consents. Undertakes enforcement action where required.</li> </ul>
<p><b>Challenges and opportunities</b></p> <ul style="list-style-type: none"> <li>• Growing pressure between industrial and residential areas as development increases, particularly around issues of odour and dust.</li> <li>• Working with industry and community on air quality in the Mount Industrial Area and Ngāpuna in Rotorua, where there are significant community concerns about the impact on human health.</li> <li>• Three waters compliance (drinking water, stormwater and wastewater) can challenge relationships with TAs. Relationships will need to be established with the new entity.</li> </ul>
<p><b>Key decisions coming up</b></p> <ul style="list-style-type: none"> <li>• Service delivery decisions will need to be made for next LTP Service requests, given that calls to the Pollution Hotline have more than doubled in the last five years, as well as an increasing number and complexity of resource consents and regional plans to monitor.</li> <li>• Annual monitoring priorities will be established through the AP process.</li> </ul>

<b>Team: Consents</b>
<b>Function:</b> To make decisions on consent applications that follow statutory requirements and a fair process.
<b>Services:</b> <ul style="list-style-type: none"> <li>• Provides advice and information to resource users in relation to regional plan requirements and consents, including through pre-application meetings.</li> <li>• Inputs into development of policies and rules (at a regional and a national level) to ensure intended outcomes can be delivered through the consenting process.</li> <li>• Processes consents in a timely manner with a focus on delivering excellent customer service.</li> </ul>
<b>Challenges and opportunities</b>
<ul style="list-style-type: none"> <li>• Increasing complexity of resource consents, regional plans, and national planning documents which challenge timing, expectations and data needs.</li> <li>• Increasing and evolving expectations of tangata whenua involvement in decision-making.</li> </ul>
<b>Key decisions coming up</b>
<ul style="list-style-type: none"> <li>• Awaiting decisions from the Court of Appeal on Otakiri water bottling which will inform future decision-making.</li> <li>• A range of national policy direction, resource management, and Local Government reform.</li> </ul>
<b>Team: Maritime</b>
<b>Function:</b> To keep people on the water and our maritime environment, safe.
<b>Services</b> <ul style="list-style-type: none"> <li>• Monitors compliance with the Navigation Safety Bylaw and Maritime Transport Act.</li> <li>• Provides education: both on water and through student programmes.</li> <li>• Ensures our navigation aids and signage are Fit for Purpose.</li> <li>• Manages mooring zones and licences.</li> <li>• Responds to oil spills.</li> </ul>
<b>Challenges and opportunities</b>
<ul style="list-style-type: none"> <li>• Continuing significant increase of people and boats on the water across the region, particularly over the summer months.</li> <li>• Continuing increase of Port of Tauranga activity requiring additional support on water.</li> <li>• Harbour development in Ōpōtiki and boat harbour development in Whakatāne.</li> </ul>
<b>Key decisions coming up</b>
<ul style="list-style-type: none"> <li>• Navigation and Safety Bylaw review to progress in 2022/23.</li> </ul>
<b>Team: Emergency Management Bay of Plenty</b>
<b>Function:</b> To provide for the safety of the public through the regional coordination of emergency management across the areas of reduction, readiness, response, and recovery for the Bay of Plenty Civil Defence and Emergency Management (BOP CDEM) Group.
<b>Services</b> <ul style="list-style-type: none"> <li>• Coordinates planning for, response to, and recovery from an emergency event.</li> <li>• Coordinates the monitoring and reporting against the BOP CDEM Group and Annual Plans, to the governing committees required by the Civil Defence Emergency Management (CDEM) Act 2002 - the Joint Committee, and the Coordinating Executive Group.</li> <li>• Maintains a 24/7 duty system to monitor and respond to emergency events; and provides for the regional training and exercising of all CDEM staff in the Bay of Plenty.</li> </ul>

### Challenges and opportunities

- The national emergency management systems reform (known as the Trifecta).
- Integration of Iwi/Māori into the emergency management system within the BOP CDEM Group.
- Responding to increased frequency and severity of emergency events and the impacts.
- Resourcing the increasing expectation for a professional emergency management service.
- Building and maintaining CDEM response capability with increasing national training requirements for staff.

