

Te Mahere Tūroa

Long Term Plan 2024-2034

CONSULTATION DOCUMENT



TOI MOANA
BAY OF PLENTY
REGIONAL COUNCIL

 **YOUR**
BAY 
 **YOUR**
 **SAY** 

Tōu Kaunihera ā-rohe **Your Regional Council**

As a regional council we are responsible for land, air and water, as well as public transport and economic development. Here's what we've been up to!



Visitors to
Regional Parks

99,288



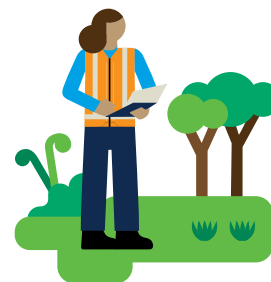
Volunteer groups or
projects supported

100+



Water samples analysed
under swimming sites
monitoring programme

1,679

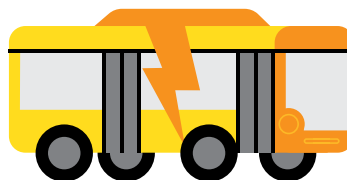


Environmental
consent checks

3,962



Spoke with
4,200
harbour and lake
users to educate
them and keep
them safe



Number of public
transport trips taken

2.73 M



Natives seedlings
planted for
environmental
protection

1.3+ M

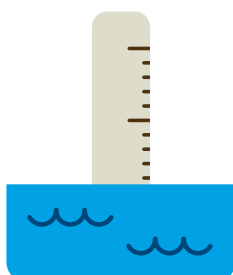


Maintaining
382km
of stopbanks for
flood protection



Pollution hotline
calls responded to

2,300+



Water monitoring
sites to understand
and safeguard
our environment

270



Inspections for pests

4,694

He hirahira āu whakahoki kōrero

Your feedback is important

With your input we can ensure we deliver and fund the right work, in a way that creates the best possible outcomes for our communities.

Every three years we work with our community to create a Long Term Plan. The Long Term Plan sets our strategic direction for the next 10 years, including the work we will deliver and how that work will be funded.

Through our Long Term Plan we're looking to make decisions that provide multiple benefits to the community, now and into the future. We are planning to respond to any requirements from the new government and focus our services to contribute to our updated community outcomes. Along the way, we've been mindful of the cost 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.

We need your views on the key issues and choices facing us, and on page 15 you'll see a summary of our

consultation questions. The consultation questions we are asking in this document are independent from one another – we are looking for feedback on critical choices in a range of areas and your input will help shape our plan for the next 10 years. We also want your views on any other matters related to our services.

This consultation document is your opportunity to have your say. At the back of this document, we've listed all the ways you can provide feedback.

**Submissions close 4pm
Tuesday 9 April 2024**

Te rārangi kaupapa

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Mihi

*E ngā manukura, e ngā tātarariki
o te rohe whānui, tēnā koutou katoa
Mai i Ngā Kurī-ā-Whārei ki Tihirau
Mai i Maketū ki Taupō-nui-ā-Tia
Ko te rohe kaunihera
tēnei o Toi Moana
Toitū te whenua
Toitū te moana
Toitū te taiao
Toitū te tangata
Koia nei te Mahere Tūroa a
Toi Moana e whakarārangi ana
i ngā mahinga nui mō tō tātou rohe,
e pae ai tō tātou waka ki uta.*

**Greetings to all our people
throughout our great region
From the ridges of
Bowentown Heads to Cape Runaway
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 humankind remain
Here is the Toi Moana Long Term Plan
and all the significant activities
for our region, ensuring our region
is a great place.**



Tōu tirohanga ā-rohe

Your regional outlook

Your Bay – your say! It's time to decide what's next for the Bay of Plenty and we need your help to make sure we get it right for future generations.

The current economic climate calls for tough financial decisions to be made throughout the community, and Toi Moana is no exception. At a time when Aotearoa New Zealand is experiencing increases in the cost of living, we are balancing pressure to keep rates affordable with a number of headwinds:

- **Increasing costs due to interest rates and inflation**
- **Finding funding for critical infrastructure**
- **Future-proofing our region from the impacts of a changing climate**
- **Increased demand for services**
- **The need to improve the wellbeing of our communities**
- **Uncertainty around insurance premiums and coverage**

We are under significant financial pressure to continue to deliver the important mahi for our community while keeping rates affordable. Through our Long Term Plan we're looking to make decisions that provide multiple benefits to the region, now and into the future. To deliver the projects, works and services we need now, we must have an effective organisation that meets the expectations of our communities. All this is balanced against the impact on our ratepayers and the need for a balanced budget.

We have developed this Long Term Plan during a period of change, working with the best information available. As the new government's priorities come into focus and the operational landscape evolves, we will need to be agile and ready to respond to changing demands. One thing that will not change for this Long Term Plan is our focus around delivery for our community so we're thriving together: mō te taiao, mō ngā tāngata, for the environment and the people.

A strategy with community and the environment at the centre

Your Councillors have been working hard to set the direction for your region for the next 10 years. The updated strategic direction puts the community at the core as we strive to create and enhance a resilient, healthy and sustainable Bay of Plenty region. This together with our prioritisation approach and financial strategy have enabled Council to focus on what Council plan to deliver over the next 10 years. More information about our strategic direction and prioritisation approach can be found on page 8.

Our community outcomes

Huanga hapori 1 **He taiao ora**

Community outcome 1
A healthy environment

Huanga hapori 2 **He hapori mata-hī awatea**

Community outcome 2
Future ready communities

Huanga hapori 3 **He hapori tūhono**

Community outcome 3
Connected communities

Huanga hapori 4 **He whanaketanga mauri tū roa**

Community outcome 4
Sustainable development

Huanga hapori 5 **Te Ara Poutama**

Community outcome 5
The Pursuit of Excellence



What's in the budget, and how do we fund our work?

The current increases in the cost of living and the short term financial outlook remain challenging. Inflation and interest rates continue to place pressure on the global economy. Severe weather events in 2023 compounded the problem, delaying work programmes and leaving the country with rebuilding costs and hard decisions to make.

Increasing costs are being driven by a range of factors, including higher volumes of work due to central government policy changes, major capital projects and associated borrowing costs, inflated service delivery costs, and environmental considerations that did not previously exist.

