



*Whakaekea tēnei waka!*  
**Join our journey**

Te Mahere Wā-Roa  
**Long Term Plan 2021-2031**

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*CONSULTATION DOCUMENT*

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*Have  
your  
say*

*Mai i Ngā Kurī a Whārei ki Tihirau*

*Mai i Maketū ki uta mai o Taupō-nui-a-Tia*

*Ko te rohe kaunihera tēnei o Toi Moana*

*Kia toitū te whenua, kia toitū te moana,  
kia toitū te taiao, kia toitū te tangata!*

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E whakaarohia ana ki ngā mate i hinga i te pahū o Whakaari, koutou i riro atu ki Te Puketapu ki Paepaeaotea, e kore tatou e wareware.

Ō tātou tini mate, rātou kua whetūrangitia ki te korowai o Ranginui, hoki ki te okiokinga i ō tātou tīpuna.

Haere, haere, haere.

He mahere whakahono.

Ko ēnei hononga hei tūhono i a tātou; kia tūhono, kia tūtaki, kia whiti te noho tahi ki ngā hapori katoa o te rohe.

Ko Toi Moana e mihi atu nei ki ngā tāngata, ngā kāinga, ngā hapori huri noa i te rohe.

E te iwi, ka puta mai tēnei mahere wā-roa na ngā wawata o te iwi whānui o te rohe kaunihera.

He mahere mo tātou katoa.

*Stretching from Waihi 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, let people remain 'Tis life!*

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In our thoughts are those who passed in the eruption of Whakaari, those who departed at the sacred place of Te Puketapu ki Paepaeaotea, we will never forget.

Of those we have lost, those who have been adorned as stars in the heavens, return to the resting place of our ancestors.

This is a plan based on relationships.

These relationships join our people together.

It joins us so that our communities across our region can reside as one.

The Bay of Plenty Regional Council acknowledges our people, our homes, and our communities across the region.

The Long Term Plan emerges from the aspirations of our people in the region.

It is a pathway forward for us all.



# Introduction

*from the Chair and Chief Executive*

**We are setting our plan for the next 10 years, and we need to know what you think, so we can get it right for the region. This is your opportunity to have your say.**

**This consultation document sets out the big challenges for our region and looks at how we can deliver on our community outcomes and improve the wellbeing of our community.**

**Your feedback is important. At the back of this document we've listed all the ways you can provide that feedback.**

## Who we are (and what we do!)

Regional Councils have slightly different functions to those performed by city and district councils. We have a strong focus on the environment, and deliver a range of services in the following areas:



### *Flood Protection and Control*

We monitor rivers during heavy rain events and provide warnings. We manage a number of defences against flooding, which include things like stopbanks, pump stations and spillways. These help us adapt to some of the more significant effects of climate change. We are also responsible for a bylaw that aims to stop people damaging those defences.



### *Transportation and Urban Planning*

We run bus services in Tauranga, Whakatāne, Rotorua and rural areas, and also work with other groups, such as city and district councils and central government, to help develop urban areas and necessary transport networks. Good public transport and well planned travel routes help reduce the negative effects of climate change.



### *Emergency Management*

We help administer and co-ordinate a range of civil defence services with key partners.



### *Resource Regulation and Monitoring*

We make decisions on resource consents to ensure people are carrying out activities in accordance with key environmental standards, and then monitor their compliance with those consents. We help monitor air quality as well as our geothermal systems. We also provide education on, and enforce, key water-related safety laws, such as wearing lifejackets or keeping to a safe speed. We maintain navigation aids so that vessels can get where they need to go..



### *Catchment Management*

We maintain and improve water outcomes in rivers, lakes, and streams, primarily through working with landowners on more sustainable land use. We also protect native biodiversity, biosecurity – controlling plant and animal pests – and maintain regional parks.



### *Democracy, Engagement and Planning*

This includes working with our diverse communities to ensure their voices are heard in our work, developing plans and policies (similar to laws that set out key environmental regulations), and managing the democratic process.



### *Support Services*

Help provide technical advice and analysis, which includes publishing data and information so the public are more knowledgeable about their environment.

## A complex environment

The current local government landscape is particularly changeable. COVID-19 has had substantial economic and social effects, and has become central government's most immediate focus. There is significant regulatory reform underway at the central government level, with freshwater the first priority, but other issues such as urban development following close behind. There is legislative change underway with the Resource Management Act, and potentially even more significant change coming to the roles and responsibilities of local government in the general water space. This is driving us to evolve our relationships with tangata whenua and highlights more than ever the importance of these relationships.

Because of this, adaptation will be vital; the plan we set now is for the current point in time, but it is likely that we will need to consider annual amendments and variances, and engage in further consultation with our communities.

# This plan

**We have developed our draft plan with a particular focus on how we can help the region recover from the effects of COVID-19.**

**To do this within our work we've set ourselves eight strategic priorities.**

## 1. Regulatory reform

Our most important priority in the short term is responding to the regulatory reform that we know is coming from central government. We are likely to have to change the way we work because of changes to the laws that set out how we look after areas like water quality, air quality, consents and compliance. Of particular importance over the next three years will be the new National Environmental Standards for Freshwater and Air Quality.

We have established a comprehensive freshwater implementation team to consider what is required, and by when. This team includes staff from disparate functions, including policy, consents, compliance, data services, and science. This team has developed a detailed programme of work for the next few years, identifying where altered work will require additional resourcing, but also identifying where this new work can be managed under current budgets through a more agile approach. Late in 2020, we decided to accelerate the programme to complete it by July 2024, six months earlier than first planned.

Over the next ten years, we will be spending at least \$28 million on freshwater policy, with additional related expenditure on compliance, science, and engagement as well. In the first three years, when the most work is required, we estimate we'll spend about \$16.5 million in total on this area. There is still some uncertainty, so we will need to be flexible. We will also look to transform how we work with our communities in implementing freshwater reform.

## 2. Regional recovery

We will focus on job creation and boosting the economy in ways that align with our core functions, such as supporting local economic agencies. We want to work towards transformational change for the region over the course of this plan.

## 3. Climate change

We recently declared a climate emergency. When it comes to climate change we want to work towards transformational change - but in the immediate future we will focus on practical, real actions, working with our communities and collaborating with our partners.

## 4. Land use and transport

We are aiming to develop a transport system that is environmentally sustainable, resilient, efficient, and which enables safe, multi-modal access (e.g. buses, bikes, and cars) for our diverse and growing communities.

