

# Arotake Tuarua 2022/23

*Performance Monitoring Report July to December 2022*

# Q2



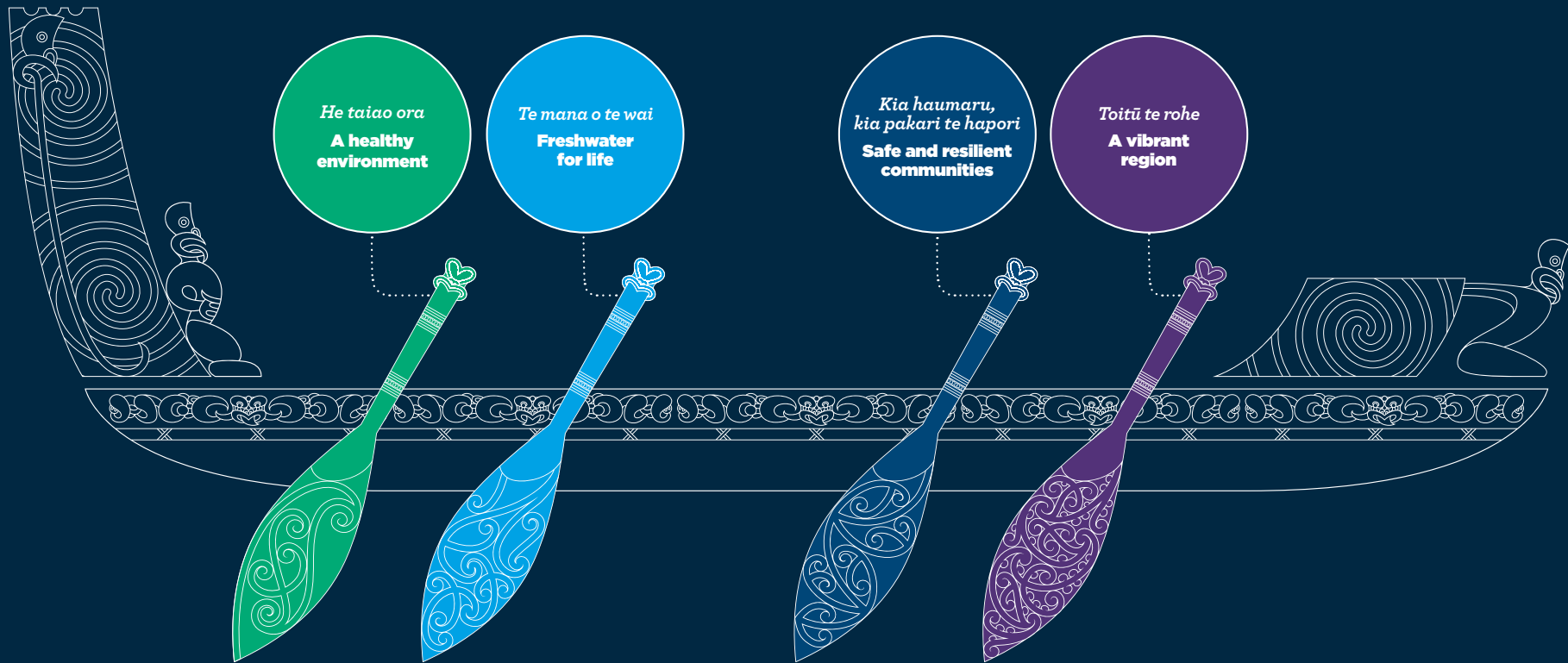
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*Toia tēnei waka tapotū ki te moana mā wai e tō, mā te whakaranga ake e tō.  
He tara wainuku, he tara wairangi tini a monoa nau mai e Tāne.*



*Kia hoe ngātahi atu ki te pae tawhiti*

**Let us paddle in unison to move forward  
as one, so we may reach the distant horizon**

Our journey together is all inclusive, as we strive to reach our aspirations for our region. Our four hoe waka represent our community outcomes, a healthy environment, freshwater for life, safe and resilient communities, and a vibrant region, that will ensure we are successful in achieving our vision. We will work together in unison, and not in isolation for the betterment of our people. May we empower each other to reach our distant horizons, together.

## OUR WELLBEINGS



*He korowai tiaki taiao*  
Environmental wellbeing



*He korowai aroha*  
Social wellbeing



*He korowai whakamana tangata*  
Economic wellbeing



*He korowai mātauranga*  
Cultural wellbeing

# *Te whakarāpopototanga* **Executive summary**

*Arotake Tuarua 2022/23 is Council's performance monitoring report for the six months ending December 2022.*

The report provides detailed information on Council's performance against its Long-Term Plan 2021-2031, including levels of service and work delivered.

## **Financial performance**

Council is forecasting a deficit as at June 2023 of \$11.74m being \$3.09m lower than the originally budgeted deficit of \$14.83m. The reduction in deficit is due to:

- forecast operating revenue being \$0.69m higher than originally budgeted
- forecast operating expenditure being \$2.4m lower than originally budgeted.

Capital expenditure for the full year is expected to be \$34.6m. This is \$0.26m higher than originally budgeted due to a number of capital projects carried forward from 2021/22 being expended during this financial year.

<i>Summary financial performance</i>	Year to date \$000			Full Year \$000		
	Revised budget	Actual	Variance	Revised budget	Forecast	Variance
Operating revenue by class	82,868	81,930	(938)	164,997	165,689	692
Operating expenditure by class	89,795	84,998	(4,798)	179,830	177,423	(2,407)
<b>Total operating surplus (deficit)</b>	<b>(6,927)</b>	<b>(3,068)</b>	<b>3,859</b>	<b>(14,833)</b>	<b>(11,734)</b>	<b>3,099</b>
Capital revenue	2,051	3,322	1,271	4,064	3,713	(351)
Capital expenditure	17,153	4,325	(12,828)	34,370	34,630	260

## Community Outcome highlights during the quarter

This report covers the second quarter of the financial year. Due to the timing of monitoring data, surveys etc. information is not available for all measures. Key results are highlighted below:

### He taiao ora – A healthy environment

- Bay of Plenty hosted the first ‘in-person’ annual meeting of the National Wallaby Programme. The purpose of this meeting was to introduce Ministry for Primary Industry’s Tipu Matoro - Wallaby Free Aotearoa Strategy to our local communities.
- Following ten years of lake weed spraying and monitoring in Lake Ōkāreka, the lake was found to be nearly completely free of freshwater pest weeds when surveyed in December. This is a significant milestone for the Rotorua Lakes Aquatic Management Plan and reflects a collaborative effort involving Toitū Te Whenua Land Information NZ, Te Arawa Lakes Trust, residents and lake users.

### Te mana o te wai – Freshwater for life

- Te Wahapū o Waihi (TWOW) is a collective of leaders from five local iwi whose vision closely aligns with that of Council to improve the water quality and health of the Waihi Estuary. The collective successfully obtained \$2.9 million of Freshwater Improvement funding and held their first meeting to launch in December, Regional Council is both the grantee for the funding and a co-funding partner.