Rates, fees, debt and investment income are our primary sources of funding. In these extraordinary times we have been doing a lot of thinking about which of the services we provide are essential, where we can be more efficient, and how best to fund the future for our region. This consultation document dives deep into how we optimise and safe-guard our investments, and we need your views to help make some big decisions that could impact generations to come.

The draft long term budget sets out \$200.7 million of operating expenditure and \$29.4 million capital expenditure for year one, and \$2.2 billion of operating expenditure and \$162 million of capital expenditure over the full 10 year period.

Council sets general rates to fund activities that everyone benefits from and targeted rates for defined areas to fund activities which have local benefits. In year one, our planned expenditure would require a 4.1% real* increase in general rates (\$16 extra per year for a median Bay of Plenty residential property) or 9.9% including growth and inflation. The real increase in targeted rates is 10.5%, or 16.2% including growth and inflation, however the impact of this depends on where your property is located and the services you receive. The total rates increase, including growth and inflation is 13%. In the section on 'Our budget approach' on page 29 you will see more information about rates. In addition, you can access the proposed rates for individual properties through our online calculator at www.boprc.govt.nz/ltp-2024

What's not changing – continue doing more with less

Working more efficiently is one way we have managed rates increases as we respond to increased levels of work required by Central Government and to meet expectations from our growing community.

One key initiative we implemented through our last Long Term Plan was to bring our rates collection in-house (rather than collecting through District and City Councils) and this initiative is on track to save over \$7 million over the ten years 2021-2031.

Other examples where we have found efficiencies and enhanced our services include:

- Building an in-house legal team reduced the overall cost of legal services to Council and lowered legal risk through improved access to legal advice.
- Reviewing laboratory services led to the introduction of automated billing that has freed up lab staff time. We also made process changes and equipment upgrades that allowed us to process more tests in a shorter time.

Through our next Long Term Plan we remain committed to finding more efficient ways of working. We are on track to make savings of \$2 million in the current 2023/24 year, which we plan to use to reduce the impact on rates next year. The next Long Term Plan includes an immediate reduction of \$4.5 million per annum in operating costs that were determined to be non-essential and a further \$5 million budgeted savings from working more efficiently and sharing services.

What's not changing – our support of volunteers

We remain steadfast in our support of volunteer groups across the region. Each year thousands of volunteers invest their own time to ensure the local environment is looked after and protected for the future. Our support and funding of volunteer groups and projects funded through Environmental Enhancement Fund grants help us to amplify this important mahi in the region that helps the environment and the community.

* Real increase excludes growth and inflation. Total rates revenue increases as the number of rateable properties grows (approximately 1.3% per annum) – which doesn't apply to existing ratepayers. Inflation also affects our costs and rates, and is estimated at 4.5% for year one on top of the real increase.

Investment dividends help keep rates down

In 1991, Quayside Holdings Limited (Quayside) was established as an arm's length organisation to manage Council's shareholding in the Port of Tauranga. Over time Quayside has evolved as the investment arm of Bay of Plenty Regional Council to provide long term financial security to the Bay of Plenty Region through a diversified investment portfolio.

Quayside is a Council Controlled Organisation (CCO), and we are proud that today Quayside has the second largest investment portfolio of any regional council in Aotearoa New Zealand and is one of the Bay of Plenty's largest investors.

In these challenging economic times, we are thankful for the strong financial stewardship Quayside and our Council have provided over the past 30 years. In the 2023/24 year Bay of Plenty Regional Council received a dividend of \$45 million from Quayside which made up 24.4% of Council's revenue, enhancing service delivery for the community while maintaining affordable rates. As another way of looking at it, dividends from Quayside equated to an average rates reduction of \$380 per household. These annual dividends will continue to serve ratepayers well through this Long Term Plan.

Changing Government priorities and possible legislative amendments

Based on what we know now, this Consultation Document sets out what we are planning to deliver to our community, and how we will fund our work over the next 10 years. Council may need to make further refinements when it deliberates on the final Long Term Plan in May 2024, once it has received submissions and heard from our community, and to respond to any changes in Government policy.

We need your views on the key issues facing us. On page 15 you'll see a summary of our consultation questions. We look forward to hearing from you about the options and any other matters related to our services and rates.

Ngā mihi



Fiona McTavish
Chief Executive



Doug Leeder
Chairman

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



Tō mātou aronga rautaki

Our strategic direction

The Long Term Plan sets out Council's vision, mission and the community outcomes and goals we are working towards. Councillors have been looking at what has changed since we adopted our last Long Term Plan in 2021, and the challenges and opportunities we see moving forward.

This has led to our new proposed strategic direction shown here. This new strategic direction, informed by

our financial strategy (page 29), will guide our activity in the next Long Term Plan to support the wellbeing of our community. In the last Long Term Plan we outlined the impact areas of community participation, climate change and Māori partnerships – the new strategic direction has integrated these important areas.

Let us know what you think of our new strategic direction through your submission.

You can make a submission online at www.boprc.govt.nz/ltp-2024

Alternatively, there is a submission form at the end of this document.

Te pae tawhiti

*Ka eke panuku, ka eke
ngātahi Te Moana a Toi –
mō te taiao, mō ngā tāngata*

Our vision

Bay of Plenty Thriving Together
- mō te taiao, mō ngā tāngata

Te whāinga

*E tū ai, e wana ai te rohe
o Te Moana a Toi, he manawaroa,
he ora, he mauri tū roa*

Our mission

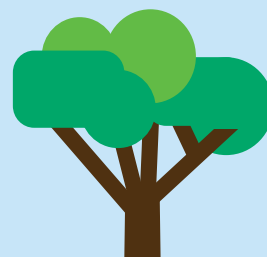
To create and enhance a resilient, healthy
and sustainable Bay of Plenty region

Ō mātou mātāpono

- Whakapono
- Ngākau Pono
- Hautoa
- Manaakitanga
- Kotahitanga
- Whanaungatanga

Our values

- Trust • Integrity • Courage*
- Showing care and respect
 - Working together as one
 - Forming and maintaining relationships and strengthening ties with communities



Ō tātou whāinga ā-hapori - Our community outcomes

Huanga hapori 1 He taiao ora

Ka whakaū, ka whakawana mātou i te taiao kikokikome ngā pūnaha rauropi māori mō ō mātou hapori mengā whakatupuranga o āpōpō. Ka tautokohoki mātou i ētahi atu ki te mahi i ēnei mahi.

Community outcome 1 A healthy environment

We maintain and enhance our physical environment and natural ecosystems for our communities and future generations. We support others to do the same.