To this end, we are involved with the Urban Form and Transport Initiative (UFTI) in the Western Bay (with Tauranga City Council, Western Bay of Plenty District Council, iwi and community leaders). UFTI sets out a "Connected Centres" vision out to 2090. The Transport System Plan (TSP) takes this vision and focuses on the first thirty years of transport planning, design, and implementation. In turn, the TSP links with the Regional Land Transport Plan (RLTP) and National Land Transport Programme (NLTP), and through them to Waka Kotahi NZ Transport Agency. We have allocated reserves funding to this area, which has reduced the public transport targeted rate for Tauranga ratepayers by \$18.50 per rating unit in year one, and by \$46.50 in year three. This is because Regional Council recognises that Tauranga ratepayers will need to pay more for transport and land-use improvements.

In the first year of this Long Term Plan, we will work with our partners on a range of projects. These are likely to include the differential between bus fares and parking charges, refreshing the Regional Public Transport Plan, addressing single-occupancy car use, a freight mode shift strategy, an electric and hydrogen vehicle strategy, and analysis on emerging transport technologies.

First year business cases for priority projects are likely to include an investigation of Turret Road/15th Avenue/Welcome Bay, a combined bus services/infrastructure investigation, and a Hewletts Road sub-area investigation.

Over the first three years, we are likely to work with our partners on projects involving the roll-out of primary cycle route facilities, optimising bus services within existing budgets, implementing real-time information at bus stops, and minor network improvements. We will also look at implementing the UFTI medium scenario for bus services when existing funding has been optimised or if there is a specific opportunity.

Before we will commit funds after year one of the Long Term Plan, we will ensure that there is a fully-resourced and aligned plan across all of the partner organisations. We will also undertake further specific and targeted consultation with the community on potential public transport service improvements to ensure our investment is achieving the best outcomes for regional ratepayers and Western Bay communities.

## 5. Partnerships with Māori

We want to continue developing how we work with Māori, looking at how we provide strategic advice, support and leadership in the region. We are working on a Māori Responsiveness Framework that will provide us with the key information to progress this work.

## 6. Making best use of our resources

We have a range of funding sources available to us (general rates, targeted rates, Quayside dividends, investment income, and others) and we want to explore what the right mix of funding levers is. Currently our dividend from our shareholdings will offset general rates by an average of \$301 per property in the first year of the Long Term Plan.

Our goal is to ensure we achieve the best possible outcomes for our communities without creating an inequitable financial model. We have conducted a comprehensive Financial Framework Review – at a level of detail greater than anything done in the past decade – to explore the implications of altering how we fund our activities, and what we fund. We are very interested in getting community views on the right mix of funding sources, and what activities you would like to see greater investment in.

### 7. Sub-regional/regional view

While we are a Regional Council, not all parts of our region have the same aspirations, goals and challenges. We will identify ways we can adjust our services to ensure we're providing the right things, to the right areas, in the right way.

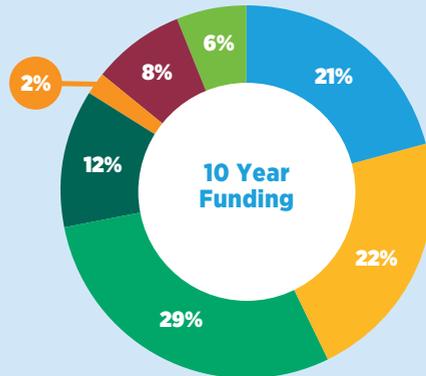
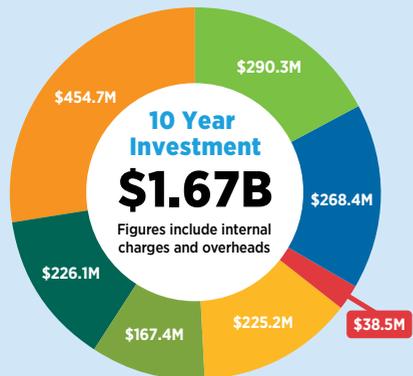
### 8. Community participation and constructive relationships

Community participation is a critical element of local government. We're 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're 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.

#### Where is the money being spent?

#### Where is the money coming from?



- Catchment Management
- Democracy, Engagement and Planning
- Emergency Management
- Flood Protection and Control
- Resource Regulation and Monitoring
- Support Services
- Transport and Urban Planning

- Targeted rates
- General rates
- Investment income
- Operating grants and subsidies
- Other revenue
- Fees and charges
- Asset replacement reserves

### Closer to our communities – engagement, Māori, and volunteers

We're looking at enriching democratic participation by working more closely with our communities. This includes getting your perspectives and thoughts, but also enabling you to deliver some of the work we do through community and volunteer groups. Over the next few months, Councillors will be making key policy decisions in this area that will reset how we work with our diverse communities. We have tentatively allocated \$500,000 in additional funding per year for work with communities and volunteers.

#### Engagement

We are looking to expand our engagement approach and we are developing a new policy that will be considered by Councillors early in 2021. This will explore different approaches, such as participatory budgeting, where we ask the community how to allocate a portion of our budget, or Citizens Juries, where people are provided the time and resources to make an informed recommendation to Regional Council. Once this new policy is developed, we will have a better idea of exactly what these new approaches will look like.

#### Volunteers

The Bay of Plenty has a long-established network of environmental care groups, led by passionate local volunteers across the region. All sixty of these volunteer groups are supported in some way by the Regional Council through the provision of equipment or direct funding. We are looking at different ways Regional Council can support the work care groups and volunteers do.

#### Māori

There are 39 iwi, 240+ hapū, and hundreds of marae in the Bay of Plenty, and Māori make up almost a third of the region's population. We are looking at significantly enhancing how we work with Māori, especially in relation to the upcoming freshwater reforms. We're reviewing our current responsiveness and looking at ways to improve this. We are also aiming to improve our partnerships with Māori by increasing funding for Māori participation in freshwater reforms by a minimum of \$500,000 per annum.



*We look forward to hearing from you about the plan we have created for the future of the Bay of Plenty.*

# Our Climate Change statement

*Toi Moana Bay of Plenty Regional Council recognises the significant implications that climate change will have for the Bay of Plenty and the need for mitigation and adaptation actions, locally and region-wide.*

After declaring a climate change emergency in June 2019, we committed to working with our sectors and communities on transitioning to a low carbon future and preparing ourselves for the changing climate. Our Climate Change Action Plan and Work Programme guides our work in this area, including a strong focus on reducing our own organisation's emissions as a Toitu CarbonReduce certified organisation.