### Key decisions coming up

- The implementation of the new Emergency Management Act to replace the current CDEM Act.
- The implementation of the new National Emergency Management Plan to replace the current National Civil Defence Emergency Management Plan Order 2015.
- The implementation of the new BOP CDEM Group Plan to replace the current BOP CDEM Group Plan 2018-2023.

## Strategy and Science

The Strategy and Science Group leads Council's legislative requirements for plans and policies, including engagement with partners and the community, while providing the scientific data to support these. The Group's work directly contributes to all our community outcomes: **A Healthy Environment, Freshwater for Life, Safe and Resilient Communities and A Vibrant Region.**

The Group consists of the following teams: Science, Environmental Strategy, and Policy and Planning.

### Team: Science

**Function:** Responsible for delivering accessible and relevant science that empowers decision-making and enables sustainable management of our natural resources.

#### Services:

- Leading the provision of timely and quality science advice.
- Coordination of science delivery for the organisation.
- Development of sound scientific tools and methods to enable good information management and links across Council.

### Team: Environmental Strategy

**Function:** Responsible for providing strategic advice, acts as problem solvers and connectors for the organisation, with specialist economic services and horizon scanning.

**Services:**

- Driving organisational strategic thinking and problem solving.
- Advancing climate change activities, advice and analysis.
- Economic analysis in support of Council projects/programmes.
- Coordinating response to Central Government initiatives, including future for Local Government.
- Regional Economic Development: Identifying and supporting sustainable development opportunities to accelerate the region's progression towards a low carbon and circular economy through the BOC, which takes strategic direction from an independent leadership group. BOC encourages collaboration and communication across the wider Bay of Plenty and provides thought leadership and advocacy in its priority areas.

**Team: Policy and Planning**

**Function:** Responsible for leading development and updating of Council's RMA plans and policies, including the Regional Policy Statement, Regional Natural Resources Plan and Regional Coastal Environment Plan.

**Services:**

- Provision of a programme of Plan Development over the next 10 years, focusing on freshwater, geothermal, on-site effluent treatment (OSET), gravel, air, urban form and natural hazards.
- Management of the plan changes process, involving robust science, policy development, engagement, submissions, further submissions, hearings, decisions, and appeals.

**Current Group Challenges and Opportunities**

- Need to work differently to deliver the Essential Freshwater Package, particularly engaging with Māori.
- The extent of the role we play in climate change adaptation and mitigation.
- Increased opportunities for partnerships to deliver on our outcomes.

**Annual Plan Potential Changes and Key Decisions**

- How we will work differently to deliver Essential Freshwater package. How we prioritise and deprioritise.
- Defining Council's role in climate change adaptation to be future ready.

# Our People

We have a highly engaged workforce with 84% of staff agreeing with the statement “Our Council is a great place to work”. This is above the Local Government benchmark of 75%. Our staff survey participation rate is 14% higher and our overall staff survey score is 7% higher than that of other councils.

Our people are primarily “knowledge workers” i.e. they undertake work which involves thinking and problem solving, requiring convergent and divergent thinking to answer complex questions and problems, often in specialised fields and with an expectation to innovate. Our people are typically senior in their level of experience and the average length of service is 7.18 years.