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

- The Harbourmaster completed the inaugural “Kia marutau ki te wai”. This is a pilot education programme which provides safer boating training specific to the needs of individual iwi and hapū.

### Toitū te rohe – A vibrant region






















- Implementation of the Youth Engagement Plan continued. This plan aims to increase opportunities for young people to participate in decision making processes, connect with volunteering opportunities, identify career pathways, and target communications to young people. Activities included attendance at the Tauranga Canvas Careers Expo and Edgumbe Careers Evening to highlight the mahi of Toi Moana.

## Service delivery performance

During 2022/23, we are due to monitor and report on 45 performance measures.

- 21 measures are on track.
- 7 measures are not on track, and are forecast to be at risk of not achieving their target by the end of the year.
- 15 measures are reported on annually or are not due for reporting yet and results will be reported on when data is available.
- 2 Not applicable – measure has target however no incidents occurred to report achievement.

## Community outcomes and activities

Group of Activities	He taiao ora A healthy environment	Te mana o te wai Freshwater for life	Kia haumarū, kia pakari te hapori Safe and resilient communities	Toitū te rohe A vibrant region
Catchment Management	 <b>Biosecurity</b>  <b>Regional Parks</b>	 <b>Rotorua Lakes</b>  <b>Coastal Catchments</b>		
Flood Protection and Control			 <b>Rivers and Drainage Schemes</b>  <b>Regional Flood Risk Co-ordination</b>	
Resource Regulation and Monitoring	 <b>Air Quality</b>  <b>Resource Consents</b>  <b>Regulatory Compliance</b>		 <b>Maritime Operations</b>	
Transportation and Urban Planning				 <b>Public Transport</b>  <b>Transport and Urban Planning</b>
Democracy, Engagement and Planning	 <b>Environmental Strategy</b>  <b>Policy and Planning</b>			 <b>Māori Policy (Te Amorangi)</b>  <b>Community Engagement</b>  <b>Governance Services</b>  <b>Regional Development</b>
Emergency Management			 <b>Emergency Management</b>	
Support Services	 <b>Technical Support</b>		 <b>Corporate Support</b>	

Note: We have allocated activities to the outcome they primarily contribute to, but the majority of our activities contribute to multiple outcomes.

# Ngā whakaarotau rautaki

## Strategic priorities

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We have eight Strategic Priorities, and within these, we have three Impact Areas.

- ! **Climate change** *see page 8*
- ! **Partnerships with Māori** *see page 9*
- ! **Community participation and constructive relationships** *see page 10*
- ! **Regulatory reform**
- ! **Regional recovery**
- ! **Sub-regional/regional view**
- ! **Land use and transport**
- ! **Making best use of our resources**





# Ngā wā whakaaweawe Impact areas

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## ! Climate change

*On 27 June 2019, Regional Council 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. Council adopted a revised climate change action plan for 2021-23 on 4 August 2021.*

We recognise the importance of our leadership and advocacy role and 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

### Highlights from the quarter include:

- **Bay of Plenty (BOP) Community Carbon Footprint** – BOPRC commissioned AECOM NZ Ltd to assist in the development of community-scale greenhouse gas footprints for the Bay of Plenty (BOP) for the three years 2018/19 to 2020/21. Separate reports and data have also been provided to each of the regions Territorial Authorities (including Taupō). In summary the total gross emissions in the Bay of Plenty Region have increased by 12% between 2015/16 to 2020/21. Over this same period the population of the region increased by 17%, which means the per capita gross emissions have decreased by 5%. The BOPRC summary report is available on Council's website.
- **Tourism Bay of Plenty Low Carbon Programme** – This LTP funded project focuses on assisting local tourism operators to turn aspirations into reality for a more sustainable tourism sector. The goal is for 100 businesses to go through the programme. The programme is well connected to and supported by the Tourism Industry. The second tranche of local tourism operators graduated from the 12-week 'Green Room' programme.
- **Interactive mapping tool** – BOPRC has developed an online mapping tool which displays climate change projections for Bay of Plenty for 2040 and 2090. This tool enables a number of climate change projections to be viewed for Bay of Plenty and how these changes are affected by efforts to reduce carbon emissions. It brings to life the climate change data and impacts identified in the 2019 NIWA report available on the Climate Change webpage.
- **Wetland carbon sequestration study mapping** – The assessment and mapping of potential saltmarsh habit restoration sites in the region has been completed. This mapping is part of a Climate Change Action Plan project exploring the potential of Blue Carbon in the region, along with future work to validate local carbon sequestration rates of saltmarsh.





## ! 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.*

Collectively, Māori contribute significantly to the region through ownership of notable assets, economic investment initiatives, participation in co-governance arrangements with councils, and a growing influence in natural resource management.

We are focused on continuing to work collaboratively with Māori as key contributors to strategic direction and leadership in the region.

### Highlights from the quarter include:

- **He toka tū moana mō Maketū (Maketū Climate Change Adaption Plan)**

Maketū Iwi Collective (Te Rūnanga o Ngāti Whakaue ki Maketū, Whakaue Marae Trustees and Ngāti Pikiao Noho Ki Tai) and Maketū community have together developed He Toka Tū Moana Mō Maketū, the first outlines interconnected issues, strategic priorities, kaupapa and actions that will ensure the Maketu community is prepared for, can adapt to, and will be resilient to a changing climate.

This is the first Community-led Climate Change Adaption project to have been completed under Toi Moana's climate initiative.

- **Tarawera Awa Restoration Strategy Group**

The recent Ngāti Rangitihi Treaty settlement provided for the establishment of the new Tarawera Awa Restoration Strategy Group to support, coordinate, and promote the integrated restoration of the mauri of the Tarawera River catchment. An informal whakawhanaungatanga hui was held in December for a high level discussion on roles and responsibilities.

The group is comprised of equal iwi and council membership, appointed by Ngāti Awa, Ngāti Mākinō, Ngāti Tūwharetoa (BoP), Ngāti Rangitihi, Toi Moana/Bay of Plenty Regional Council, Kawerau District Council, Rotorua Lakes District Council, and Whakatāne District Council.



# ! Community participation and constructive relationships

*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 the public's perspectives and thoughts, but also supporting the public to deliver some of the work we do through community and volunteer groups.

## Highlights from the quarter include:

- Delivery on the **Youth Engagement Plan** this quarter included attending both the Canvas Careers Expo in Tauranga and Edgecumbe Careers Evening to highlight the mahi of Toi Moana to approximately 3000 rangatahi, supporting Priority One with judging of the Young Innovators Awards, and youth ambassadors presenting the Youth Engagement Plan to the new Council. Staff have met with Bay Conservation Alliance, House of Science and an Eastern Bay Kahui Ako to establish what educational resources are most needed and where Toi Moana can have the most meaningful impact
- The **Helping Hand Guide** was updated to assist environmental projects to find appropriate council funding and support plus contributions from 14 partner organisations and agencies.
- In this quarter, 14 of the 18 **Participatory budgeting recipients** had completed their projects as planned. Four remaining projects are to be completed early in 2023. Delays are due to supply chain, weather or situations out of the projects control but still on track for completion. In-person visits to schools was well received and has provided valuable feedback to refine the School Sustainability and Resilience Fund for 2023. School Sustainability and Resilience Fund Project Updates have been published online for completed projects.
- A series of four **Open Day events were held solely for volunteers** in October/ November to acknowledge all the wonderful work our volunteers do across the rohe. These events were hosted by the "Flaxroots Forum" which is a collective of organisations and agencies who support environmental groups. Each event encouraged volunteers to network amongst each other, showcase their own work, share ideas, and learn from one another.