This Climate Change Statement outlines Toi Moana's view of what needs to occur in our region and the transformational changes needed to respond to climate change. The Statement will inform and guide how we can work in partnership with Māori and support conversations around the regional climate change challenges.

## Our vision

Bay of Plenty Regional Council strengthens the long-term resilience and sustainability of the Bay of Plenty region through climate change action and awareness.

## Our objectives

1. Risks from climate change-related impacts are managed and resilience is increased through consistent adaptation planning based on best scientific information.
2. Community awareness of climate change mitigation and adaptation solutions increases and organisations and individuals know what they can do to improve the long term resilience and sustainability of the region.
3. Bay of Plenty Regional Council greenhouse gas emissions reduce across all areas of influence, including its own operations, helping to create the conditions for a smart, innovative, low-carbon regional economy.

## Transformational shifts required for the Bay of Plenty

We recognise that transformational shifts are required in order to meet the region's climate change challenges. These include:

1. An engaged and aware community, enabled to take action.
2. Transport emissions are significantly reduced across the region.
3. Lower carbon energy supply and demand challenges are addressed.
4. Land use planning results in emissions reductions and adaptation.
5. Investors in our region support low carbon transitions.
6. Significant investment occurs in natural carbon storage, including planting native trees and the preservation or creation of wetlands.

## We will:

- Act proactively and with urgency to address climate change risks.
- Raise awareness of climate change and its anticipated impacts, and show leadership in climate change action response.
- Work collaboratively.
- Put science based evidence front and centre.
- Value Māturanga and Te Ao Māori in our approach.
- Align with national direction and commitments.
- Stimulate debate and innovative thinking.
- Factor in carbon footprints into our decision making.



# This consultation document

*With your help we can ensure we deliver the right work in the right areas, and that it is funded in a way to create the best possible outcomes for our communities.*

Through our Long Term Plan we're looking to make decisions that provide multiple benefits to the community, now and into the future. Now is the time to deliver on new projects, works and services. Along the way, we've been mindful of the impact on our ratepayers, but we've needed to balance this against running an effective organisation that meets the expectations of our communities to deliver more.

The draft Long Term Baseline budget sets out \$158 million of operating expenditure and \$35 million capital expenditure for year one, and \$1,550 million of operating expenditure and \$120 million of capital expenditure for the full ten year period. In year one, this would require a 5.8% real increase<sup>1</sup> in general rates (\$16 per year for a median Bay of Plenty household). There is also a 8.9% increase in real targeted rates in year one (the impact of this depends on the location and size of the property). After that, we are projecting real general rates increases of less than 3%. In the section on Our Budget Approach you will see more information about rates.

Increasing costs are being driven by a range of factors, including increasing engagement requirements, increased volumes of work due to central government changes, major capital projects and associated depreciation and capital loan repayments, and environmental considerations that did not previously exist.

We want your views on the key issues facing us, and on page 14 you'll see a summary of our consultation questions. We also want your views on any other matters related to our services.

We look forward to hearing from you about the options in this consultation document and the impact they have on rates.

<sup>1</sup> Real increase excludes growth and inflation. Total rates revenue increases as the number of rateable properties grows (approximately 1% per annum) – which doesn't apply to existing ratepayers. Inflation also affects our costs and rates, and is estimated at 2.4% for year one on top of the real increase. The raw increase (including growth and inflation) is 9.3% general rates and 12.4% targeted rates in year one.

## Our Strategic Framework and Direction



### The way we work

- We look to add value
- We think integrated
- What we do we do well
- We live our values

### Our Priorities

- Regional recovery
- Regulatory reform
- Climate change
- Land use and transport
- Partnerships with Māori
- Making best use of our resources
- Sub-regional/regional view
- Community participation and constructive relationships

# Summary of Consultation Topics

**1** What climate change projects should we fund

**2** Help households install sustainability improvements

**3** Free bus fares for school children

**4** Free bus fares for tertiary students

**5** Free bus fares for Community Services Card holders

**6** Region-wide flat fares for buses

**7** Funding for charitable regional safety and rescue services

*The exact questions we are asking can be found later in this document.*



## What you're getting

We propose to deliver current or higher levels of service across all of our activities in our next Long Term Plan. The areas that will receive increased levels of service are:

**Maritime Operations:** The quality of navigation aids will increase from 90% to 95%

- These are things like buoys and lights. The measure refers to what percentage of these are in a high-quality condition.

**Resource Consents:** We'll process 95% of all resource consents within statutory timeframes

**Resource Consents:** We'll achieve 84% customer satisfaction with our resource consents processing, up from 80%

**Democracy, Engagement, and Planning:** We'll improve the quality of our policy reports from 80% to 90%

**Regional Flood Risk Co-ordination:** We'll improve the timeliness of our regional flood risk warnings from 90% to 100%

- We have a manual that sets out how quickly we should provide warnings, and we're increasing our target so we provide every single warning within time.

Most of the above improvements will all be delivered within baseline budgets as a result of internal efficiencies. The improvements for Resource Consents will be delivered through an increase in the baseline budget.

All other activities will deliver the current level of service; for example, we'll continue to increase the number of Priority Biodiversity Sites we manage by four each year (although we're changing how we present this so it shows as a share of the total number of sites, as that is more informative).

# Consultation Topic

## Climate Change Projects



### Question

# What specific climate change projects should the Regional Council fund?

### Effects



### Background

Adapting to a changing climate and helping to facilitate a transition to a low carbon economy is a key priority for Regional Council.

Since declaring a climate change emergency in 2019 we have already made progress. We have been working to embed climate change into our decision-making and procurement processes, progress a climate change risk assessment for the region, incorporate electric buses into our

public transport fleet, develop climate change story maps, and monitor and reduce our organisational carbon footprint.

Alongside the above, through this Long Term Plan, we are already committed to delivering on a number of climate change related projects that fall within Regional Council's natural role, and which help us respond to the declared emergency. These include work in enhancing our flood protection

systems, which contribute to adapting to the effects of climate change. They also include wetland restoration projects, which help us adapt to change, but also potentially mitigate change.

Of greatest impact, however, is likely to be our work on transport planning and transport behaviour change that

is designed to increase public transport patronage, which would in turn help reduce private vehicle emissions and thus contribute to a net reduction in carbon emissions.

You can also refer to our Climate Change statement on pages 10-11 for further information.

### The issue

There are also a number of additional projects specifically focused on climate change that we could fund over the first three years of the Long Term Plan. We would like to know your views on the best area(s) for this investment.