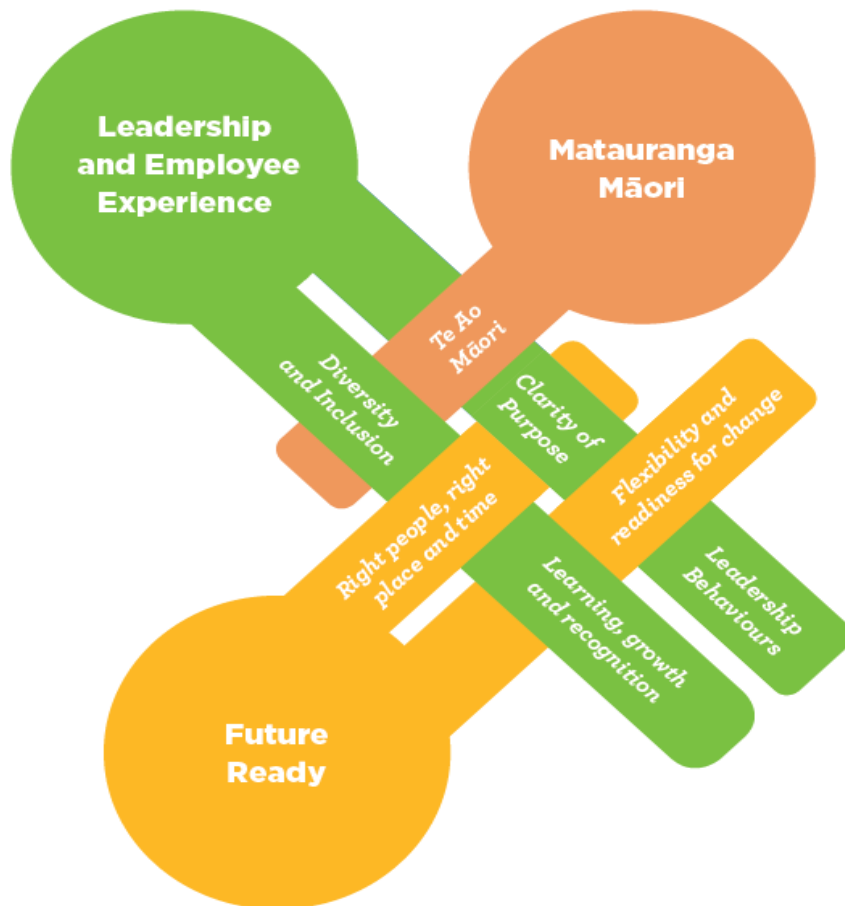
Our complex operating environment is becoming even more dynamic, and this requires our people and our way of work to be highly adaptive. We need to have a workforce which is both ready and adaptable, all while operating within budgetary constraints. We are aware of skill shortages in some areas which are key to our ongoing delivery and success.

## Our People Plan

Over 2019 we researched widely about what’s happening in the world of work and the challenges ahead for our organisation, the freshwater reform that is now underway is a great example of this. We recognised there was a significant case for change so we can continue to thrive together for our communities in our changing world.

Following this research, we developed our *People Plan – Toi Tangata*, as we believe enhancing our culture will improve the experience of our customers and enable us to better deliver on our outcomes. Toi Tangata is a three-year plan that looks at what we do and how we do it, so that together we can adapt and respond to the changing world around us and make Council an even greater place to work.

Our three key focus areas are woven together, and within these we have a number of workstreams as shown below:



The Leadership and Employee Experience focus area includes building on existing opportunities and developing new initiatives to grow and develop our staff and people leaders, creating greater clarity of purpose through enhanced performance and service planning, and further cultivate our safe, diverse and inclusive workplace. By being intentional about our employee experiences, and through the actions of our people leaders, we will thrive together and deliver what's needed to the communities we serve.

The Mātauranga Māori focus area delivers on core priorities of our He Korowai Mātauranga Framework, enhancing and improving our understanding and application of Te Ao Māori. Understanding Te Ao Māori and fostering meaningful and productive relationships with Tangata Whenua will lead to better solutions for our community.

The Future Ready focus area includes workforce planning for our needs now and in the future, to enable a multi-skilled flexible workforce. Our external context and political landscape are constantly changing, so our success relies on supporting our organisation, teams and people to adapt, thrive and to deliver the outcomes our customers value. We are intentionally developing an environment which acknowledges the new world of work and expectations of employees.

## Leading in times of uncertainty

Leading an organisation in these disruptive times can be challenging and requires a reflective approach by leaders to adapt to the changing needs of our communities and our people.

As indicated in the Changing Operating Environment section, there continues to be a substantial number of change proposals coming at Council which will continue to put additional pressure on our day-to-day activities, as we endeavour to work out the implications of what is being put in front of us. The speed, breadth and volume of changes is challenging our ability to digest them and their implications on Council's role.

Leading in times of uncertainty has been identified as an area that Council needs to prioritise and be proactive in, to ensure that we are creating an environment that enables our staff to thrive and fostering their resilience, while taking advantage of opportunities the changing operating environment provides.

### What is currently happening?

Staff continuously monitor and report on the reform environment to determine if there are any new proposals that affect Council's role and functions. The looming FFLG Review Panel's Draft Report and NBA and SPA resource management legislation, will be a priority once they land.