Huanga hapori 2 He hapori mata-hī awatea

Ka arataki, ka tautoko ā mātou mahi ki Te Moana a Toi te whakapakaritanga o te tū ki ngā mōreareatanga māori, ā, kia pai ai te tahuritanga mauri ora ki te āpōpō puhanga-warō iti.

Community outcome 2 Future ready communities

Our work in the Bay of Plenty guides and supports improved resilience to natural hazards and an equitable and sustainable transition to a low emissions future.

Huanga hapori 3 He hapori tūhono

Ka āwhina mātou ki te hanga hapori tūhonohono, hapori mauri tū roa.

Community outcome 3 Connected communities

We help provide connected and sustainable communities.

Huanga hapori 4 He whanaketanga mauri tū roa

Ka tautoko, ka manaaki hoki mātou i te whanaketanga mauri tū roa.

Community outcome 4 Sustainable development

We support and advocate for sustainable development.

Huanga hapori 5 Te Ara Poutama

Te mahi tahi ki te tangata whenua me te hapori ki te anamata taurikura me te anamta tautika.

Community outcome 5 The Pursuit of Excellence*

Partnering with tangata whenua and community towards a prosperous and equitable regional future.

*Whilst not a direct translation, 'Pursuit of Excellence' is a close approximation to Te Ara Poutama. Te Ara Poutama has its origins in Te Ao Māori and references the pathway ascended by Tāne to retrieve the three baskets of knowledge that represent humanity's consciousness. From a contemporary perspective, Te Ara Poutama serves to inspire a commitment to innovation, excellence, and continuous improvement.

Our community outcome goals

He taiao ora

- Whāinga 1** E ora ana te taiao kikokiko me ngā pūnaha rauropihuhua o te rohe.
- Whāinga 2** E whakatūturu ana i te mana o te wai mā te ora, me te pikinga tonutanga o te ora o ngā rerenga wai me ngā pūnaha rauropi e kauawhi atu ana.
- Whāinga 3** E takea ana ā mātou whakatau i te kōrero taunaki – katoa katoa ngā mahi ka whāngaia ki ngā korero pūtaiao pai katoa, tae atu ki te mātauranga Māori.
- Whāinga 4** Ka tautoko mātou i ngā hāpori ki te manaaki i tō tatou taiao.

A healthy environment

- Goal 1** The region's diverse range of physical environments and natural ecosystems are in a healthy state.
- Goal 2** Enabling te mana o te wai through healthy and improving waterways and their ecosystems.
- Goal 3** We use evidence based decision making - all work is informed by the best available science and mātauranga Māori.
- Goal 4** We support communities to nurture our environment.

He hāpori mata-hī awatea

- Whāinga 5** Ka aro i ngā hāpori, ka takatū hoki mō te pānga o ngā mōreareatanga māori, mō te hurihanga āhuarangi hoki.
- Whāinga 6** Ka whakamana mātou i ngā hāpori kia kaha ai ki te mahi i ngā whakatau mauri tū roa, me te tahuri hoki ki te ōhanga waro iti.
- Whāinga 7** Ka whai mātou ki te hoatu rongoa i ahu mai i te ao tū roa, i ngā wā e tika ana, hei whakawana i te taiao, hei tiaki hoki i ō mātou hāpori.

Future ready communities

- Goal 5** Communities are aware of and prepared for the impact of natural hazards and climate change.
- Goal 6** We will empower communities to make sustainable choices and transition towards a low emissions economy.
- Goal 7** We seek to provide nature based solutions as appropriate to enhance the environment and protect our communities.

He hāpori tūhono

- Whāinga 8** E tūhonohono ana ngā hāpori mā te pūnaha kawenga whaitake, me te pai o te whakamahinga whenua me te hoahoanga tāone, e piki ai te ora, te pai o te noho, e eke ai hoki ngā whāinga taiao hoki.
- Whāinga 9** Ka poipoi mātou i ngā hāpori pakari mā te whai wāhi ki ngā whakatau whakahirahira ki a rātou.
- Whāinga 10** He kāhui tūao tō mātou, he mata rau, ā, he mea tautoko hoki.

Connected communities

- Goal 8** Communities are connected through an effective transport system, land use and urban design that improves wellbeing, livability and environmental outcomes.
- Goal 9** We foster strong communities through engagement in decisions that are important to them.
- Goal 10** We have a diverse and supported network of volunteers.

Ā mātou mahi

- Whai ai mātou ki te whakapakari i te rohe
- Ka kimi mātou i ngā kaupapa pāhekoheko, ā, ka mahi tahi hoki ki ētahi
- Tā mātou e mahi ai, mahia paitia ai
- He pai rawa ā mātou ratonga kiritaki
- Whakamana ai mātou i ngā herenga ki ngā iwi Māori
- Taki ai mātou i ngā mahi atamai hou, ā, kāore e wehi ki te whai huarahi kē kia ōti ai te mahi
- Whakamahi ai mātou i ngā korero whai tikanga, tae atu ki te hangarau me te mātauranga Māori

How we work

- We look to add value regionally
- We seek integrated solutions and we collaborate
- What we do, we do well
- We provide great customer service
- We honour our obligations to Māori
- We innovate and are not afraid to do things differently
- We use robust information, including technology and mātauranga Māori

He whanaketanga mauri tū roa

Sustainable development

- Whāinga 11** Ka tautoko mātou i te whanaketanga me te tupuranga e aro ana ki ngā oranga e whā o te tangata me te hapori; te hiahia ki te whakaū, ki te whakapiki hoki i te ora o te taiao; me ngā hiahia hoki o ngā whakatupuranga o āpōpō, otirā ngā mea e taea noa nei te matapae.
- Whāinga 12** Ka tautoko, ka manaaki kia taea ai ngā mahere whaitua pakari ki ngā karawhiu a te āhuarangi, e whai ana i te huarahi whanaketanga mauri tū roa.
- Whāinga 13** He manawaroa, he māia, he pāhekoheko ngā hanganga tūmatanui o te rohe.

- Goal 11** We support development and growth that takes into account the four wellbeings of people and communities, the need to maintain and enhance the quality of the environment, and the reasonably foreseeable needs of future generations.
- Goal 12** Enable and advocate for climate resilient spatial plans that take a sustainable development approach.
- Goal 13** Regional infrastructure is resilient, efficient and integrated.