# Ngā whakatutukitanga-a-ratonga

## Service delivery performance

*This part of the report is structured around our four community outcomes. We deliver our community outcomes through our groups of activities and identified activities. We have grouped each activity to the primary community outcome that it contributes to, but most of them contribute to two, three, or even all four of our community outcomes.*

*Our specific performance goals are set in our Long-Term Plan 2021-2031.*

### How did we do:

This report collates the non-financial results for the second quarter of the 2022/23 financial year. These targets have been identified as part of the 2021-2031 Long Term Plan. There are some measures that are not collated on a quarterly basis the results for which will be reported at year end. This is due to the seasonality of results e.g. monitoring for swimmability over swimming season, or results collated on an annual basis.

There are a total of 45 performance measures to be monitored in the 2022/23 financial year. As at 31 December 2022, 47% were on track.

### Service Delivery highlights during the quarter include:

- Customer satisfaction with the Resource Consent process is 88%. This exceeds the target of 84%.
- All urgent complaints made to the pollution hotline responded to within 12 hours.

## Performance Summary – Quarter Two

During 2022/23, we are due to monitor and report on 45 performance measures. The graph below depicts our forecast of the end of year results.



- On track
- Not on track
- Reporting not due
- Not applicable

*Further detail regarding all of the measures is provided on the following pages.*

# Performance Measures 2022/23

## Summary of results – Quarter Two

### He taiao ora – A healthy environment

Performance Measure	Full Year Target	Q1	Q2	Q3	Q4	YTD Result	EOY Forecast	How did we perform?
Wallaby populations (outside containment area) where wallabies are no longer detected (%)	80%	N/A	N/A			N/A	●	This result will be calculated and reported at the end of the 2022/23 financial year.
Reduction in wallaby progressive containment area (%)	N/A	N/A	N/A			N/A	●	Results will be provided in 2024/25 year as the measure requires multiple years of monitoring data.
Regional Pest Management Plan programmes that are on-track (%)	85%	N/A	N/A			N/A	●	Data not yet available. Results for this measure will be available closer to the end of the financial year following review of progress against the full Regional Pest Management Plan.
Number of visitors to Regional Parks	121,635	20,350	25,549			45,899	●	The result of 25,549 is 27% lower than the same time last year. This has been attributed to the seasonal weather. Further development of the Pāpāmoa Hills Regional Park is underway. Once this is completed, the opportunity to promote the park will be considered.
Visitor satisfaction for visitors to Regional Parks (%) Two yearly survey	No survey	N/A	N/A			N/A	●	The survey is undertaken on a two-yearly basis. The next survey will occur in the 2023/24 financial year.
Non-notified consents issued within statutory timeframe (%)	95%	95%	95%			95%	●	There were 153 decisions during the quarter, of which seven exceeded the statutory timeframe.
Customers satisfied with the resource consents process (%)	84%	N/A	88%			88%	●	This survey is completed once consents are processed. The result, 88% for this quarter exceeds the target of 84%.
Consent decisions overturned at appeal or judicial review where the proposal has not significantly changed	Nil	0	0			0	●	There have been no decisions overturned for this quarter.
Number of exceedances of air quality limits in priority airsheds	<21	0	1			1	●	There was one air quality exceedance this quarter. In December elevated dust levels were detected throughout the day at the Rata St monitoring site. Compliance staff observed dust clouds and security cameras showed activities contributing to the dust clouds. Investigations are ongoing to determine if there were other sources of the exceedance. In the Q1 report two exceedances of air quality limits in August 2022 were reported. Both exceedances were granted exemptions by the Minister. Q1 result has been updated to reflect this decision.
Air quality exceedances where investigations started within 10 working days	90%	100%	100%			100%	●	There was one air quality exceedance and the investigation commenced on the day the exceedance occurred.
Planning and policy reports that are rated satisfactory or higher (%) [P&P]	90%	N/A	N/A			N/A	●	This independent review is completed on an annual basis. This review will be completed, and result reported at the end of the 2022/23 financial year.
Plan Changes and Policy Statements approved for notification without substantive changes and within timeframe (%)	100%	N/A	N/A			N/A	●	Change 6 National Policy Statement for Urban Development to the Regional Policy Statement was notified in August 2022. There were no substantive changes and within timeframes.
Planning and policy reports that are rated satisfactory or higher (%) [ES]	90%	N/A	N/A			N/A	●	This independent review is completed on an annual basis. This review will be completed, and result reported at the end of the 2022/23 financial year.

## Our resources

Performance Measure	Full Year Target	Q1	Q2	Q3	Q4	YTD Result	EOY Forecast	How did we perform?
Change in total council emissions compared to prior year (%)	5% reduction from PY	N/A	N/A			N/A	●	This result is identified when the independent audit is completed by Toitu. The result for the 2022/23 year is not available until later in the financial year.

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

Performance Measure	Full Year Target	Q1	Q2	Q3	Q4	YTD Result	EOY Forecast	How did we perform?
Number of Rotorua Lakes that have achieved the Trophic Level Index (TLI)	3	N/A	N/A			N/A	●	Data available at year end. This measure is reported annually in a report for the Ministry for the Environment and approved through the Rotorua Te Arawa Lakes Strategy Group.
Identified Priority Biodiversity Sites that are actively managed (%)	43%	N/A	N/A			N/A	●	Data available at year end. This is due to the effort required to determine the management status of each of the 429 sites by Council staff, landowners, and representatives from other agencies.
Monitored rivers and streams that meet the 'Swimmability' requirements (%)	75%	N/A	N/A			N/A	●	Data not yet available. Results for this measure will be available at the end of the financial year, following collation and analysis of results over summer.
Compliance assessments conducted as per the annual monitoring programme (%)	90%	90.6%	92%			91%	●	Annual monitoring programme on track and target achieved.
Urgent complaints made to the pollution hotline responded to within 12 hours (%)	99%	100%	100%			100%	●	A total of 9 urgent service requests were received during the quarter. All were actioned within 12 hours.
Non-urgent complaints made to the pollution hotline responded to within 3 working days (%)	99%	98.9%	98.4%			98.6%	●	A total of 548 non-urgent service requests were actioned within 3 working days. Key reason for those not actioned within the timeframe are higher priorities taking precedent over the non urgent complaints.
State of the Environment reports published as per schedule (%)	90%	N/A	10%			10%	●	There are 19 State of Environment Reports scheduled for the year, of which two have been completed as scheduled.
Real-time deliverable environmental data available online (%)	95%	96%	96%			96%	●	The Environmental data available online was above target.
Swimming sites monitored for recreational water quality (%)	90%	N/A	100%			100%	●	This measure has identified 24 sites that are monitored. The monitoring of these swim sites occurs from mid-October to the end of March each year and results will be reported at year end.