The FFLG draft report is expected to make some proposals that could change Council's functions and role, current systems and processes, and how we engage with our communities. Council will need to consider the report and will partake in the consultation and public submission process.

The Bills for the NBA and SPA are also due for release in the final quarter of this year and are to be enacted this Parliamentary term. Council will need to analyse this legislation and its implications and partake in the consultation and public submission process. Timing for this process is not yet clear.

Within Council and as indicated above, a focus on the three focus areas of Toi Tangata has enabled a positive organisational culture that is reflected in many indicators. For example, our staff turnover is well below peer organisations at around 12%. We continue to review and refine Toi Tangata to respond to changing needs.

### Challenges

In addition to the change we are seeing within Government, there is significant social, cultural, wellbeing and economic change impacting our communities. Trust in Government generally is seeing a downward trend as we see more protests and polarising views emerging. Post pandemic recovery along with the housing crisis and cost of living increases are all factors that create the context within which Council and staff engage with our communities.

In the workplace, global trends such as the 'The Great Resignation' or 'Silent Quitting' are creating a high turnover of staff and skill shortages for many New Zealand organisations. Post pandemic, the wellbeing and mental health of staff are key considerations for employers in creating a mentally healthy workplace, where people can thrive and be productive in a healthy and sustainable way.

Global research reports the growing trend of people becoming more driven by their personal purpose and doing work that contributes to their family and communities. As a result, employees are making choices to step out of the workforce or to explore career changes that are more meaningful to them.



## Opportunities

Leadership is key to navigating this complex environment. The scale of disruption requires society to step up and lead. Leadership in these times requires the ability to navigate polarised views and communities through holding space for deep conversations. Leadership that creates a space for diverse views, sustains dialogue, engages others, goes deep, and inspires. Leaders who inspire positive emotions and create narratives of possibility and hope, will support communities and organisations to navigate these times and to create impact in the areas that they are passionate about.

At Council, we believe everyone has the opportunity to display leadership qualities. Our leadership model Te Pae Rangatira (TPR) provides a shared understanding of what great leadership looks like at Council. Te Pae Rangatira has been developed in collaboration with staff to enable them to navigate the complexity within which we operate.

In addition to our Spirit of Service for our community, our values encompassing who we are and what is important; we continue to see strength in our leadership as we grow and thrive in this space together.

We have invested in a leadership programme of learning, setting us up to lead Council today and in the future. These programmes will help us to continue to grow leaders who can gain a deeper understanding of themselves and their strengths, while unlearning some traits that are not serving them. Our leaders will also learn to collaborate together in an inclusive way, develop agility and adaptability to change, grow courage to enable proactive conversations, care for and support one another, and create deeper and wider connections across Council.

Having great leadership is one of the most important levers for a positive organisational culture and for growing and retaining our staff. We regularly survey staff so that we can seek their feedback on how we are doing and to track our progress on areas of improvement. In our last full survey, Leadership Effectiveness was the second highest category with a score of 77% agreement. Our recent pulse survey to re-test progress on inclusion showed significant improvements in response to some targeted work, demonstrating that our leaders continue to positively adapt.

## On the horizon...

As our changing operating environment continues to evolve, we will continue to review our organisational environment to ensure we are able to respond. The next evolution of Toi Tangata is in the early stages of development and will be focused on our ability to lead through these challenging times and to provide Council with the leadership capability and skill needed to deliver for our communities.

Once the incoming Council has been established, we will explore with Councillors the support that may be offered to enhance their leadership journey.

Given the pressures that the changing operating environment places on Council and our staff, we support staff in several ways in order to maintain a mentally healthy workplace. We have partnered with Benestar, an independent and comprehensive wellbeing and health service. Benestar provide our Employee Assistance Program (EAP) which includes professional, confidential coaching and support which is available to staff, Councillors and eligible immediate family members.

# Financial Context

## Financial Strategy

Our Financial Strategy informs our decisions on how to manage our finances and pay for the work that we are doing. The strategy is based on five key principles:

- Council balances operating expenditure and revenue, except where an alternative approach is more financially prudent.
- Council achieves the right mix to fund its activities, and keep rates, and fees and charges, affordable, fair and equitable.
- Council promotes effective and efficient use of resources to achieve better value for money.
- Council creates resilience through robust and agile management practices which minimise or mitigate risk to achieving its financial objectives.
- Council supports investment in solutions that are the most appropriate in the long term.