Te Ara Poutama

The Pursuit of Excellence

- Whāinga 14** Ko te tautoko kia whai wāhi nui atu ai ngā iwi Māori ki ngā mahi whakatutuki whāinga, me te kōkiri hoki i ngā āheinga e hua ake ana i ngā mahi e haere ana.
- Whāinga 15** Te tautoko i te raukaha me te āheinga o te Māori me te hapori ki te whakamana i ngā hononga whaihua.
- Whāinga 16** Ko te whakaū i te ahunga tauriterite ki ngā oranga e whā, me te whakatutuki hoki i ngā putanga hapori.
- Whāinga 17** Ko te piri ki ngā iwi Māori hei whakawana i te whakatinanatanga, hei whakawhānui hoki i te mana whakatau ki ētahi.

- Goal 14** Supporting enhanced Māori participation in operational activities, and progressing new opportunities where they arise within existing operations.
- Goal 15** Supporting Māori and community capacity and capability building to empower proactive relationships.
- Goal 16** Ensuring an equitable approach to the four wellbeings and delivery of community outcomes.
- Goal 17** Partner with Māori to enhance delivery and share decision making.

Our wellbeings



*He korowai
tiaki taiao*
Environmental
wellbeing



*He korowai
aroha*
Social
wellbeing



*He korowai
whakamana
tangata*
Economic
wellbeing



*He korowai
mātauranga*
Cultural
wellbeing

Ngā kaiwhakakaha

Whakatinanatanga

He horo, he whaitake tā mātou whakatinana i ngā kaupapa mā te tautohu i ngā mea nui, i ngā huanga hoki.

Haumitanga

Ka whakakaha mātou i te oranga o ngā whakatupuranga mā te haumitanga atamai o te pūtea ki ō mātou tāngata, ki ō mātou wāhi.

Whakahoanga me te whai wāhitanga

Mahi tahi ai mātou ki ngā hoa, ngā kaiwhaipānga me te hapori hei tiaki, hei whakawana i ngā pūnaha rauropi kia pai ake ai te taiao me te ōhanga.

Enablers

Delivery

We deliver in an efficient and effective manner by identifying priorities and outcomes.

Investment

We empower intergenerational wellbeing through prudent investment with our people and places.

Partnership and engagement

We work with partners, stakeholders and the community to protect and enhance ecosystems for a better environment and economy.

Kua pēhea mātou e whakahirahira i te mahi

How we have prioritised our work

Many Council activities and their associated budgets are guided by the requirements of legislation. To support the development of Council's work programme and budget where we have some discretion on the level of service we deliver to the community, Council identified the following set of prioritisation principles to apply.

Prioritisation principles

1

Build on the existing three impact statements

- Climate Change
- Partnerships with Māori
- Community Participation

2

Recognise the importance of fiscal responsibility and the need to achieve further organisational efficiencies

3

Focused delivery of priorities

4

Maintaining our culture and high-performance levels



Ā mātou mahi

What we do



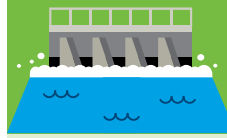
Healthy Catchments

- Protect and restore biodiversity and water quality, and improve the sustainability of primary industry land uses by working with landowners, tangata whenua, industry and the wider community.
- Helping to get rid of, or manage the impact of, introduced pests (plants and animals).
- Support communities to adapt to our changing climate through regional networks and groups.
- Support our large volunteer community to protect and restore the environment.
- Provide science and mātauranga advice and support to the freshwater programme.
- Own and manage regional parks (Pāpāmoa Hills and Onekawa Te Mawhai – Ohiwa Harbour).



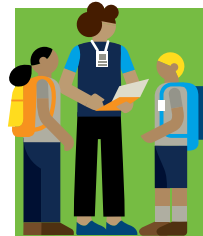
Regulatory Services

- Manage resource consents that may have an effect on the natural environment.
- Run a 24/7 Pollution Hotline where you can report environmental incidents.
- Provide compliance education, monitoring and enforcement to prevent pollution.
- Provide a clear and timely resource consent process.
- Provide harbourmaster services such as maintaining navigation aids, enforcing navigation bylaws, and promoting boating safety.
- Clean up oil spills to reduce impact on the environment.
- Provide region-wide coordination to Civil Defence and emergency management readiness, response and recovery work e.g. for major weather events.



Flood Protection and Control

- Protect people, property, and livelihoods from flooding by maintaining flood protection schemes to reduce the impact of major floods and support climate change adaptation.
- Provide timely warning of potential flooding via our flood room.



Democracy, Engagement and Community Participation

- Ensure fair engagement processes for the community to have their say and help shape Council decisions.
- Provide grants to support community led projects which help the environment and community wellbeing.
- Support the democratic structure and processes of Council, so the public can have confidence in open, transparent, and fair governance.



Transportation

- Operate the Baybus network, delivered in partnership with our bus operators, including Bayhopper buses in the Western and Eastern Bay, Cityride buses in Rotorua, as well as regional services.
- Lead transport planning and policy development across the region.



Regional Planning and Development

- Develop strategies, policies and plans to enhance how natural and physical resources in the region are cared for and managed.
- Identify and address issues and challenges facing the region – such as population growth.



Partnerships with Māori

- Treaty settlement arrangement implementation.
- Strengthen Māori capacity/capability to contribute to Council's decision making processes.
- Provide strategic advice and leadership on Māori outcomes, partnerships and organisation integration of Te Ao Māori, to support Council's statutory responsibilities.