#### Potential projects:

- Facilitate a co-ordinated approach to climate change risk assessment and adaptation plans for the region (up to \$250,000 over three years)
- Facilitate and support community

conversations around adaptation (up to \$600,000 over three years).

- Run a one-off community Climate Change Forum (\$35,000)
- Supporting engagement and education around climate change to businesses and households (\$200,000 over three years)

We want to know what level of additional funding you think is appropriate, or whether you are happy for us to continue with our current level of core service delivery.

### The options

Description	Level of Service Effects	Financial Effects
<b>1*</b> No additional funding allocated	No change	No change
2 Fund a subset of projects	Increase	Approximately \$175,000 per annum increase in expenditure, the equivalent to 0.6% increase in general rates, or on average, \$0.99 (incl GST) per rating unit.
3 Fund all four projects	Increased	Approximately \$350,000 per annum additional expenditure, the equivalent to 1.2% increase in general rates, or on average, \$1.97 (incl GST) per rating unit.

\*Preferred option

# Consultation Topic

## Sustainability Funding

2

### Question

Should the Regional Council help households to install sustainability improvements (e.g. solar panels, insulation, clean heating)?

### Effects



### Background

Supporting households to reduce their greenhouse gas emissions, such as by increasing the efficiency of their energy use and increasing renewable electricity generation, is part of the shift to a low carbon future.

In Rotorua, we have run a 'Hot Swap' programme, in partnership with

Rotorua Lakes Council, where ratepayers are offered a loan to replace old wood burners for cleaner heating technology to improve the city's air quality.

We have the option of establishing a similar scheme for a wider range of sustainability initiatives for households across the region.

### The issue

Energy use accounts for an estimated 10% of the Bay of Plenty's greenhouse gas emissions, mostly from national grid electricity that is derived from non-renewable sources. There is an opportunity for households to help reduce these emissions by increasing the efficiency of their energy use, and potentially generating at least part of their own electricity with solar panels.

Installation of sustainability initiatives, such as insulation, efficient heating and solar panels, could contribute to

a reduction in household energy demand and associated greenhouse gas emissions. It may also contribute to lower power bills and improved health due to warmer, drier and healthier homes.

We want to know whether you support Regional Council providing loans as incentives for households to install sustainability initiatives. We're also interested in your views on the best model for such a scheme out of the options presented below.

### The options

Description		Level of Service Effects	Financial Effects
1*	No funding allocated	Unchanged	No change
2	Provide low interest loans to households for installing sustainability initiatives.	Increase	Approximately \$20,000 per annum increase in expenditure, the equivalent to 0.07% increase in general rates, or on average, \$0.11 (incl GST) per rating unit. This assumes interest charges cover the administration costs of the scheme.
3	Option two, but also include partial grants for low income households.	Increased	Approximately \$60,000 p.a. increase in expenditure, the equivalent to 0.21% increase in general rates, or on average, \$0.34 (incl GST) per rating unit. This assumes interest charges cover the administration costs of the scheme for interest bearing loans. Grants create rates impact over and above marketing costs.
4	A combination of low interest loans + no interest loans + partial grants (for low income households).	Increased	Approximately \$61,200 per annum increase in expenditure, the equivalent to 0.21% increase in general rates, or on average, \$0.35 (incl GST) per rating unit. This assumes interest charges cover the administration costs of the scheme for interest bearing loans. Grants and interest-free loans create rates impact over and above marketing costs.

\*Preferred option

## Consultation Topics

# Public transport fares

3 to 6



## Background

Bay of Plenty Regional Council provides public transport services in the Tauranga, Rotorua and Whakatāne urban areas, and connector routes in Western Bay, Ōpōtiki, Kawerau and rural Whakatāne districts.

In September 2019, the Public Transport Committee approved the scope for a Regional Fare Review with goals of increasing patronage, reducing CO<sub>2</sub> emissions, providing equitable transport, and encouraging mode shift. Options for the regional fare review were discussed by the Public Transport Committee in February 2020. Community engagement around the options was intended to be carried out as part of the Annual Plan 2020/21, but did not occur due to the impacts of COVID-19.

We already have several public transport initiatives underway, some of which will carry on into the first six months of the Long Term Plan.

A Tauranga schools fare free trial is currently underway and will run until December 2021. In August 2020 more than 70,000 trips on Tauranga bus services were made using the trial. This trial is not region-wide.

A regional tertiary education fare free trial is currently underway and will run until December 2021. The trial is in partnership with tertiary providers in the region, who contribute funding. In August 2020 over 21,000 trips on regional bus services were made as part of the trial.

A concession option for Community Services Card holders was included in the Regional Fare Review as part of providing equitable transport choices to our community. We do not currently provide free fares for Community Services Card holders.

We have also previously considered introducing flat fares to improve public transport patronage. Currently, fares differ by distance covered.

## The issue

We are seeking your views on four main issues:

- Should we expand the Tauranga schools fare free trial to cover the whole region, and make it permanent?
- Should we make the regional tertiary education fare free trial permanent?
- Should we bring in free fares for Community Services Card holders?
- Should we bring in flat fares?

Introducing or expanding these initiatives might help improve public transport patronage and make it more accessible and equitable.

## Consultation Topic

Free fares for school children

3

### Question

Should the Regional Council offer region-wide free bus fares for school children?

Effects

LEVEL OF SERVICE



NO CHANGE

COST TO RATEPAYER \$



NO CHANGE

### The options

Description	Level of Service Effects	Financial Effects
<b>1*</b> No free fares for school children <i>(The existing Tauranga trial to December 2021 will be reviewed at expiry for continuation from 2022)</i>	No change	No change
<b>2</b> Free fares for school children during arrival/departure times (e.g. 7-9am and 3-6pm). This will cover the whole region, not just the current Tauranga trial area.	Increase	Approximately \$759,000 per annum revenue not collected, which will increase targeted rates by an average of 11.4% (excluding Western Bay of Plenty District Council). This is equivalent to on average, an increased passenger transport targeted rate per property (inc. GST) of \$10.83 in Tauranga, \$8.85 in Rotorua or \$1.90 in Whakatāne. <i>(This scenario is also incorporated in the 'flat fare for buses' consultation question.)</i>
<b>3</b> Free fares for school children at all times (on showing identification). This will cover the whole region, not just the current Tauranga trial area.	Increased	Approximately \$921,000 per annum revenue not collected, which will increase targeted rates by an average of 13.9% (excluding Western Bay of Plenty District Council). This is equivalent to on average, an increased passenger transport targeted rate per property (inc. GST) of \$13.14 in Tauranga, \$10.74 in Rotorua or \$2.30 in Whakatāne. <i>(This scenario is also incorporated in the 'flat fare for buses' consultation question.)</i>

\*Preferred option

## Consultation Topic

Free fares for tertiary students

4

### Question

Should the Regional Council retain region-wide free bus fares for tertiary students?