## Group Structure

Council holds a 100% shareholding in Quayside Holdings Limited which, through appropriate subsidiaries, holds a 54.14% shareholding in Ports of Tauranga Limited (POTL). As well as managing POTL, Quayside manages other commercial investments to optimise growth and returns over the long run for the good of the Bay of Plenty. Quayside budgets to distribute 80% of its cash profit to its shareholders which will make up around 29% of our forecast operating revenue.

Council also holds a 16.13% shareholding in Bay of Plenty Local Authority Shared Services Limited, with the eight other local authorities in the Bay of Plenty and Gisborne, and an 8.29% shareholding in the Local Government Funding Agency.

Council is given a credit rating by Standard and Poors based on its financial stability; currently this is the highest available rating of AA which was re-affirmed in 2022.

## Revenue and Financing Policy

This Policy describes how Council will use revenue and financing sources to fund its Activities and is based on analysis required by the LGA. Council always seeks to maximise grants, sponsorship or subsidies received.

Generally, capital expenditure is funded through a mix of capital grants, internally held funds, and borrowing, to spread the cost of an asset over its useful life through interest charges and depreciation. The funding source for operating expenditure (including interest and depreciation) is determined by the beneficiary principle as shown below:

Area of Benefit	Funding Source
Individual	Fees and Charges
Defined area	Targeted Rates
Region-wide	General Rates and Investment Income (General Funds)

For example, Resource Consents are primarily funded by fees and charges, while Rivers and Drainage Schemes are primarily funded by targeted rates, and Biosecurity is primarily funded by general funds.

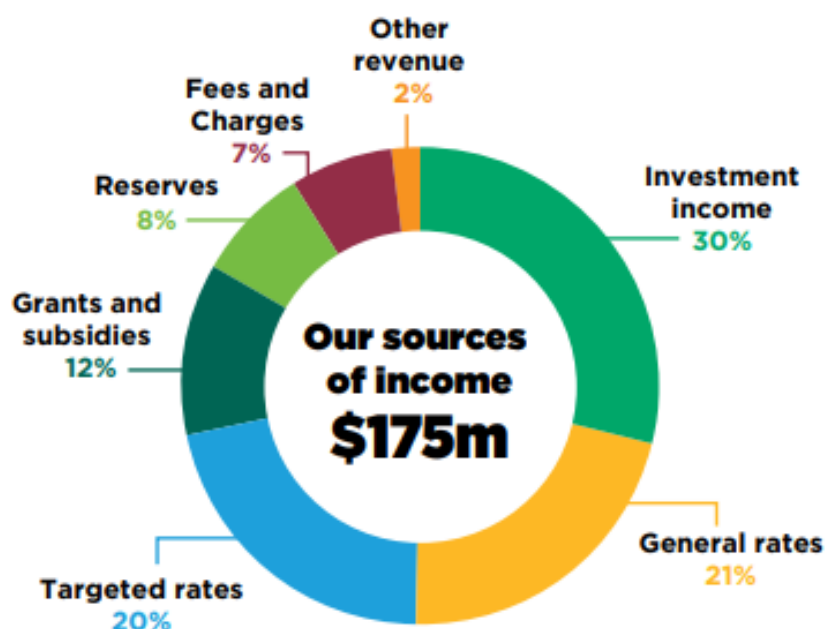
## Council's Financial Position

Council is in a strong financial position and is budgeting for an unbalanced budget this year. Council is legislatively required to have a balanced budget or adopt by resolution that it is prudent not to. The main reason for the unbalanced budget is due to Council's commitment to keeping rates at an affordable level by using investments and dividends, as well as reserves to maintain equitable rate rises across the region.

	2022/23 Annual Plan	2021/22 Actual (unaudited)*	2020/21 Actual (audited)
	\$ Million	\$ Million	\$ Million
Operating revenue	163.8	151.1	149.0
Operating expenditure	175.1	158.5	142.6
<b>Capital expenditure</b>	<b>34.4</b>	<b>18.5</b>	<b>27.6</b>

\* The audited figures will be included in the Annual Report which will be put to the incoming Council later this year for adoption.

The graph below shows all of our sources of income for 2022/23.