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

Performance Measure	Full Year Target	Q1	Q2	Q3	Q4	YTD Result	EOY Forecast	How did we perform?
Maintenance and repairs completed in accordance with the Rivers and Drainage Asset Management Plan (%)	85%	17.8%	60.5%			<b>60.5%</b>	●	The total budget for maintenance is \$11.85m. At the end of December 2022 \$7.2m of repairs and maintenance work had been delivered. This accounts for 60.5% of the annual budget and is considered to be on track given the seasonal nature of this work.
Renewals completed in accordance with the Rivers and Drainage Asset Management Plan (%)	75%	4.3%	6.8%			<b>6.8%</b>	●	The total budget for renewals and floodworks for the year is \$18.41m. At the end of December 2022 \$1.23m worth of renewals has been delivered. This accounts for 6.8% of the annual budget. The financial forecast is for projects to be delivered close to budget.
Flood warnings that are given in accordance with the flood warning manual (%)	100%	100%	100%			<b>100%</b>	●	There was a total of 34 flood warnings for the quarter and all were issued in accordance with the flood warning manual.
Oil spills in Tauranga responded to within 30 minutes (%)	95%	100%	100%			<b>100%</b>	●	There were 12 oil spills in Tauranga and all were responded to within 30 minutes.
Oil spills outside Tauranga responded to within two hours (%)	95%	N/A	94%			<b>94%</b>	●	There were 18 oil spills outside Tauranga and 17 were responded to within two hours. The one that was outside of the timeframe was due to the call going to voicemail in error.
Navigation aids maintained to "good" quality or higher (%)	95%	99%	99.8%			<b>99%</b>	●	Only one navigational aid has a rating of four (scale is 1 to 3 is good quality, >4 is low quality). All other navigational aids have a rating of three or less.
Vessel availability to respond to maritime emergencies in Tauranga, Rotorua Lakes and Whakatāne (%)	95%	100%	100%			<b>100%</b>	●	All vessels were available to respond.
The level to which the region is prepared for and can effectively respond to an emergency (%)	Increase from PY	N/A	N/A			<b>N/A</b>	●	Survey is planned to be completed in March/April 2023.
The percentage of residents that have a good understanding of what the effects would be if a disaster struck their area	80%	N/A	N/A			<b>N/A</b>	●	Survey is planned to be completed in March/April 2023.
The percentage of residents that have taken any action to prepare for an emergency.	80%	N/A	N/A			<b>N/A</b>	●	Survey is planned to be completed in March/April 2023.

# Toitū te rohe – A vibrant region

Performance Measure	Full Year Target	Q1	Q2	Q3	Q4	YTD Result	EOY Forecast	How did we perform?
Number of public transport trips taken in the region	Increase from PY >2,253,819	674,130	595,350			<b>1,269,480</b>	●	Our figures show patronage of 595,350 in Q2, an increase of 3% on the same period 2021/22 despite Tauranga remaining on a reduced timetable due to the unavailability of bus drivers. While the 50% fares initiative has had a relatively slight positive impact, it now has been extended through to 30 June 2023. This, coupled with increased parking charges in Tauranga, more targeted promotional activity and planned network changes should help to encourage ongoing patronage growth through quarters 3 & 4.
Customer satisfaction of bus users	80%	N/A	68%			<b>68%</b>	●	Customer satisfaction is down from 80% achieved in 2020. The main reasons for the decline in satisfaction were related to service punctuality and reliability which has been impacted by the reduced timetable currently operating. Plans are in place to address these issues and another survey will be completed later in 2023.
Planning and policy reports that are rated satisfactory or higher (%) [PT]	100%	N/A	N/A			<b>N/A</b>	●	This independent review is completed on an annual basis. This review will be completed, and result reported at the end of the 2022/23 financial year.
Number of shared decision making arrangements operationalised and supported by Council	Increase from PY	N/A	N/A			<b>N/A</b>	●	At year end June 2022 there were six shared decision-making arrangements. Currently there is no change in the number of arrangements however support continues for existing arrangements.
Completed EEF projects that have achieved their measured goals (%)	90%	N/A	100%			<b>N/A</b>	●	There were two EEF projects completed this quarter. They both achieved their goals.
Return on investment (\$ Council funds committed : \$ of volunteer labour) for EEF projects	1:1.5	N/A	1:1.47			<b>1:1.47</b>	●	For the two EEF projects completed the return on Council's investment is based on the volunteer hours (1,520) multiplied by the minimum wage (\$23.65 hourly rate).
Demographic representativeness of people that take part in formal engagement with Council (%)	0.62	N/A	0.85			<b>0.85</b>	●	A survey for the Navigation Safety Bylaw was completed, which achieved a high level of demographic representation.
Council and Committee agendas that are available at least two working days before meetings (%)	100%	100%	100%			<b>100%</b>	●	There were six agendas published and all were completed within the required timeframes during the quarter.
Draft Council and Committee meeting minutes that are published within 10 working days (%)	95%	73%	100%			<b>86%</b>	●	A total of 15 meeting minutes were published during Q1 of which 11 were within identified timeframe. The four not met were due to the heavy workload over the election preparation period. The target was achieved in the second quarter for the 23 meeting minutes distributed.
Council reports on Council agendas that are publicly excluded (%)	Reduce from PY	14%	21%			<b>17.5%</b>	●	There was a total of 29 reports on Council Agendas of which 6 (21%) were publicly excluded during the quarter generating a low percentage of public excluded items.
Council and Committee meetings live streamed to members of the public (%)	90%	100%	100%			<b>100%</b>	●	All Council meetings held in Chambers were livestreamed during the quarter.
Number of new jobs created through Bay of Connections and/or Bay of Plenty Regional Council	Increase from PY	N/A	N/A			<b>N/A</b>	●	Data not available until end of financial year.

# Ngā whakatutukitanga ahumoni

## Financial performance

*Making best use of our various financial resources to deliver on our community outcomes, including supporting others to deliver, is a strategic priority. This aligns with our key financial principles of prudence and affordability.*

We regularly monitor, evaluate and forecast our financials to enable timely, accurate and targeted information for key decision-making processes. The following provides an update on our financial performance for the six months ending 31 December 2022.

### Revenue and expense - operating and capital

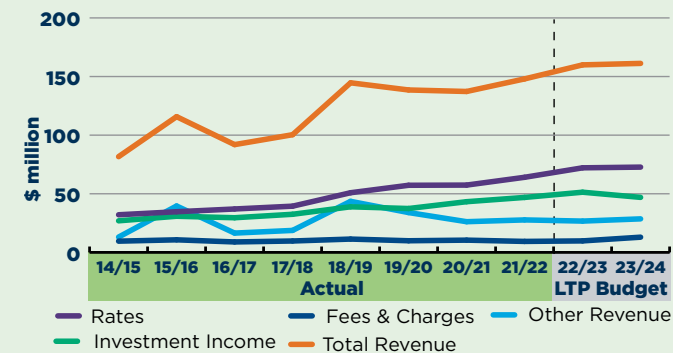
The statement provides year to date financials for the six months ending 31 December 2022, and annual (full year) forecast.