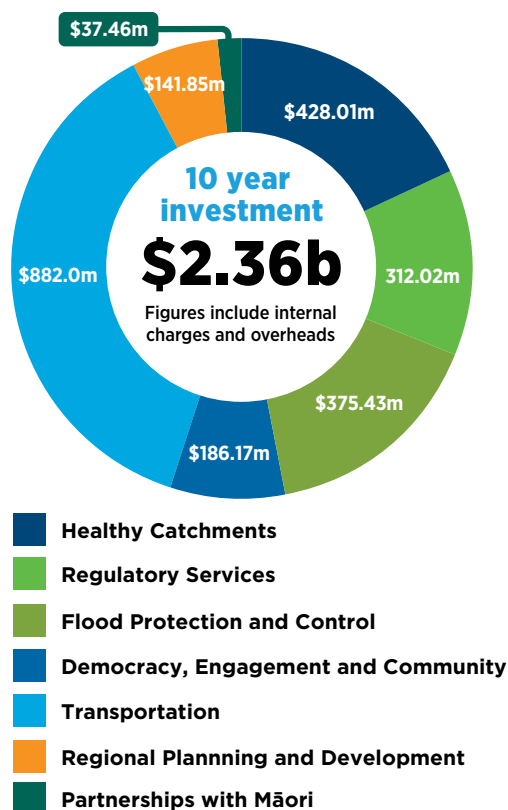


Support and Technical Services

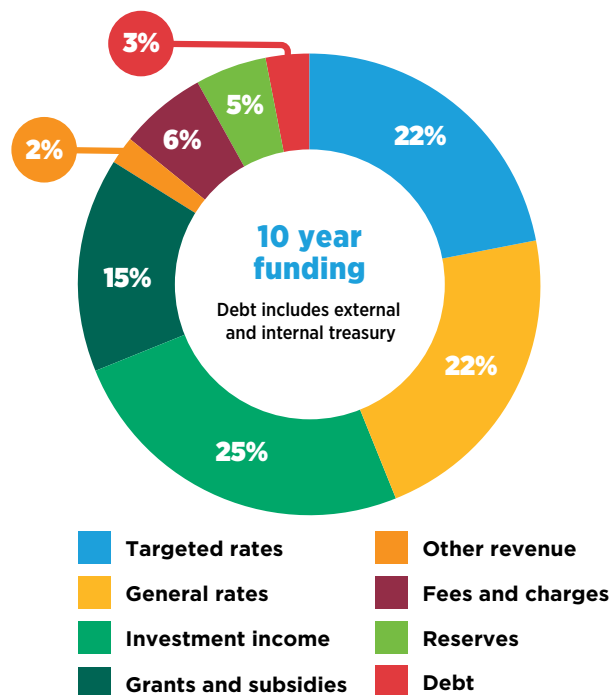
- Support day-to-day running of the organisation, for example customer service, finance, communications and rates collection.
- Providing the community with access to environmental data.
- Scientific monitoring and advice.
- Engineering advisory services.



Where the money is being spent



Where is the money coming from?



Whakarāpopotonga o ngā kaupapa uiuinga

Summary of consultation topics

Kaupapa uiuinga 1

CONSULTATION TOPIC 1 *Page 16*

Who should pay for buses?

How should we fund Public Transport in urban centres, for example Tauranga and Rotorua, across the region?

Kaupapa uiuinga 2

CONSULTATION TOPIC 2 *Page 18*

Whether to sell some Port of Tauranga shares

Do you agree we should enable a managed sell down in our Port of Tauranga Limited shareholding to no less than 28%?

Kaupapa uiuinga 3

CONSULTATION TOPIC 3 *Page 24*

New regional parks

Should Regional Council investigate new opportunities for regional parks?

Kaupapa uiuinga 1

CONSULTATION TOPIC 1

How should we fund public transport in urban centres across the region?



The benefits of public transport are felt both locally and regionally. Should we spread a part of the cost of urban bus services across the region through funding a portion of those services from general rates? Or should we continue to rate locally for public transport by way of targeted rates?

Toi Moana Bay of Plenty Regional Council supports our community to access public transport by operating the Baybus network, delivered in partnership with our bus operators. This includes Bayhopper buses in the Western and Eastern Bay, and Cityride buses in Rotorua, as well as inter-regional services.

Effective public transport plays an important role in the growth of our region. The benefits of public transport include:

- **Reducing traffic congestion for all road users**
- **Lowering regional carbon emissions**
- **Improving air quality**
- **Public health and social wellbeing benefits.**

How is it funded?

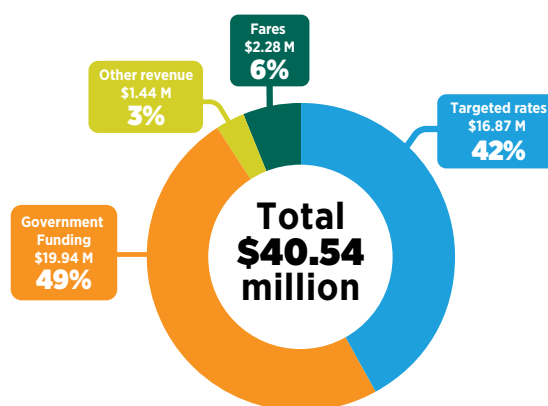
Public transport in Tauranga, Rotorua, the Western Bay District and Whakatāne is mainly funded through bus fares, investment from Central Government through the New Zealand Transport Agency (Waka Kotahi), and targeted rates paid by property-owners in the area where the service is provided.

Some other public transport services such as buses operating in smaller centres and intra-regionally, are partly funded through general rates which are paid by all ratepayers across the region.

Like other regional councils around the country, increases in fuel prices and bus driver wages are being passed on by our operators. This is having an impact on the mix and amount of funding used to cover these costs.

As we transition towards a zero-emission fleet over the coming years we will be less exposed to these uncertainties.

Funding sources for operating urban public transport 2024



What are we proposing?

A recent review of the way we fund our activities, including passenger transport services, has reinforced the benefit of public transport operating in urban centres across the region, not only where the services are delivered. Our current rating approach, based on 100% targeted rates, aligns costs with areas where the service is provided, but doesn't fully account for other benefits across the region.

We think it would be fairer if a portion of rates funding for urban public transport came from general rates which are paid by all ratepayers across the region. We are proposing a mixed funding approach, with both targeted and general rates, to distribute costs more equitably. This recognises that public transport provides a wider benefit to everyone in the region, for example, the opportunity for communities to be more connected, reduced congestion and carbon emissions, and improved economic activity.

This would mean that, on average, the total rates per ratepayer would decrease in Tauranga and Rotorua, and there would be small increase in other parts of the Bay. Further detail on these changes is shown below.

What do you think?

We have prepared two options, set out below, and want to know what you think we should do. In each of the options, the shares of funding from fares and central government and other revenue are not proposed to change.

OPTION 1 (STATUS QUO): Rates funding for public transport in urban areas across the Bay of Plenty comes 100% from targeted rates.

