

26 July 2024

Dear

## Local Government Official Information Request – Notification of Decision

We refer to your Request for information under the Local Government Official Information and Meetings Act 1987 (LGOIMA) regarding rates, financial expenditure and FTEs which was received by the Bay of Plenty Regional Council (**Council**) on 1 July 2024 and acknowledged by Council on 1 July 2024 (**Request**).

Council has now made a decision on your Request.

As a general note, these answers are comprised of historical actuals from audited Annual Reports up to 2022/23 and prospective Annual and Long Term Plans for 2023/24 onwards. The audited Annual Report for 2023/24, when available, will have updated actual figures.

Comparisons of the historical size of areas of Council work is complicated by different accounting structures being used for Groups of Activities in each Long Term Plan.

In response to your questions, Council has decided to provide the following information:

**1. What were your council's actual or expected rate increases for each year from 2017-18 up to and including 2024-25?**

The table below show rates percentage increases. These include cost increases due to inflation and growth in the rating base.

Year	General Rates Increase %	Targeted Rates Increase %	Total Rates Increase %	Comments
2017/18	10.5	-0.6	5.7	
2018/19	11.0	55.7	29.1	Targeted rates increase reflects a major change to funding sources set in the Revenue and Financing Policy for LTP 2018-2028. Overall increase is the result of moving to a balanced budget compared to deficits in prior years.
2019/20	6.6	18.7	12.5	

Objective ID: A4709551

<b>Year</b>	<b>General Rates Increase %</b>	<b>Targeted Rates Increase %</b>	<b>Total Rates Increase %</b>	<b>Comments</b>
2020/21	3.4	-2.7	0.3	Rates held to manage economic impacts of COVID.
2021/22	9.7	13.6	11.7	
2022/23	17.9	8.4	13.1	
2023/24	8.2	10.8	9.5	
2024/25	8.2	22.8	17.4	Impacts of inflation and interest increase asset management costs (like flood control) which increased targeted rates.

**2. What cost cutting measures has your council implemented to soften the scale of the coming year's rate increase?**

For the 2024/25 year Council has reduced operating costs by \$4.5m and \$5m in savings from efficiency initiatives and shared service opportunities.

**3. What was/is your council's total budget for each of the following financial years: 2018-19, 2020-21, 2022-23 and 2024-25?**

Council's operating budget is subject to inflation pressures that are often in excess of consumer inflation and Government requirements to expand its areas of work and services (e.g. policy changes and higher environmental/freshwater standards etc). The total operating budget is shown in the table below, with more detail in question 8.

<b>Year</b>	<b>Operating Budget \$000</b>
2018/19	132,980
2019/20	138,492
2020/21	141,659
2021/22	158,399
2022/23	175,060
2023/24	185,416
2024/25	200,325

4. What percentage of that income in each of those years was/is from general rates, what percentage is from targeted rates and what percentage is from government grants etc?

Year	General Rates %	Targeted Rates %	Grants %	Dividends/Finance income %	Fees and other income %
2018/19	18	17	15	27	23
2019/20	21	21	15	27	16
2020/21	19	19	23	26	13
2021/22	21	22	14	32	11
2022/23	22	20	14	31	13
2023/24	22	21	18	30	9
2024/25	22	24	15	30	9

5. For those same years, please state the number full time equivalent staff employed by your council.

Information about the number of staff employed by Council is available in the Council's annual reports, which are published on the Council's website. A full-time employee is determined on the basis of a 37.5 or 40-hour working week. Links to the annual reports are below.

Year	Full time Equivalent Staff	Percentage of headcount earning more than \$100,000
2018/19	398	22%
2019/20	420	26%
2020/21	443	35%
2021/22	465	34%
2022/23	474	50%
2023/24	496	60%
Current in lieu of final 2024/25	498	Not available until Annual Report Completed

2018-2019 [Annual Report](#) page 139.

2019-2020 [Annual Report](#) page 160.

2020-2021 [Annual Report](#) page 162.

2021-2022 [Annual Report](#) page 151.

2022-2023 [Annual Report](#) page 162.

2023-2024 Annual Report has not yet been audited or published.

**6. What percentage/number of your staff earn more the \$100,000?**

This has been included with the answer to question 5 above. Source data is available in the same Annual Reports.

**7. Has your council reduced staff numbers to lower the impact of rate rises? If not, why not?**

Yes. A process is in place to review any staff vacancy that arises to review if a replacement is needed or if an efficiency gain can be made. Council considers the total cost of service, which includes both staff and external suppliers, as sometimes in-sourcing is a more efficient solution.

**8. Please provide data and commentary for each of the 2018-19, 2020-21, 2022-23 and 2024-25 years about which areas of council work have increased the most, by how much, how many extra staff this has required and why this has happened?**

In response to which areas have increased the most, please see the financial tables below, noting that the Group of Activities structure has changed over successive Long Term Plans and similarly named Groups are not necessarily directly comparable.