Effects

LEVEL OF SERVICE



NO CHANGE

COST TO RATEPAYER \$



NO CHANGE

### The options

Description	Level of Service Effects	Financial Effects
<b>1*</b> No free fares for tertiary students <i>(The existing Tauranga trial to December 2021 will be reviewed at expiry for continuation from 2022)</i>	No change	No change
<b>2</b> Free fares for tertiary students at all times (on showing identification)	Increase	Approximately \$264,000 per annum additional cost (net) will increase targeted rates by an average of 15.8% in 2021/22. This is equivalent to, on average, an increased targeted rate per property of \$0.95 in Tauranga, \$3.32 in Rotorua, \$4.89 in Western Bay or \$3.96 in Whakatāne (including GST). Note: Targeted rates will further increase in 2022/23 as funding from the tertiary institutes is only committed to December 2021.

\*Preferred option

## Consultation Topic

Free Fares for Community Services Card Holders

5

### Question

Should the Regional Council introduce region-wide free bus fares for Community Services Card holders?

Effects

LEVEL OF SERVICE



NO CHANGE

COST TO RATEPAYER \$



NO CHANGE

### The options

Description	Level of Service Effects	Financial Effects
<b>1*</b> No free fares for CSC card holders	No change	No change
<b>2</b> Free fares for CSC card holders	Increase	Approximately \$442,000 per annum fare revenue not collected which will increase targeted rates by an average of 5.6% in 2021/22. This is equivalent to, on average, an increased targeted rate per property of \$6.35 in Tauranga, \$3.97 in Rotorua, \$1.42 in Western Bay or \$0.55 in Whakatāne (including GST).

\*Preferred option

## Consultation Topic

Flat Fares for Buses

6

### Question

Should the Regional Council introduce region-wide flat fares for buses?

Effects

LEVEL OF SERVICE



NO CHANGE

COST TO RATEPAYER \$



NO CHANGE

### The options

Description	Level of Service Effects	Financial Effects
<b>1*</b> No flat fares	No change	None
<b>2</b> Flat fare structure (intra-urban/intra-region). This is proposed as: \$2 for urban trips using a Bee card, with cash fares approximately \$1 higher. Fares for trips within the region are to be determined.	Increase	Approximately \$1,838,000 per annum fare revenue not collected which will increase targeted rates by an average of 33.9% in 2021/22. This is equivalent to, on average, an increased targeted rate per property of \$25.86 in Tauranga, \$13.31 in Rotorua, \$5.79 in Western Bay or \$9.17 in Whakatāne (including GST).

\*Preferred option

# Consultation Topic

## Regional Safety & Rescue Services



### Question

**Should the Regional Council introduce a targeted rate to provide funding for charitable regional safety and rescue services?**

### Effects



### Background

Charitable regional safety and rescue services (RSRS) provide a number of vital safety and rescue services to both local people in our community and visitors to our region. Some of these organisations receive little, and in some cases, no central government funding. They rely on other sources of funding, including public funding from local and regional councils, typically

by submitting to Council Long Term and Annual Plans. It is estimated that Councils across the Bay of Plenty region contribute approximately \$400,000 in annual funding to RSRS providers. This includes a grant from the Regional Council of \$30,000 per annum to Surf Lifesaving NZ through the Community Initiatives Fund (CIF) concluding in 2020/21.

### The issue

The current approach to funding RSRS providers has inefficiencies for service providers and Councils as it provides little certainty of future funding, results in competition, means resources are spent applying for funding, and creates intraregional disparities.

Regional Council sought feedback from the community through its Annual Plan 2019/20 Consultation Document, and 80.5% of submitters supported two options that included increasing funding for RSRS with a targeted rate.

The remaining 19.5% of submitters supported the status quo.

Through this Long Term Plan consultation, we are seeking feedback on the level of funding provided for RSRS services through the LTP 2021-2031. Other Councils across the region may also provide funding to RSRS providers separate to this. If implemented, this funding would replace the existing ad-hoc mechanisms for funding these services, such as the Community Initiatives Fund.

### The options

Description	Level of Service Effects	Financial Effects
<b>1</b> No. Any funding is provided via existing mechanisms such as the Community Initiatives Fund (approx. \$200,000 per annum) and is allocated through general rates.	The level of service would remain at a similar level as currently provided.	None
<b>2</b> Yes up to \$200,000 per annum.	Allocating total funding of up to \$200,000 will mean that the level of service will be increased.	Up to \$200,000 per annum (approximately \$0.80-\$2.00 incl. GST on average per property which is equivalent to a targeted rates increase of 0.70%).
<b>3*</b> Yes up to \$400,000 per annum.	<b>Allocating total funding of up to \$400,000 extra funding will mean that the level of service will be increased.</b>	<b>Up to \$400,000 per annum (approximately \$1.60-\$4.00 incl GST on average per property which is equivalent to a targeted rates increase of 1.40%).</b>
<b>4</b> Yes up to \$600,000 per annum.	Allocating total funding of up to \$600,000 extra funding will mean that the level of service will be increased.	Up to \$600,000 per annum (approximately \$2.40-\$6.00 incl GST on average per property which is equivalent to a targeted rates increase of 2.11%).

\*Preferred option

# Our budget approach

## Our financial strategy will ensure:

- We keep rates affordable
- We have the financial resilience to respond to climate change and other challenges

We have a wide range of challenges coming in the future. These include responding to the impacts of Climate Change, delivering on environmental and legislative requirements, and meeting the expectations of our communities. We acknowledge these significant uncertainties and are planning to create the financial resilience respond to as we need to.

Even in the face of these challenges we acknowledge that our rates income must be an affordable and sustainable path. We have maintained our investments to provide another income source to provide for this.

## The Council Group – who we are

As part of the Council Group, Regional Council is the 100% owner of Quayside Holdings Limited (Quayside), 100% owner of the Toi Moana Trust, a part owner of Bay of Plenty Local Authority Shared Services (BOPLASS), and a part owner of the Local Government Funding Agency (LGFA).