Council also has a strong balance sheet. One hundred and thirty seven million dollars has been borrowed to fund capital projects, and Council has choices over whether to fund future capital expenditure from borrowing or cash reserves. Council has also borrowed \$50 million to on-lend to Quayside to replace other borrowing and has borrowed and advanced a further \$5 million of an agreed \$100 million for the Rangiora development. Council's reserves include the \$70 million Toi Moana Fund which is invested for cash returns over the long term.

	2022/23 Annual Plan	2021/22 Actual (unaudited)*	2020/21 Actual (audited)
	\$ Million	\$ Million	\$ Million
<b><u>Assets:</u></b>			
Property plant and equipment	563.0	520.0	500.4
Other assets and investments	316.0	255.3	266.7
<b>Total Assets</b>	<b>879.0</b>	<b>775.3</b>	<b>767.1</b>
<b><u>Less Liabilities:</u></b>			
<b>Borrowings</b>	287.5	192.5	180.9
<b>Other liabilities</b>	34.0	29.3	31.9
<b>Total Liabilities</b>	<b>321.5</b>	<b>221.8</b>	<b>212.8</b>
<b><u>Total Net Assets:</u></b>	<b>557.5</b>	<b>553.5</b>	<b>554.3</b>
<b>Equity</b>			
<b>Retained earnings</b>	234.9	209.0	218.1
<b>Reserves</b>	322.6	344.5	336.2
<b><u>Net Ratepayers Equity</u></b>	<b>557.5</b>	<b>553.5</b>	<b>554.3</b>

\* The audited figures will be included in the Annual Report which will be put to the incoming Council later this year for adoption.

## Financial Framework

The Financial Framework is a holistic review of the options available to Council, including its subsidiaries and major investments. This work, first completed as part of the LTP is a 'first principles' review of the options that are available to Council to fund its work programme, optimise its financial settings, provide financial resilience, and to ensure an equitable balance between spending now and investing for future generations.

### What is currently happening?

PwC have been engaged to update the Financial Framework review that was undertaken as part of the LTP. Councillors will be briefed on this work.

### Challenges

Long-term financial projections are based on assumptions. Significant assumptions for Council financial management include inflation rates, interest rates on investments and borrowings, and financial returns from major subsidiaries like Quayside Holdings, including the POTL shares and other commercial/equity investments.

Currently inflation and interest rates are higher than forecast in the LTP and the AP. Global financial markets are experiencing high volatility and some market commentators are highlighting the possibility of entering a recession.

Balancing the use of the financial 'levers' that are available to Council always requires consideration of affordability in the short-term, versus financial resilience and investing for the future. These decisions rely on several assumptions which are currently more uncertain than usual.

## Opportunities

Compared to other councils in New Zealand, Council has a very large portfolio of investments which provides a large portion of our revenue. Growing this revenue source is a significant opportunity for Council, but one that also brings risk because any underperformance may lead to the need to increase rates. The key will be to optimise the revenue sources to balance short and long term opportunities and risks.

Key stakeholders like other councils and government, as well as members of the public, view Council as 'wealthy' and advocate to use the strength of our balance sheet to invest in major infrastructure. It will be important for these parties to understand how these requests impact on Council and the region, and Council will need to communicate this simply and effectively.