	Year to Date \$000				Annual \$000			
	Budget	Actual	Variance		Budget	Forecast	Variance	
<b>Operating revenue by class</b>								
Rates	35,690	36,790	1,100	Higher	71,060	72,132	1,072	Higher
Dividends	23,000	21,341	(1,659)	Lower	46,000	46,091	91	Higher
Finance revenue	3,403	1,753	(1,650)	Lower	6,807	5,237	(1,570)	Lower
Internal interest	2,385	3,368	983	Higher	4,770	5,753	983	Higher
Fees and charges	6,048	4,351	(1,697)	Lower	12,096	9,789	(2,307)	Lower
Other revenue	12,342	14,327	1,985	Higher	24,265	26,688	2,423	Higher
<b>Total operating revenue</b>	<b>82,868</b>	<b>81,930</b>	<b>(938)</b>	Lower	<b>164,997</b>	<b>165,689</b>	<b>692</b>	Higher
<b>Operating expenditure by class</b>								
Employee expenses	26,107	25,544	(563)	Lower	52,313	51,457	(856)	Lower
Contractors and consultants	30,758	27,752	(3,006)	Lower	61,599	62,569	970	Higher
Finance Costs	4,195	2,497	(1,698)	Lower	8,390	5,787	(2,603)	Lower
Internal interest	2,385	3,368	983	Higher	4,770	5,753	983	Higher
Other expenditure	26,350	25,837	(513)	Lower	52,758	51,857	(901)	Lower
<b>Total operating expenditure</b>	<b>89,795</b>	<b>84,998</b>	<b>(4,797)</b>	Lower	<b>179,830</b>	<b>177,423</b>	<b>(2,407)</b>	Lower
<b>Total operating surplus (deficit)</b>	<b>(6,928)</b>	<b>(3,068)</b>	<b>3,859</b>		<b>(14,833)</b>	<b>(11,734)</b>	<b>3,099</b>	
<b>Total capital revenue</b>	<b>2,051</b>	<b>3,322</b>	<b>1,271</b>	Higher	<b>4,064</b>	<b>3,713</b>	<b>(352)</b>	Lower
<b>Total surplus (deficit)</b>	<b>(4,876)</b>	<b>254</b>	<b>5,130</b>		<b>(10,769)</b>	<b>(8,021)</b>	<b>2,748</b>	
<b>Total capital expenditure</b>	<b>17,153</b>	<b>4,325</b>	<b>(12,828)</b>	Lower	<b>34,370</b>	<b>34,630</b>	<b>260</b>	Higher

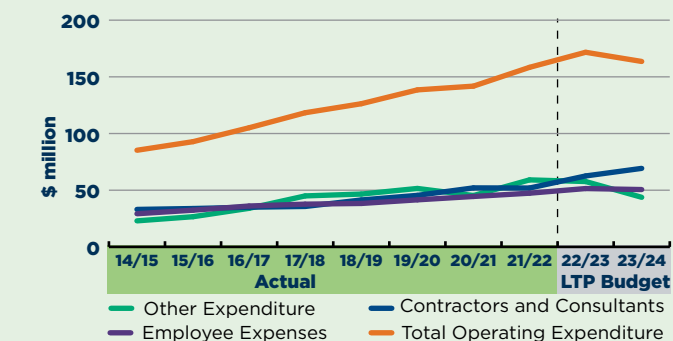
### 10 years performance

(actual, forecast for 2021/22, and budget)

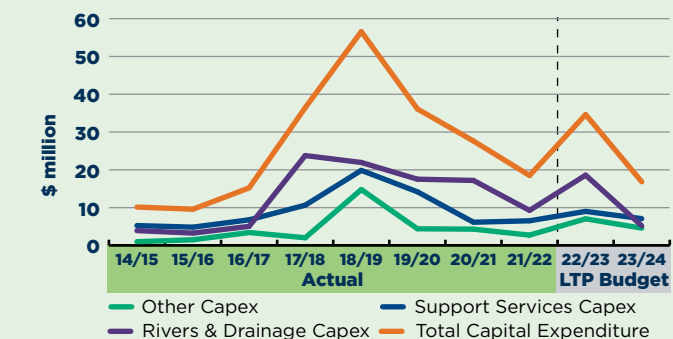
#### Revenue



#### Operating expenditure



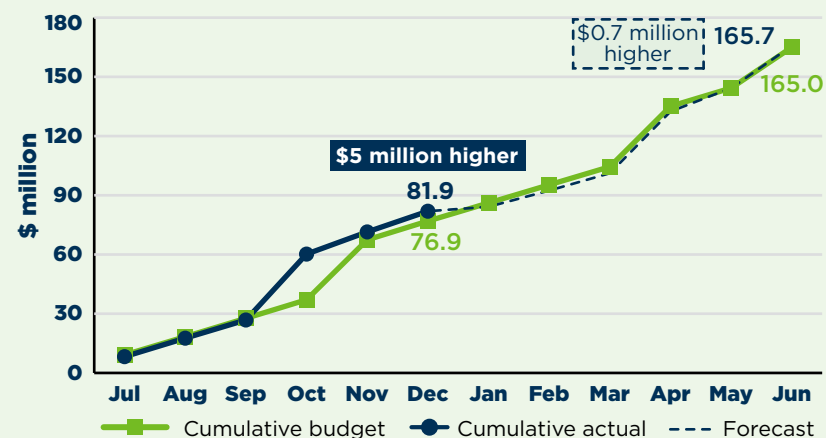
#### Capital expenditure





## Operating revenue

The graph shows annual revised budget against actuals for the half year, and the annual financial forecast.