Change to level of service and impact on debt levels	No impact on levels of service or debt levels	
Advantages	Disadvantages	
<ul style="list-style-type: none"> No increases in general rates. Areas where bus services are more concentrated pay the rates for the service. 	<ul style="list-style-type: none"> Does not recognise wider benefits of public transport to everyone in the region, including the opportunity for communities to be more connected, reduced congestion and carbon emissions, and improved economic activity. 	
Impact on rates	<p>Status quo – Rates funding remains 100% targeted rates</p> <p>Targeted rates: for 2024/25 would be \$313 in Tauranga, \$187 in Rotorua, \$49 in Western Bay and \$51 in Whakatāne, per household/ratepayer.</p>	

OPTION 2 (OUR PREFERRED OPTION): Rates funding for public transport in urban centres comes from 90% targeted and 10% general rates.

Change to level of service and impact on debt levels	No impact on levels of service or debt levels	
Advantages	Disadvantages	
<ul style="list-style-type: none"> Greater fairness as everyone pays a contribution towards the cost of urban public transport which enables communities to be more connected, reduces congestion and carbon emissions, and improves economic activity. 	<ul style="list-style-type: none"> People in areas more distant from public transport networks will pay more towards urban public transport, compared to Option 1, which they may consider unfair. 	
Impact on rates	<p>General rates increase, targeted rates decrease.</p> <p>General rates: for 2024/25 the contribution to public transport would increase by an average of \$11 per household/ratepayer, depending on land value.</p> <p>Targeted rates: for 2024/25 would reduce from \$313 to \$282 in Tauranga, from \$187 to \$168 in Rotorua, from \$49 to \$44 in Western Bay and from \$51 to \$46 in Whakatāne, per household/ratepayer.</p>	

Our preferred option

Option 2, ‘Rates funding for public transport in urban centres comes from 90% targeted and 10% general rates’ because we believe it balances having most of the costs sitting with those who directly benefit from the bus services and recognises that there are benefits for the wider region.

You can make a submission online at www.boprc.govt.nz/itp-2024

Alternatively, there is a submission form at the end of this document.



Kaupapa uiuinga 2

CONSULTATION TOPIC 2

Do you agree with our proposal to enable a managed sell down of our Port of Tauranga Limited shareholding to no less than 28%?

This means Quayside Holdings Limited, which manages Council's shareholding in the Port of Tauranga, would over time be able to reduce its shareholding from the current 54.14%, to a minimum of 28%.

Returns from this shareholding, and Quayside Holding Limited's other investments are currently used to reduce general rates. The proceeds of any sale would be invested to benefit current and future Bay of Plenty residents. Council's independent advisors suggest that a portion of the proceeds should be used to pay back \$200 million that Council has used to help pay for regional infrastructure.

What's the current situation?

Quayside Holdings Limited (Quayside) owns a 54.14% shareholding in the Port of Tauranga Limited (PoTL). These shares were valued at \$2.3 billion as at 30 June 2023. The shareholding is a "strategic asset" for Bay of Plenty Regional Council in terms of the Local Government Act 2002 (LGA) with the Council's Significance and Engagement Policy identifying Council's majority shareholding in Port of Tauranga Limited, which is held through Quayside Holdings Limited' as a strategic asset.

The PoTL shareholding has proved to be a well performing growth asset over a number of years and currently makes up over 80% of Quayside's investment portfolio.

In 2023/24 Bay of Plenty Regional Council received a dividend of \$45 million from Quayside which made up 24% of Council's annual revenue, enabling better outcomes for the community while maintaining affordable rates. In 2023/24 dividends from Quayside equated to an average rates reduction of \$380 per household. The dividend that Quayside pays to Council is entirely funded by dividends on the PoTL shares.

The Port of Tauranga has provided significant returns to the region and continues to be strategically important for the Bay of Plenty – it provides employment and drives and enables economic activity in this growing region. The Port of Tauranga will continue to be strategically important to the Bay of Plenty and Aotearoa New Zealand given its location and alignment to the success of the region. PoTL is publicly listed on the NZ stock exchange (NZX) and must follow the rules of the NZX.

What's the issue?

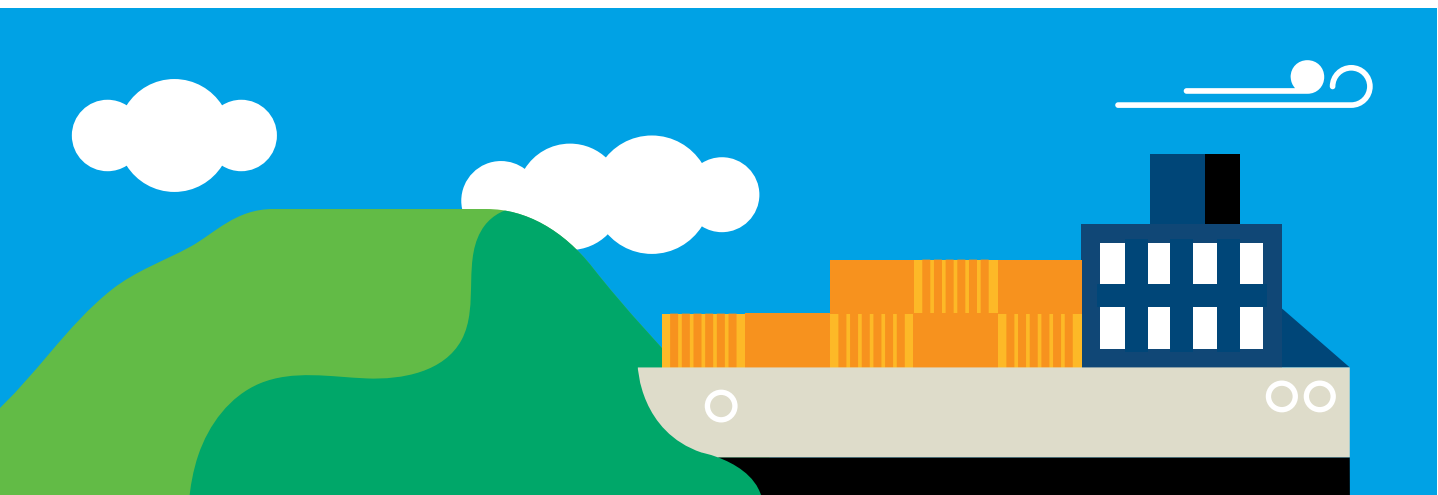
Quayside's investments are regularly reviewed and monitored to ensure they are well managed to provide sustainable income over the long term. This has been successfully achieved since its formation in 1998.

Advice from independent financial experts has identified that the current investment portfolio is not optimal and is inconsistent with managing an intergenerational fund.