<b>Group of Activities</b>	<b>2018/19 \$000</b>	<b>2020/21 \$000</b>
Integrated Catchment Management	25,950	21,386
Flood Protection and Control	10,998	13,278
Resource Regulation and Monitoring	17,509	24,368
Transportation	26,022	33,955
Regional Development	13,393	4,512
Regional Planning and Engagement	20,151	21,118
Emergency Management	3,437	3,225
Technical Services	14,438	15,611
Corporate Services	1,083	4,205
<b>TOTAL</b>	<b>132,980</b>	<b>141,659</b>

<b>Group of Activities</b>	<b>2022/23 \$000</b>
Catchment Management	33,053
Flood Protection and Control	18,813
Resource Regulation and Monitoring	16,488
Transport and Urban Planning	41,183
Democracy, Engagement and Planning	38,215
Emergency Management	4,024
Support Services	23,285
<b>Total</b>	<b>175,060</b>

<b>Group of Activities</b>	<b>2024/25 \$000</b>
Healthy Catchment	32,374
Flood Protection & Control	24,349
Regulatory Services	24,673
Transportation	64,769
Regional Planning and Development	11,285
Democracy, Engagement and Community	15,467
Partnerships with Maori	3,221
Support and Technical Services	24,187
<b>Total</b>	<b>200,325</b>

The largest increase over these years is for transport. This is related to increased bus services, which are 50% government funded and the remaining 50% predominately funded by targeted rates. The next largest increase is Flood Protection and control, which is driven by increase flood protection work, and high cost pressures on infrastructure including capital construction cost indices increasing faster than general inflation and increased interest servicing costs.

Support services is comprised of resources that are shared across other activities to achieve efficiency. Examples of work covered by support services include engineering, environmental data, science, legal, geospatial services, ICT, finance, property and customer services.

**In response to your question about how many extra staff this has required?**

<b>Activity</b>	<b>2018/19 TOTAL FTE</b>	<b>2020/21 TOTAL FTE</b>	<b>2022/23 TOTAL FTE</b>	<b>Current Employed FTE*</b>
Catchment management	51	53	55	57
Flood Protection & Control	20	23	32	27
Resource Regulation and Monitoring	71	77	75	81
Transportation and urban planning	11	15	30	35
Democracy, engagement & Planning	60	58	70	73
Emergency Management	16	18	19	20
Support Services	169	199	192	205
* in lieu of final 2024/25 data				

**9. What work programmes is your council expecting to increase the most in the coming few years and why?**

Council is not planning to substantially increase expenditure on its activities for the next few years. We plan to continue our major work on rivers and drainage schemes and improving flood defences. We are investigating a new Regional Park in Rotorua and have budgeted a one-off contribution to the Rotorua Museum in 2026/27 (which explains the increase in the Regional Planning and Development Group of Activities). Table of operating and capital expenditure for the next three years are shown below.

	2024/25	2025/26	2026/27
	Year 1	Year 2	Year 3
<b>OPERATING EXPENDITURE</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Healthy Catchments	24,034	25,847	24,643
Flood Protection & Control	14,633	13,739	14,212
Regulatory Services	16,240	16,686	17,027
Transportation	61,704	61,836	59,463
Regional Planning & Development	7,941	8,998	12,449
Democracy, Engagement and Community	8,730	9,423	8,754
Partnerships with Maori	2,327	2,381	2,428
Support and Technical Services	64,717	64,977	64,883
<b>Expenditure</b>	<b>200,325</b>	<b>203,885</b>	<b>203,860</b>

	2024/25	2025/26	2026/27
	Year 1	Year 2	Year 3
<b>CAPITAL EXPENDITURE</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Healthy Catchments	4,038	4,419	4,752
Flood Protection and Control	15,392	17,323	11,698
Regulatory Services	161	349	166
Support and Technical Services	6,338	7,765	10,098
<b>Total Capital Expenditure</b>	<b>25,930</b>	<b>29,856</b>	<b>26,714</b>

**10. What is your council's expectation for rate rises beyond 2024-25?**

The Long-Term Plan 2024-2034 has forecast total rates increases of 7% and 3% for the next two years. After that, rates increases are forecast to be between 2%-6% per annum based on current planning assumptions.

*11. How will your council intend softening the impact of future rate rises?*

Council continues to focus on efficiency and effectiveness. We have budgeted for savings from shared services and, as interest rates fall, Council will benefit from reduced interest costs.

Please note that you have the right to lodge a complaint with the Ombudsman under section 27(3) of the Act. The Ombudsman's Office can be contacted by calling 0800 802 602, emailing [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz) or online at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Our LGOIMA responses may be published on the Council website. If we do this, we will not publish the requester's personal or contact details. Please contact us if you have any concerns.

If you contact the Council about this Request, please quote the BOPRC reference number above.

Yours faithfully



Kumaren Perumal  
Chief Financial Officer

**Bay of Plenty Regional Council**