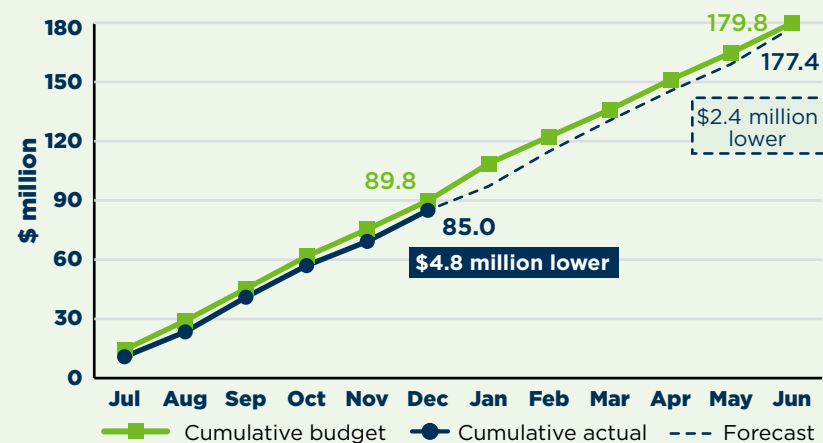


## Top 5 variances

Activity	Year to Date \$000				Annual \$000				Full Year forecast variance explanations
	Revised Budget	Actual	Variance		Revised Budget	Forecast	Variance		
<b>Public Transport</b>	18,595	19,935	1,340	Higher	36,906	38,302	1,396	Higher	Forecast is \$1.4m <b>higher</b> than budget due to \$2m in increased subsidies from Waka Kotahi for half price fares, driver wages funding, and indexation costs, offset by \$0.6m in reduced fare revenue from Tauranga's reduced timetable and half price fares.
<b>Coastal Catchments</b>	6,506	6,790	284	Higher	13,012	13,415	403	Higher	Forecast is \$0.4m <b>higher</b> than budget and correlates with an operating expenditure increase in grants and subsidies due to timing of landowner claims and payments.
<b>Rivers and Drainage Schemes</b>	10,545	10,927	382	Higher	21,123	21,506	383	Higher	Forecast is \$0.4m <b>higher</b> than budget due to timing of the final insurance payments received for the 2017 flood event.
<b>Regulatory Compliance</b>	3,429	3,162	(267)	Lower	6,858	6,490	(369)	Lower	Forecast is \$0.3m <b>lower</b> than budget due to the higher level of overhead costs allocated to this activity.
<b>Biosecurity</b>	4,979	4,657	(322)	Lower	9,958	8,805	(1,153)	Lower	Forecast is \$1.2m <b>lower</b> than budget due to unspent Wallaby 2021/22 budget that is funded from reserves.

## Operating expenditure

The graph shows annual revised budget against actuals for the half year, and the annual financial forecast.

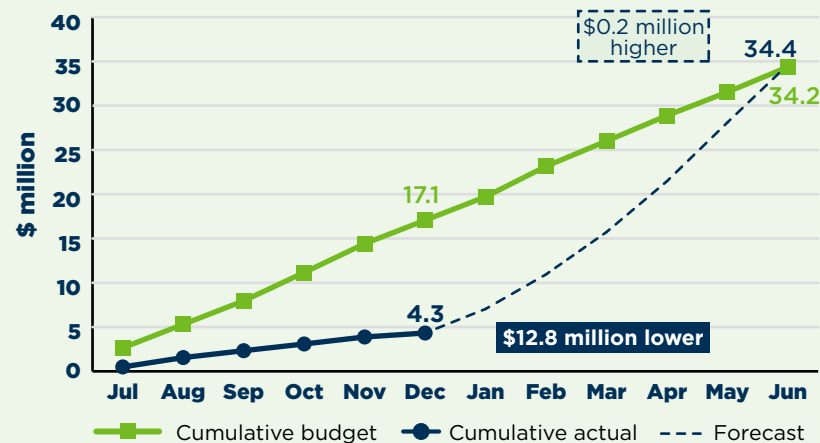


## Top 5 variances

Activity	Year to Date \$000				Annual \$000				Full year forecast variance explanations
	Revised Budget	Actual	Variance		Revised Budget	Forecast	Variance		
<b>Public Transport</b>	19,908	20,301	393	Higher	39,067	41,828	2,761	Higher	Forecast is \$2.8m <b>higher</b> than budget due to indexation uplifts, anticipated driver wage increases, emergency procurement of Tauranga School bus services, consultancy costs to cover vacancies, offset against a reduction in the Tauranga bus timetable.
<b>Rivers and Drainage Schemes</b>	6,587	6,214	(373)	Lower	13,275	12,465	(810)	Lower	Forecast is \$0.8m <b>lower</b> than budget due to a net reduction of \$1.8m in 5-year flood event assumptions being removed from the forecast, offset against a \$1m increase in depreciation for the Kopeopeo Canal which relates to professional accounting advice received subsequent to the budget being set.
<b>Biosecurity</b>	4,419	3,384	(1,035)	Lower	8,838	7,915	(923)	Lower	Forecast is \$0.9m <b>lower</b> than budget due to delays in engaging contractors to progress the Wallaby fence project. It is expected to be completed in the financial year 2023/24.
<b>Corporate Support</b>	20,002	19,107	(895)	Lower	39,672	37,992	(1,680)	Lower	Forecast is \$1.7m <b>lower</b> than budget due to the timing of QHL taking up their borrowings from Council for Rangioru and associated interest, offset against a number of vacancies, and a change in accounting standards for treatment of software costs.
<b>Policy and Planning</b>	3,197	2,027	(1,170)	Lower	6,394	4,567	(1,827)	Lower	Forecast is \$1.8m <b>lower</b> than budgeted due to vacancies and reduced consultant costs arising from limited availability of iwi to connect on freshwater projects resulting in less engagement than anticipated.

## Capital expenditure

The graph shows annual revised budget against actuals for the half year, and the annual financial forecast.