Quayside's dividend to Council is limited by not being able to realise capital gains on the significant PoTL shareholding because of legislative constraints around strategic assets (see pop-out box "why are we consulting on this proposal" on page 19).

In addition, the current large concentration of investment in the PoTL shareholding presents risks which could be reduced through having a more diversified portfolio. Investment diversification is a tool for reducing the riskiness of returns and is regarded as best practice for good financial portfolio management.

Currently the funds from Quayside's investment portfolio (including the Council's shareholding in PoTL) are reinvested into the portfolio and distributed to the Council according to a dividend policy. This means there is limited capacity to fund a higher dividend over time – the risk of this occurring could be reduced through a partial divestment.



Benefits of reducing risk

This proposal is about financial risk management. Like councils across the country, the Council is facing growing demands for services and infrastructure, increased climate risk, uncertainty around insurance premiums and coverage, and increasing costs due to interest rates and inflation. These challenges support the need to consider the sell down Council's PoTL shareholding and diversification of the investment portfolio to ensure:

- **Council remains resilient to financial shocks, climate change, and unforeseen events.**
- **Council has access to a reliable and growing dividend stream over time.**
- **Through Quayside, Council has an investment portfolio which can be adjusted over time to ensure earnings and the value of assets continue to grow.**
- **Every household in the region continues to receive a rates subsidy each year, while still enabling Council to fund the important mahi we deliver for the Bay of Plenty.**

Ultimately, the careful and prudent financial management has a flow-on effect to every household and resident in our region. It's critical we continue to deliver our important work and keep rates affordable.

What are we proposing?

Key considerations by Council on this matter are that the following objectives should guide our decision making:

- Best benefit for the whole region now and into the future
- Protection of the PoTL for future investment
- Prudent stewardship of investments

Council is proposing selling some of its PoTL shares, down to a minimum 28% shareholding. This large cornerstone shareholding would remain the strategic asset for Council and our community which would allow Council to block any future takeover. Any further proposed sell down below 28% would be subject to public consultation and Council decision-making.

The proceeds of the sale would be used to repay the \$200 million Perpetual Preference Shares (PPS) (if required) with the remainder invested by Quayside in a diversified portfolio similar to the current non-Port investment portfolio. This will include fixed interest, equities and real assets, and investment allocations will be reviewed due to the potential size of the additional investment. Quayside would continue to pay annual dividends to Council from the remaining PoTL shareholding, diversified investment portfolio and any cost savings if the PPS is repaid. If this divestment occurs, the financial impact on Council will be considered in future annual or long term plans.

What is Quayside Holdings Limited?

In 1991 Quayside Holdings Limited (Quayside) was established as the investment arm of Bay of Plenty Regional Council.

The purpose of Quayside is to grow a responsible and diversified fund that generates long term returns to support the growth and prosperity of the Bay of Plenty.

Quayside is a Council Controlled Organisation (CCO) and today has the second largest investment portfolio of any regional council in Aotearoa New Zealand and is one of the Bay of Plenty's largest investors.

Why are we consulting on this proposal?

The Local Government Act 2002 requires any proposed change in ownership or control of any of the equity securities held by Council in the Port of Tauranga to be consulted on, and explicitly provided for in the council's long-term plan.

The purpose of consultation on this proposal is to explain the proposal, to seek your views, and to explain how the Council's Long Term Plan 2024-2034 would provide for the proposal.

Forecasting assumptions in this proposal

The financial assumptions including forecast investment returns, the value of sale proceeds and the cost of borrowing, are based on information available at the time the document was prepared. "It is assumed that investment returns from a diversified investment portfolio will at least match dividends from PoTL to Quayside that are currently expected, if no divestment took place. Quayside also operates a reserving policy to protect the dividend to Council against any short-term investment downturns.

In the event of a sustained investment downturn Council could either reduce services, increase rates or sell assets. Diversifying the investment reduces the overall risk of a sustained downturn. As with most investment decisions, past performance is no guarantee of future performance.

Although it is possible that the proposed divestment will result in increased dividends from Quayside to Council, we have not forecast significant dividend income increases in the first three years of this LTP. This is because the key reason for the divestment proposal is not the need for greater revenue in the short term – it is about reducing overall investment portfolio risk.

The timeline for selling down shares and the number of shares sold would be dependent on further analysis, market fluctuations and changing economic conditions to ensure the best possible results.

Perpetual Preference Shares

Perpetual Preference Shares (PPS) are a type of share that has no maturity date and pays a dividend to investors for as long as an organisation remains in business.

In 2008, Quayside raised \$200 million through the issue of PPS that are tradable on the NZX. Council has used the proceeds from the issue of the PPS to help fund (primarily) environmental projects through the Regional Infrastructure Fund. These initiatives include:

- Tauranga Marine Precinct
- University of Waikato Tertiary Campus
- Ōpōtiki Harbour Transformation
- Forestry Innovation Hub at Scion Research Institute
- Environmental Infrastructure

Costs associated with the PPS have grown significantly following the recent triennial dividend reset. Repaying the PPS (which can be required if Quayside reduces its PoTL shareholding below 50.1%), is expected to deliver \$9.6 million annual cost savings. The PPS is accounted for as an equity on Quayside's balance sheet, however, S&P Global treat this as debt for credit rating purposes.

Figure 1: below summarises the case for a sell down of PoTL shares

Scenario	Strategic			Financial			
	Ownership and Control of Port	Port Strategic Outcomes	Retains flexibility	Diversifies financial exposure	Cash return to QHL	Liquidity	Debt (PPS) repayment
Option 1 54.1% Shareholding Status Quo	✓✓✓ Controlling stake	Yes	✗	✗	✓	✗	No
Option 2 Council Preferred Reduce Shareholding to no less than 28%	✓✓ Negative control*	Yes	✓✓✓	✓✓✓	✓✓	✓✓	Yes

KEY: ✓ = Positive ✓✓ = Strong positive ✓✓✓ = Very Strong Positive ✗ = Negative

*Negative control: When a minority shareholder has the ability to block action by the board or shareholders – for example it could block any takeovers.

What would happen next after a sell down?

Initially, sale proceeds are expected to be reinvested by Quayside in accordance with Council expectations over a transition period, noting the potential impact on the Perpetual Preference Shares. If this proposal proceeds following consultation Council will consider whether to repay the PPS using the sale proceeds (see 'Perpetual Preference Shares' pop up box).

During the transition period Council and Quayside would need to agree a revised investment strategy which will be overseen through Council's Statement of Expectations process with Quayside.