Quayside manages our 54.14% shareholding in the Port of Tauranga. It also manages a portfolio of other investments, which has grown to be worth \$380 million as at June 2020. The Toi Moana Trust manages a \$45 million investment to provide a dividend to offset rates. BOPLASS guarantees us access to shared service arrangements and joint procurements to reduce costs. The LGFA enables us to borrow at low interest rates.

## Our financial strategy supports the delivery of our strategic direction and work plans.

## Financial Framework – what informed our strategy

We carried out a comprehensive review of our financial framework as part of preparing for the Long Term Plan. We have a range of options available to fund work and manage financial risk. These are referred to as our financial levers.

This review included the following steps:

1. Reviewing our expenditure requirements
2. Identifying our financial levers and benchmarking with other regional councils
3. Setting the financial results we aim to achieve

After consideration of all factors and options, Council has decided to set the following key results to ensure our financial sustainability in the long term.

## Our Future – what we must achieve

### We must increase our financial resilience to respond to climate change and other challenges

We have budgeted based on current forecasts for climate change and other challenges. As forecasts are updated there may be changes to existing services, like increased capacity for Flood Protection, and new requirements imposed on the Regional Council.

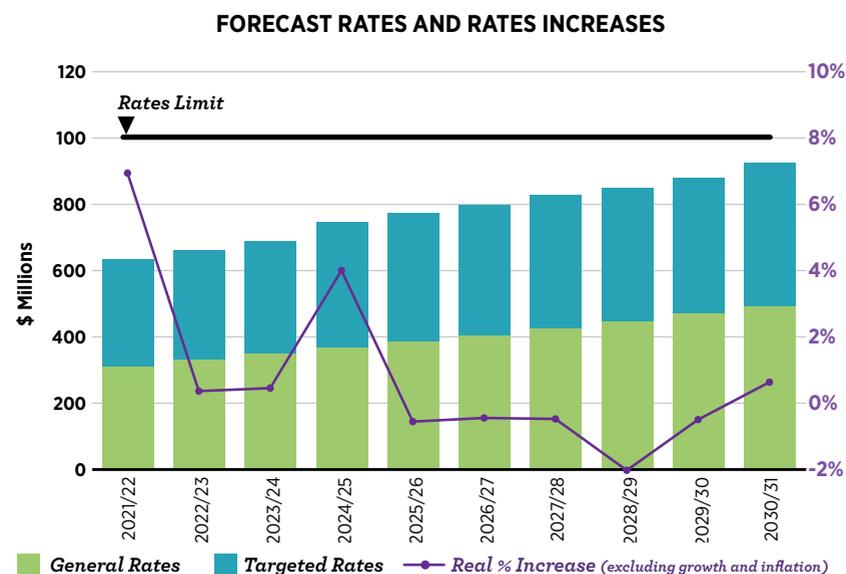
Other potential major changes for Council include:

- Legislative changes, especially the replacement of the Resource Management Act
- New environmental standards
- Supporting population growth, urban form and transport
- Economic recovery from COVID-19

### We must keep rates affordable

Council set a 0% general real rates increase for 2020/21 to minimise the economic impacts of COVID-19. Current forecasts for economic recovery have improved since early 2020 and moderate rates increases appear to be feasible.

The real general rates increase is 5.8% (on average \$16 per property) in 2021/22, then under 3% per annum. Real targeted rates increase by 8.9% in 2021/22, and the cost per household depends on the services that household receives.



## **Our Path – how we will get to our future**

### **We will grow dividends from Quayside Holdings**

Currently we use the dividend from Quayside Holdings to offset the general rates requirement. This enables everyone to benefit from the regional wealth that we control, and helps keep rates affordable. Quayside has also retained a portion of its profits for investment and has achieved stronger than forecast profit growth for several years.

Council has chosen to increase the forecast dividend received from Quayside from \$33.1 million in 2020/21 to \$40 million in 2021/21. After that, the dividend is forecast to increase at 3% per annum. The increases in dividend allow us to:

- Offset general rates by an average of \$301 per property in 2021/22.
- Keep rates affordable into the future by increasing the dividend at approximately the rate of inflation
- Build reserves funds that can be used when required

Council also receives distributions from the \$45 million Toi Moana Trust, which are forecast as \$2.25 million per annum.

### **We will use financial reserves where appropriate**

Our financial approach has meant that we have accumulated financial reserves. Some of these can only be used for specific activities (e.g. flood repair reserves funded by targeted rates) and some are for general purposes (including the asset replacement reserve which can be used for capital funding or repaying borrowings).

Since 2018, we have used borrowing to fund capital expenditure because this was more efficient than using our savings. Current interest rates forecasts do not show this to be advantageous and we are therefore planning to use our reserves to fund capital expenditure.

We are also planning to use reserves to fund our \$20 million contribution to the Ōpōtiki Harbour Transformation and bus route optimisation as part of the Transport Systems Plan. These are both investments to improve long term wellbeing that we can fund without increasing rates or bus fares.

Increased Quayside dividends allows our forecast reserves to grow. We expect to use these reserves to fund the work required to respond to the major changes that affect us without needing to increase rates more than currently forecast.

When our borrowings need to be refinanced, we may choose to repay the borrowing from reserves depending on the interest rates and our financial requirements at the time.

In addition to the reserves held by Council, our 10 year target is for Quayside to increase the value of its non-port investments from \$380 million to \$700 million. This increased value will generate additional profits to fund the dividend to Council, and is also another source of financial resilience.

The value of the majority shareholding in the Port of Tauranga is not currently included as a source of financial resilience because we have determined that this is a strategic asset for the region that we intend to hold for the long term.

### **We will maintain the ability to borrow if needed**

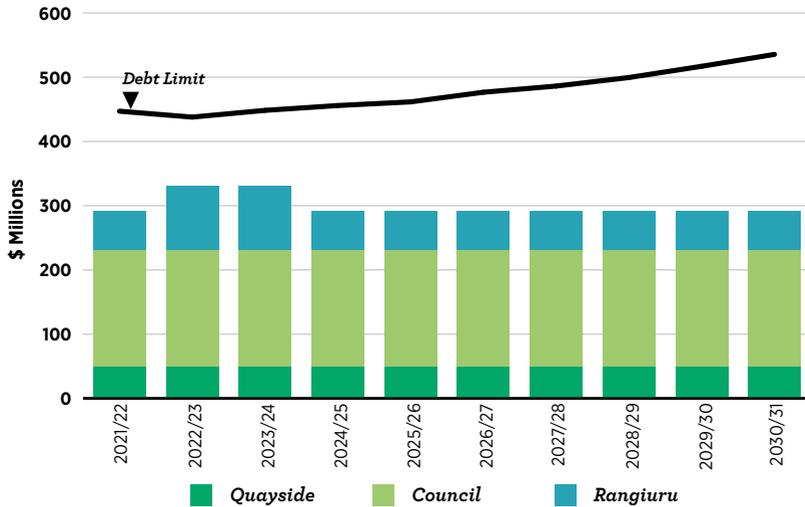
Council is planning to use reserves in preference to new borrowing to fund capital expenditure. We have enough forecast reserve balances to finance our entire ten year capital programme of \$120 million, of which \$41 million is for flood protection and control projects.