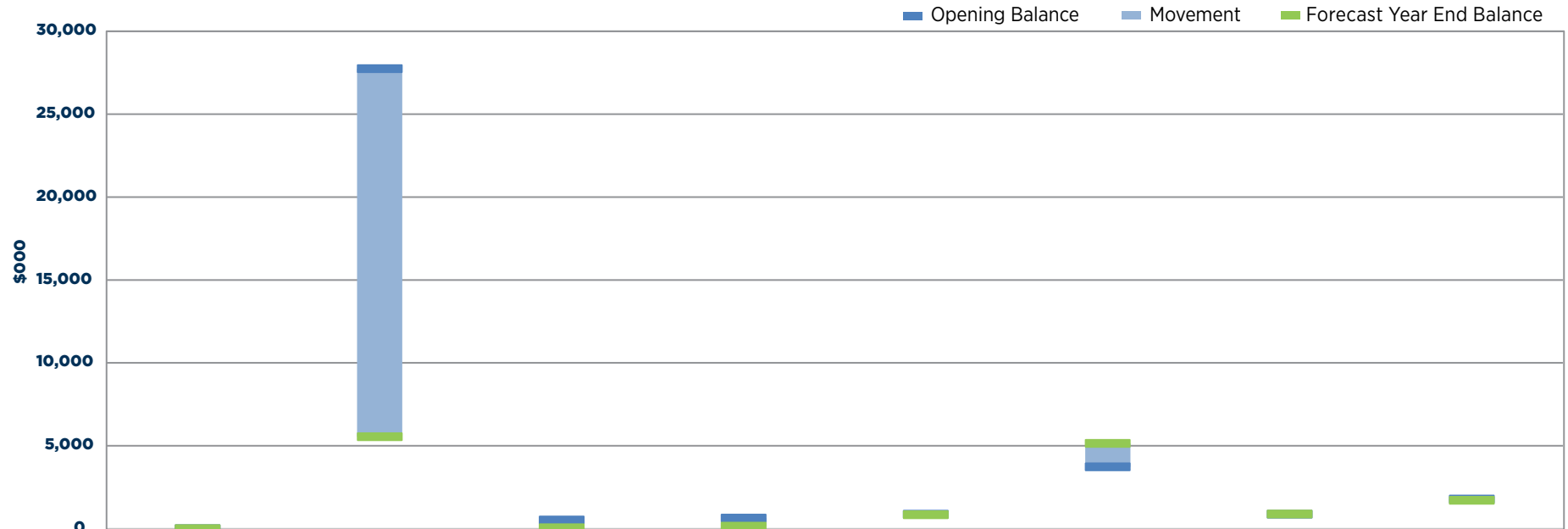
## Top 5 variances

Activity	Year to date \$000				Annual \$000				Full year forecast variance explanations
	Revised Budget	Actual	Variance		Revised Budget	Forecast	Variance		
<b>Regional Parks</b>	1,241	159	(1,082)	Lower	2,483	3,897	1,414	Higher	Forecast is \$1.4m <b>higher</b> than budget due to the Pāpāmoa Regional Hills Project construction costs increasing. The increased costs will be funded with underspends in Coastal Catchments projects.
<b>Corporate Support</b>	4,309	2,249	(2,060)	Lower	8,063	9,002	938	Higher	Forecast is \$0.9m <b>higher</b> than budget due to capital carry forwards for the mobile emergency centre and Tauranga building.
<b>Public Transport</b>	231	0	(231)	Lower	462	257	(205)	Lower	Forecast is \$0.2m <b>lower</b> than budget due to the Transport Management System (TMS) starting in February and concluding in October 2023.
<b>Rotorua Lakes</b>	600	3	(597)	Lower	1,200	303	(897)	Lower	Forecast is \$0.9m <b>lower</b> than budget due to the Engineering, Wetland project being delayed due to landowner negotiations. Design and preparation work is underway for a Rural Drain Pilot project site.
<b>Coastal Catchments</b>	1,397	571	(827)	Lower	2,795	1,590	(1,205)	Lower	Forecast is \$1.2m <b>lower</b> than budget due to the Rangitāiki re-connection project not going ahead as all landowners have not come to agreement. The underspend will be used to fund the anticipated Pāpāmoa Regional Park costs.

# Forecast funding sources 2022/23

We regularly monitor, evaluate and forecast our funding sources. We hold a number of reserves where monies are held for specific purposes. The graph below demonstrates what we expect the movement in those reserves to be by year end, as at 31 December 2022.

## Reserve balance



\$000's	Equalisation	Regional Fund	Passenger Transport	Rotorua Lakes	Rotorua Lakes Deed	River and Drainage Works	Rotorua Air Quality	CDEM
Opening Balance 01 July 2022*	0	27,741	515	637	865	3,729	868	1,785
Approved and Direct Use	0	(26,297)	(713)	0	9	550	0	(219)
Forecast Movement	0	4,098	250	(492)	(43)	862	13	140
<b>Forecast Year End Balance 30 June 2023</b>	<b>0</b>	<b>5,542</b>	<b>52</b>	<b>145</b>	<b>831</b>	<b>5,141</b>	<b>881</b>	<b>1,706</b>

\* Subject to audit

Commentary – The forecast closing balances for Passenger Transport are:  
 Tauranga \$594k negative balance, Rotorua \$670k, Western Bay \$202k, Whakatāne \$226k negative balance

# Treasury performance update

As at 31 December 2022, Council had \$192.5 million of external loans and \$228.9 million of investments.

## Investments

Our total investment portfolio is \$228.9 million comprising term deposits \$15 million, call accounts / working capital \$88.8 million, Toi Moana Trust \$70 million, Quayside (on-lend) \$55.1 million.

Council has on-lent the first \$5.1 million of the \$100 million Rangioru facility to Quayside. Quayside pays a 0.2% margin on the on-lending facilities. On-lending LGFA borrowing to Quayside achieves a lower interest rate than Quayside could gain from the market and is beneficial to the BOPRC group.

The investment portfolio has an average yield of 4.3%. The 'positive carry' between the average cost of debt and the average investment return as of 31 December 2022 was 1.62%, up from 1.31% as at 30 September as Council benefits from the difference between increasing interest on floating rate investments and fixed interest rate borrowing.

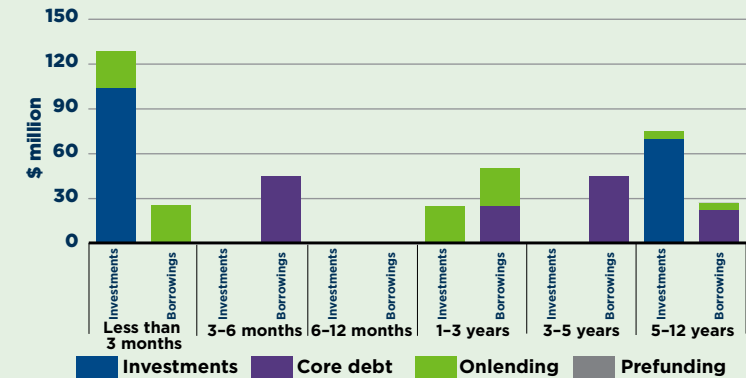
## Borrowings

Council has borrowed \$192.5 million from the Local Government Funding Agency with \$55.1 million on-lent to Quayside. The remaining \$137.4 million has been borrowed to fund capital expenditure, which is less than the Long Term Plan forecast for 2022/23 of \$146 million.

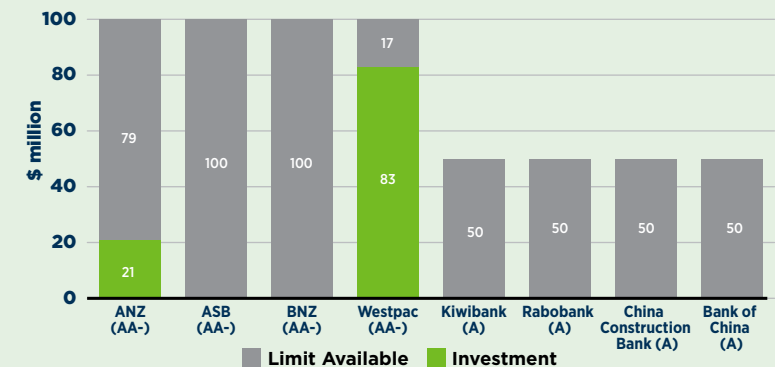
Council has \$45 million of core borrowing that matures on 15 April 2023 that will need to be refinanced.



## Maturity profile - borrowings and investments



## Investment exposure by counterparty



# Te hauora me te haumarutanga

## Health and safety

### Lead health and safety indicators

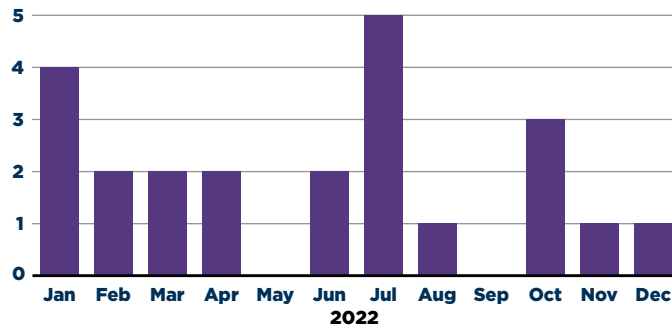
#### Notifiable events

There were three notifiable events in Quarter Two.