## On the horizon...

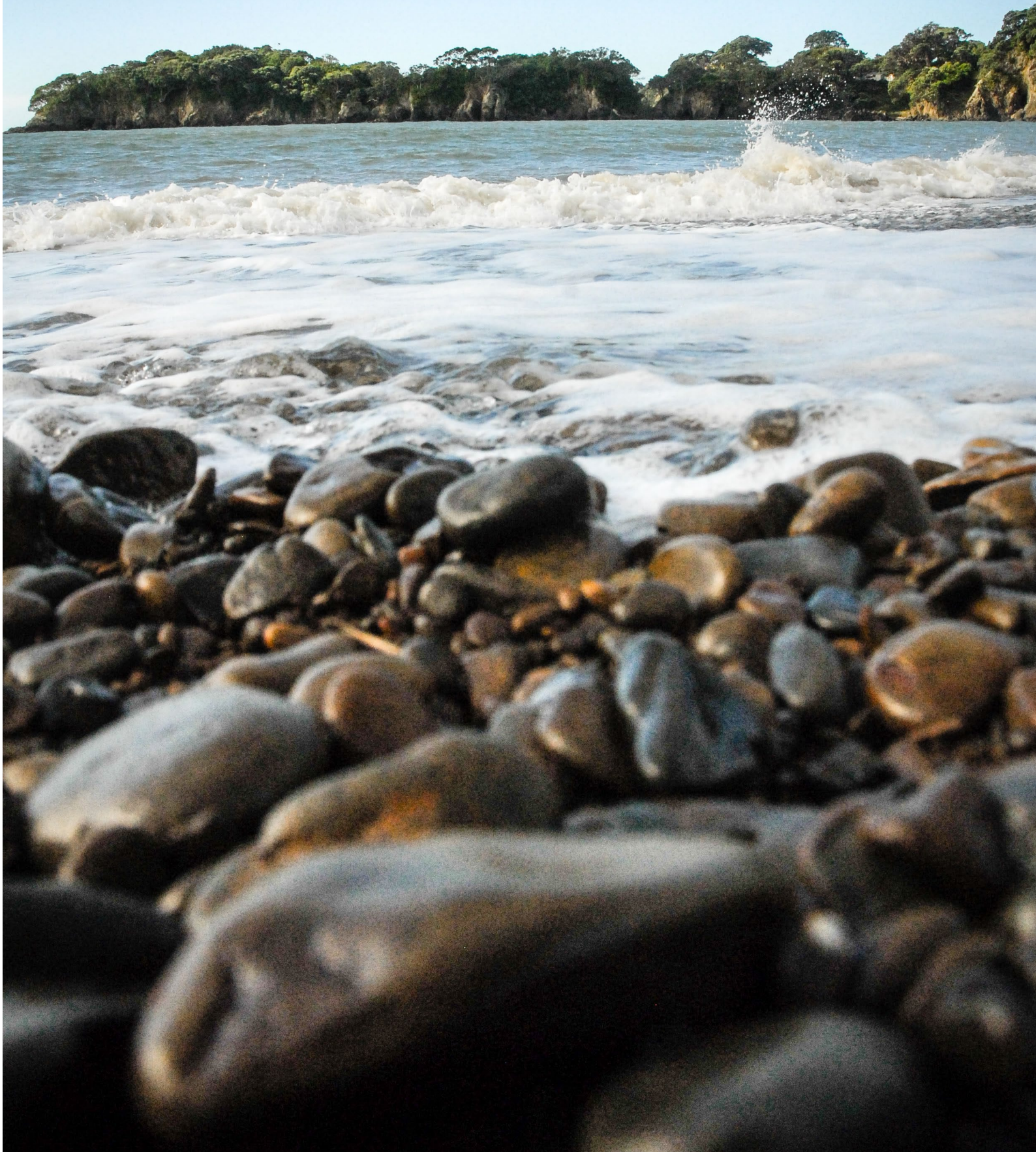
Councillors will receive a briefing from PwC on the current state of their review which is a key input to the Long Term Plan for 2024-2034. No immediate decisions are required but ongoing direction, guidance and questioning from Councillors will help to shape the final Financial Strategy and trade-offs.

While this work is progressing, Councillors will also need to provide direction on the Annual Plan for 2023/2024, including short term treasury management activities.

# Glossary of Acronyms

Acronym	Meaning
AP	Annual Plan 2022/2023
BOC	Bay of Connections
BOP	Bay of Plenty
CAA	Climate Change Adaptation Act (part of RMA reforms)
CCRA	Climate Change Response Act 2002
CDEM	Civil Defence and Emergency Management
Council	Toi Moana Bay of Plenty Regional Council
EAP	Employee Assistance Program
EDMS	Environmental Data Management System
EEF	Environment Enhancement Fund
EMBOP	Emergency Management Bay of Plenty
ERP	Emissions Reduction Plan
FFLG	Future for Local Government (Review)
HKM	He Korowai Mātauranga
ICM	Integrated Catchments Management
LAWA	Land, Air and Water Aotearoa
LGA	Local Government Act 2002
LTP	Long Term Plan 2021-2031
NAP	National Adaptation Plan
NBA	National and Built Environments Act (part of RMA reforms)
NES	National Environmental Standard
NPS	National Policy Statement
NPSIB	National Policy Statement for Indigenous Biodiversity
NPSFM	National Policy Statement for Freshwater Management 2020
POTL	Port of Tauranga Ltd
RNRP	Regional Natural Resources Plan
RPMP	Regional Pest Management Plan
RMA/RM	Resource Management Act 1991, also used in the context of 'resource management reforms'
SoE	State of Environment (Reports)
TA	Territorial Authority/Territorial Local Authority
TERP	Transport Emissions Reduction Plan
TPR	Te Pae Rangatira (BOPRC Leadership model)
WSE(s)	Water Service Entity/Entities