We borrow and on-lend to Quayside as this minimises the interest cost for the Council Group. Quayside currently has \$50 million of on-lending. We have provided for an additional \$100 million to finance further industrial development at Rangioru, which is forecast to be repaid in 2024/25 and 2032/33.

When our borrowings need to be refinanced, we may choose to repay the borrowing from reserves, depending on interest rates and our financial requirements at the time. As the decisions to repay or finance borrowing depend on future interest rates and other factors, we have chosen not to show Council repayments to demonstrate that Council remains financially stable even without paying down borrowing.



### FORECAST BORROWING



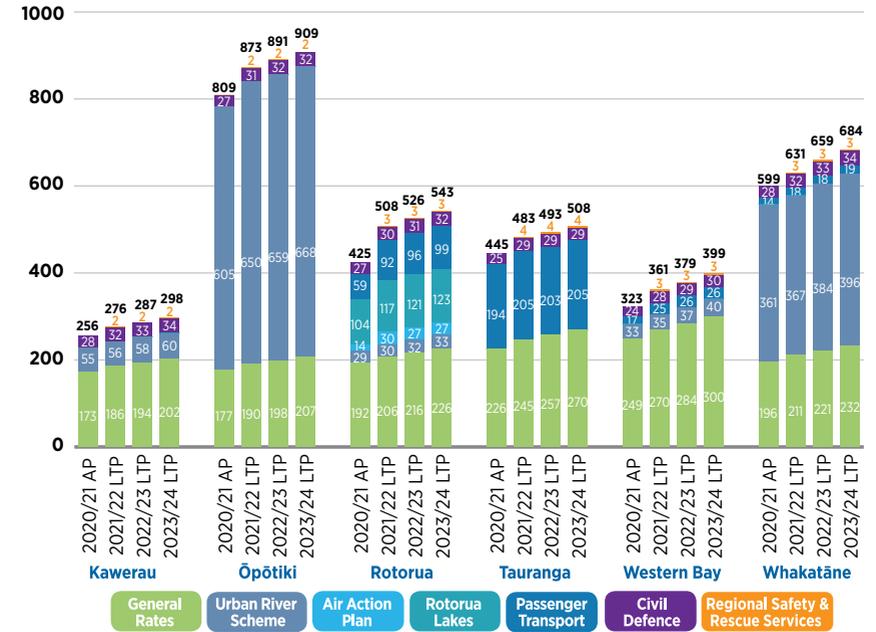
Quayside Holdings issued \$200 million of perpetual preference shares in 2008. The income from this was used to fund our capital expenditure and grants to Regional Infrastructure Projects (excluding Ōpōtiki Harbour), and will be fully spent by July 2021. There are circumstances in which Council could be required to re-purchase this share issue and we ensure that we retain the ability to finance this.

### We will be financially prudent and balance our budget

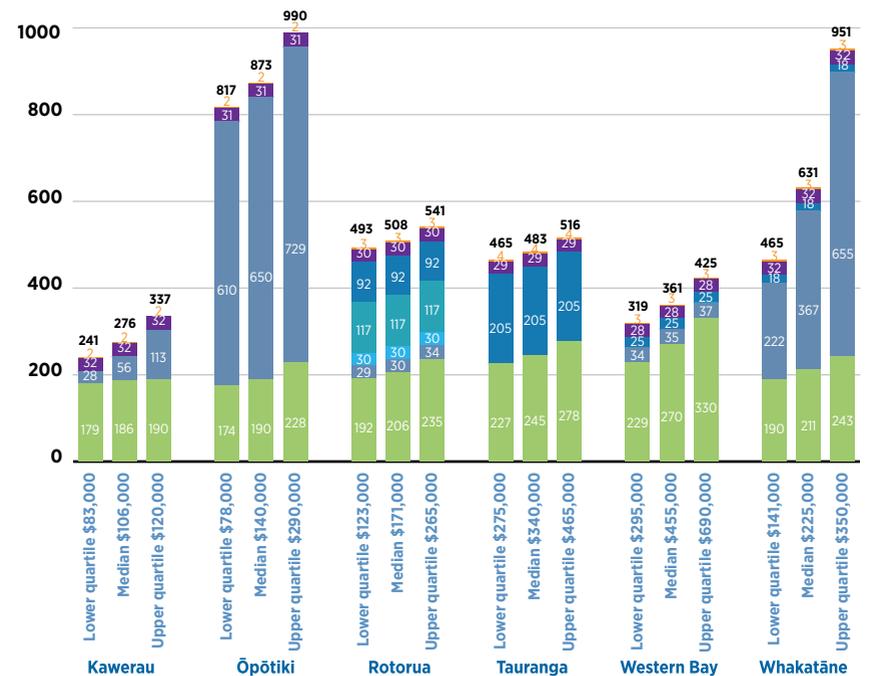
We have forecast an overall operating surplus for this Long Term Plan, including a surplus in each of years 3-10. For the first two years we are forecasting a deficit i.e. the money we expect to spend on operating expenditure is more than we expect to receive. While Council has an unbalanced budget in the first two years, this will be offset in the wider Council Group by profits retained in our Council Controlled Organisations, particularly Quayside.

The primary reasons for the unbalanced budgets are the grants in years one and two to the Ōpōtiki Harbour Project and using reserves to fund bus route optimisation for the Western Bay Transport Systems Plan in years one - three. These projects deliver long lasting benefits and are funded from our accumulated reserves rather than being rated for in the year it is spent. The reserve funding for the Western Bay Transport Systems Plan also recognises that Tauranga ratepayers will need to pay more for transport and land use-improvement. We propose to deliver budget surpluses from year three onwards for the reasons noted above.