#### Near misses reported per month

*last 12 months*

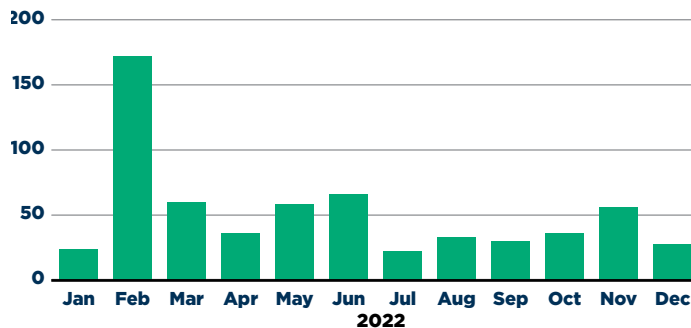
There were five near misses in Quarter Two.



#### H&S training completed

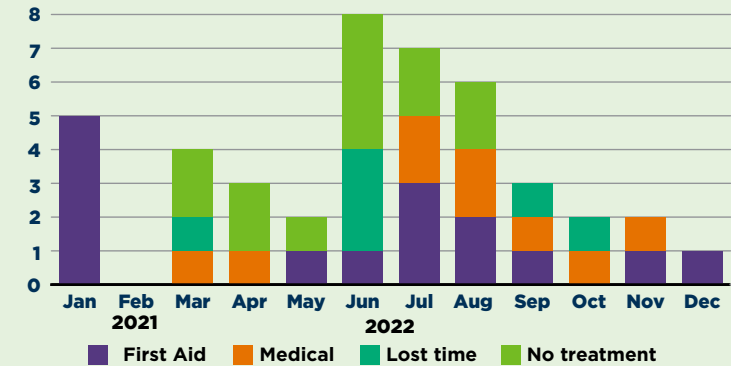
*last 12 months*

120 people have completed H&S training in Quarter Two.



### Health and safety lag indicators

#### Injuries *last 12 months*



There were five injuries in Quarter Two. Two required first aid and two medical treatments. One injury in October resulted in lost time.

#### Injuries by category *last 12 months*

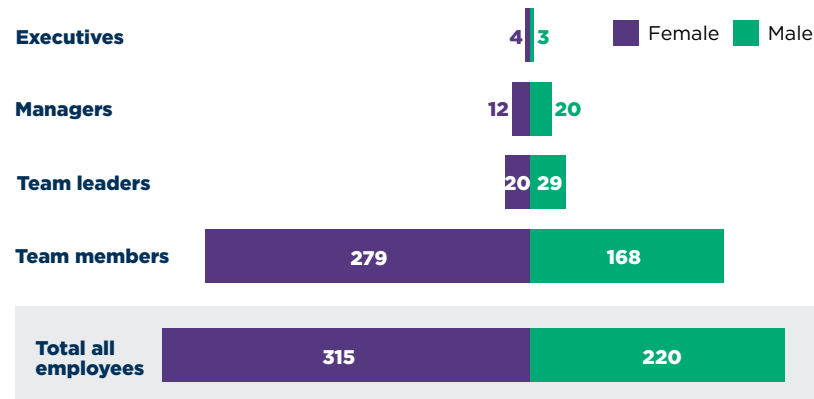


Over the past twelve months, sprain (eight injuries) and cuts/ lacerations (seven) have been the most common injury categories.

# Pūmanawa tangata

## People and culture

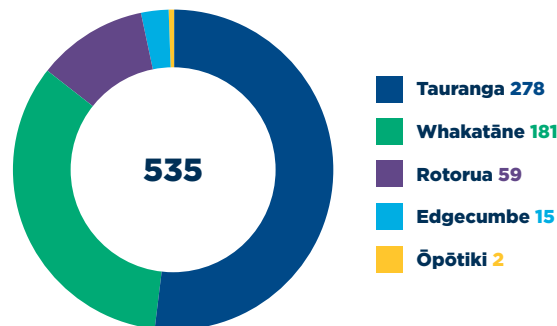
### Managerial levels by gender



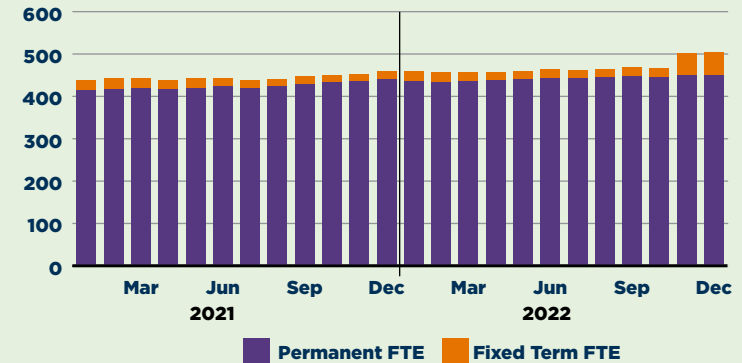
59% of our staff are female, and we have a reasonably balanced gender profile at the executive and manager level combined. This is the same overall and executive-manager gender split as at the same quarter last year.

### Headcount by location as at 30 September 2022

51% of staff (including summer assistants) are Tauranga-based, with the rest in Whakatāne (34%), Rotorua (11%), Edgecumbe, and Ōpōtiki (4%). This is the same split (+/- 1%) as at the same quarter last year.



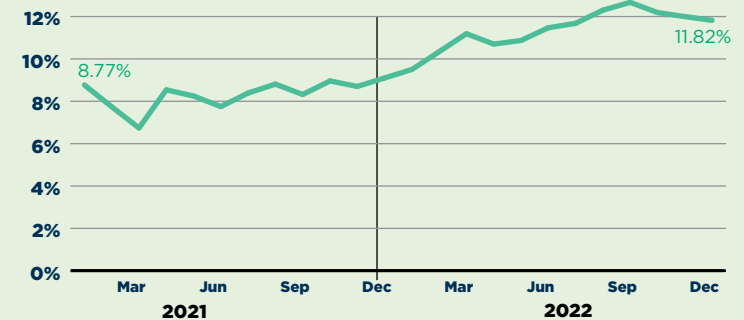
### Permanent and fixed term full time employees *last two years*



Our employee headcount (both permanent and fixed term) is 535, which equates to 503.5 Full Time Equivalents (FTE). At the comparable quarter last year our employee headcount (both permanent and fixed term) was 527 which equated to 498 FTE.

Note: the Arotake report for the comparable quarter last year did not include fixed term employees which are included in the figures above.

### Rolling staff turnover *last two years*



Staff turnover at 31 December 2022 was 11.60% compared to 9.10% at the same time last year. Turnover measures the rate of staff departure over the preceding 12 months.



**BAY OF PLENTY  
REGIONAL COUNCIL  
TOI MOANA**