# Appendices







# Appendix 1: Strategic Direction

BAY OF PLENTY REGIONAL COUNCIL TOI MOANA

## Thriving together - *mō te taiao, mō ngā tāngata*

OUR VISION

OUR WELLBEINGS

OUR COMMUNITY OUTCOMES



*He korowai Tataki Taiao*  
Environmental Wellbeing



*He korowai aroha*  
Social Wellbeing



*He korowai whakamana tangata*  
Economic Wellbeing



*He korowai mātauranga*  
Cultural Wellbeing

*Enabling democratic decision-making*



**He talao ora**  
A Healthy Environment

*We protect and enhance our air, land, freshwater, geothermal, marine, coastal resources, and biodiversity for our communities. We support others to do the same.*

Our community understands the state of our environment and is involved in its care

The diverse range of ecosystems in the region are in a healthy state

Resource users implement good practice in using our natural resources

A sound science base, including Mātauranga Māori, supports decision making

Effective natural resource limits are in place, enforced and monitored

Prioritised actions are in place where natural resources do not meet community expectations



**Te Mana O Te Wai**  
Freshwater for Life

*Our water and land management practices maintain and improve the life giving ability of the region's freshwater resources.*

Our community is connected to freshwater and involved with its management

Freshwater ecosystems, along with estuarine and coastal connections in the region, are thriving

Freshwater provides for intrinsic well-being, along with cultural, recreational and economic well-beings



**Kia haumarū, kia pakari te hapori**  
Safe and Resilient Communities

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

Our communities understand the natural hazard and climate change risks they live with

Our partners and our organisation incorporate climate change and hazard risk into planning and decision making

Our region has the capacity and capability ready to respond to and recover from emergencies

Our region's natural hazard risks, in particular flood risk, are managed through how we work, in a way that is affordable and takes a long term perspective

Navigation and water activities within our region strive to keep people safe



**Toitū te rohe**  
A Vibrant Region

*Our stewardship of natural resources and the connections we make provides for sustainable economic development across our region.*

Economic Development opportunities are enabled and connected across our region

Regional transport and regional land use planning is integrated and responsive to growth and natural resource pressures

A fit for purpose public transport system enables a growing economy and a safe, healthy and vibrant region

Our partnerships and collaborative approach leads to improved environmental outcomes

Our region is reducing net greenhouse gas emissions in line with national targets and is transitioning to a low carbon economy

Our region is recovering quickly and well from COVID-19

STRATEGIC PRIORITIES

- Assisting the region to recover from COVID-19 while delivering lasting well-being for the community
- Ensuring we deliver on natural resource regulatory reform and our work programmes that deliver results on the ground
- Ensuring the region is adapting to a changing climate and helping to facilitate a transition to a low carbon economy
- Integrating land-use and transport planning in the region, including the intersection with natural hazards, climate change, and natural resource limits
- Working effectively with Māori in partnerships to deliver outcomes for the region
- Making the best use of BOPRC's resources to deliver on all of our Community Outcomes, including supporting others to deliver
- Taking a regional view while recognising important sub-regional variations and ensuring constructive relationships: nationally, regionally, and sub-regionally
- Ensuring effective community participation in decision making and in the delivery of our roles

THE WAY WE WORK

- We look to add value regionally
- We think integrated
- What we do we do well
- We provide great customer service
- We honour our obligations to Māori
- We deliver value to our ratepayers and our customers
- We continually seek opportunities to innovate and improve
- We look to partnerships for best outcomes
- We use robust information, science and technology
- Our values: Trust, Integrity, Courage, Manaakitanga, Kotahitanga and Whanaungatanga







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