### ANNUAL TOTAL RATES BY TERRITORIAL AUTHORITY - MEDIAN PROPERTIES 1000M<sup>2</sup>



### 2021/22 TOTAL RATES BY TERRITORIAL AUTHORITY - Example property values



Lower quartile land area 500m<sup>2</sup> • Median land area 1,000m<sup>2</sup> • Upper quartile land area 2,000m<sup>2</sup>

# Assets and infrastructure

*Infrastructure refers to the long-lasting facilities that support our day-to-day living, such as buildings, roads, and network services. As a Regional Council, the main area of infrastructure we are directly responsible for are flood protection assets - things such as stopbanks and pump stations. These structures are an important part of how we manage the risk of flooding across the region.*

Because of this, our Infrastructure Strategy is focused on the issues we face in operating flood protection and control assets.

Regional Council owns, operates, and maintains approximately \$336 million worth of flood protection and control assets as part of our Rivers and Drainage Operations activity. Our Infrastructure Strategy sets out the capital and operating spend required to meet currently delivered levels of service for those flood control assets.

Flood protection and control faces significant issues over the next 30 years. These include sea level rise, more intense and frequent storms, subsiding ground levels, potentially declining populations in the east (where the greatest risk of flooding is), and stopbanks that are often geotechnically unstable during high and prolonged river levels.

We will continue to conduct rolling capacity reviews of our various schemes and we are also implementing a River Scheme Sustainability Project. This project addresses long-term flood mitigation issues, using an integrated catchment-wide approach to create a modern, 100-year framework for each river scheme. This approach includes investigating alternative engineering options, including moving away from simply raising our existing stopbanks to keep pace with higher water levels associated with climate change.

In recent years, there has been significant investment in flood protection and control assets, which has front-loaded the capital works programme, meaning less investment is needed in the latter part of the Long Term Plan. It is possible that when capacity reviews and geotechnical investigations are completed for the various schemes, that there will be identified shortfalls requiring additional investment.

## The timing of the capacity reviews is as follows:

- Upper Kaituna Catchment Control Scheme – 2021/22 (year 1)
- Lower Kaituna Catchment Control Scheme – 2023/24 (year 3)
- Whakatāne-Tauranga Rivers Scheme – 2025/2026 (year 5)
- Rangitāiki-Tarawera Rivers Scheme – 2027/28 (year 7)
- Waioeka-Otara Rivers Scheme – 2028/2029 (year 8)

It is also likely that there will be changes when the River Scheme Sustainability Project is completed. The Rangitāiki Catchment has already had options developed and considered by the community, but the other four are yet to be fully considered. The first, Whakatāne-Tauranga, will be consulted on in year one of the Long Term Plan.

Between 2021 and 2051, we expect to spend \$83.390 million on new or replacement structures in our river schemes (capital expenditure) and \$453.983 million on maintenance, repairs, analysis and modelling (operational expenditure).



I am the Auditor General's appointed auditor for Bay of Plenty Regional Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 18 February 2021.

### Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long term plan, because it:
  - fairly represents the matters proposed for inclusion in the long term plan; and
  - identifies and explains the main issues and choices facing the Council and region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

### Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

### Independence

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



**Leon Pieterse** -  
Audit New Zealand  
On behalf of the  
Auditor-General,  
Tauranga, New Zealand

# Your representatives



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# How to have your say

You can have your say by providing a submission in any of the ways outlined below.

Submissions close 4pm on Monday 22 March.

**A** Complete a submission online at [www.boprc.govt.nz/ltp](http://www.boprc.govt.nz/ltp)

**B** Email your submission to [LTP2021-2031@boprc.govt.nz](mailto:LTP2021-2031@boprc.govt.nz)

**C** Complete the submission form attached and post it to us at:  
Freepost Number 122076  
Long Term Plan Submissions  
Bay of Plenty Regional Council  
PO Box 364, Whakatāne 3158

**D** Visit any of our offices across the Bay of Plenty:  
5 Quay Street, Whakatāne  
1 Elizabeth Street, Tauranga  
1118 Fenton Street, Rotorua

Consultation document available  
**FEBRUARY 2021**

Have your say  
**22 FEBRUARY TO 22 MARCH 2021**

Hearings  
**APRIL 2021**

Deliberations  
**MAY 2021**

Plan adopted  
**END OF JUNE 2021**

# What do you think?

## Your details

First name: \_\_\_\_\_

Last name: \_\_\_\_\_

Are you submitting as an individual, or on behalf of an organisation?

Individual  Organisation

Organisation (if applicable): \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

Postal address: \_\_\_\_\_

### Your gender:

Male  
 Female  
 Non-binary  
 Prefer not to say

### Year of birth:

\_\_\_\_\_  
 I'd rather not say

### Your ethnicity:

European  
 Māori  
 Pacific peoples  
 Asian  
 MELAA (Middle Eastern/  
Latin American/African)  
 Other ethnicity:  
\_\_\_\_\_

I wish to keep my contact details confidential

Yes  No

## Submitting in person?

All submitters have the opportunity to present their feedback to council during the hearings process. Please indicate your preferred option below.

I wish to speak to my submission  I do not wish to speak to my submission

I will speak in:  English  Te Reo  Sign language

I wish to speak in the location of  Whakatāne  Rotorua  Tauranga

Would you like to receive an e-newsletter about this Long Term Plan?  Yes  No

1

**What specific climate change projects should the Regional Council fund?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_
- Option 3    \_\_\_\_\_

2

**Should the Regional Council help households to install sustainability improvements (e.g. solar panels, insulation, clean heating)?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_
- Option 3    \_\_\_\_\_
- Option 4    \_\_\_\_\_

3

**Should the Regional Council offer region-wide free bus fares for school children?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_
- Option 3    \_\_\_\_\_

4

**Should the Regional Council retain region-wide free bus fares for tertiary students?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_

5

**Should the Regional Council introduce region-wide free bus fares for Community Services Card holders?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_

6

**Should the Regional Council introduce region-wide flat fares for buses?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_

7

**Should the Regional Council introduce a targeted rate to provide funding for charitable regional safety and rescue services?**

Topic

- Option 1    Comments \_\_\_\_\_
- Option 2    \_\_\_\_\_
- Option 3    \_\_\_\_\_
- Option 4    \_\_\_\_\_

If you require more space, please feel free to attach extra pages.

You can also make a submission online at [www.boprc.govt.nz/ltf](http://www.boprc.govt.nz/ltf)

Once completed please send this form to:

**Freepost Number 122076  
Long Term Plan Submissions  
Bay of Plenty Regional Council  
PO Box 364, Whakatāne 3158**

*Submissions close 4pm on Monday 22 March.*



[www.boprc.govt.nz/ltp](http://www.boprc.govt.nz/ltp)