What do you think?

We have prepared a proposal (Option 2 - our preferred option) and alternative (Option 1 - status quo).

OPTION 1 (STATUS QUO): Retain current shareholding in Port of Tauranga, held via Quayside.	
Change to level of service	<p>No change. The current proposal is about prudent financial management.</p> <p>In terms of the Port of Tauranga, public ownership at the current level is not required to ensure continued delivery of strategic regional benefit to the community. These benefits will continue to flow to the region.</p>
Advantages	Disadvantages
<ul style="list-style-type: none"> Council retains majority control rights as the majority shareholder. 	<ul style="list-style-type: none"> Single asset exposure presents risks (an under-diversified investment portfolio). Limited liquidity of investments which could present risks. Potential growth in Council dividend and in ratepayer subsidy
Impact on rates	No impact
Impact on debt levels:	No impact



OPTION 2 (OUR PREFERRED OPTION): Enable a reduction (by Quayside) in Port of Tauranga shares to a minimum of 28%.

Change to level of service	<p>No change. The current proposal is about prudent financial management.</p> <p>In terms of the Port of Tauranga, public ownership at the current level is not required to ensure continued delivery of strategic regional benefit to the community. These benefits will continue to flow to the region.</p> <p>Note: This option would mean that Council also changes its description of its strategic assets in its Significance and Engagement Policy, for consistency. For example, the reference to PoTL would reflect a lesser shareholding, post sell down.</p>	
	Advantages	Disadvantages
	<ul style="list-style-type: none"> Increased portfolio diversification, including reduced exposure to port-specific risks. PoTL could then make up approximately 30% of Quayside's total assets by 2036 with 70% in diversified assets reducing risk to future dividends. More liquidity of investments meaning there is potential for higher dividends in future. Ability to re-pay the PPS and generate more cashflow from the dividend savings. 	<ul style="list-style-type: none"> Partial sale of a strategic asset. Lose majority control rights, but retain the ability to block any takeover. Accessing higher total returns through reinvesting sale proceeds in other asset classes brings risk which would be managed through the additional diversification.
Impact on rates	<ul style="list-style-type: none"> No initial impact on rates as decision is for prudent financial management. Potential for increased subsidy of rates and greater regional benefit in future. Reduced risk to future dividends. 	
Impact on debt levels:	<ul style="list-style-type: none"> No impact on Council's debt. The \$200 million PPS to be repaid is treated as equity on Quayside's Balance sheet and treated as debt for Council's credit rating. 	

Preferred option

Option 2 is preferred because financial advice shows that Quayside's current investment portfolio is not optimised due to the large concentration in the PoTL shareholding. This reduces the portfolio's overall diversification and liquidity.

Additionally, selling a portion of shares is also projected to deliver higher long term dividends for the benefit of future generations.

Council proposes that setting a minimum shareholding level of 28% will realise strategic and financial benefits. In order to be financially prudent, Council is consulting on a managed sell down of PoTL.

How would the decision be implemented?

If the Council's preferred option (option 2 – enable a reduction to a minimum of 28% shareholding) proceeds, the Long Term Plan 2024-2034 would reflect that decision. This is the basis on which the supporting documents for this consultation have been prepared.

If, after consultation, Council chooses the alternative, (option 1 – status quo - retain the existing Port of Tauranga Shareholding), the Long Term Plan 2024-2034 would be prepared to reflect that decision so that it is ready for adoption by Council at the end of June 2024.

Once the Long Term Plan 2024-2034 is adopted, and if option 2 is adopted, Quayside would be in a position to divest/sell down shares to the minimum level agreed (28%), subject to any conditions set by Council and reflected in Quayside's Statement of Intent relating to a sell down of the shares.

Initially sale proceeds are assumed to be reinvested by Quayside over a transition period, after taking into account any need to repay the \$200m Perpetual Preference Shares (refer 'Perpetual Preference Shares' pop out box).

Council intends to establish appropriate structures to manage the transaction and Regional Council's continued ownership position in the Port, such as the possibility of creating new holding entities or corporate structures as required.

Significance and Engagement Policy

In addition, if option 2 - enable a reduction to a minimum of 28% shareholding is chosen, Council's Significance and Engagement Policy would be revised.

The Council's existing Significant and Engagement Policy specifies a requirement to maintain a majority shareholding in the PoTL. Council's Significance and Engagement Policy, including the updated wording to amend the policy, is included as a supporting document on Councils website at **boprc.govt.nz/ltp-2024**.

In summary, the Council's PoTL shareholding would continue to be a Strategic Asset listed in the Significance and Engagement Policy, and any further change to Council's shareholding in PoTL (beyond the decision reflected in the Long Term Plan 2024-2034) would require further public consultation.

During the transition period Council and Quayside would need to agree a revised investment strategy including the future consideration of whether to repay the \$200m Perpetual Preference Shares (refer 'Perpetual Preference Shares' pop out box).

Assumptions and limitations

In developing this proposal, Regional Council has made key assumptions and noted where it may need to respond to matters outside its control. The options presented in this consultation document are subject to the following:

- The proposed draft LTP 2024-2034 has been prepared on the basis of a minimum 28% stake in the PoTL being retained (option 2) which is Council's preferred option. The Council may increase the minimum percentage in response to variables, including market conditions. However, Council will not permit Quayside to reduce the shareholding in the PoTL to less than 28%.
- Council may alter the timing of divestment decisions in response to changing conditions and to protect value. A planned transaction will not proceed if Regional Council's expectations are not met.

Council may withdraw from any transaction for any reason prior to a transaction being concluded.

- The sell down is expected to provide for a range of benefits, including repaying debt, subsidising rates across the region and Council future consideration of further Regional Investment opportunities.
- Transactions are subject to all applicable regulatory approvals, including NZX, foreign investment and competition approvals.
- Financial assumptions used to inform this consultation document are based on information available at the time it was prepared and includes independent analysis and review. These assumptions, while based on best available information, are subject to change.
- Where this document references ownership, this also includes shares held by QHL on Regional Council's behalf.
- Financial forecasts assume no adverse tax consequences arise.

Accountability and monitoring measures

Legislation requires Council to describe any accountability or monitoring arrangements to be used to assess the performance of others in respect of Council's shareholding following any sale. Given that shares in PoTL are publicly traded equities, Council does not propose any such arrangements.

Existing oversight and monitoring arrangements with respect to the operations and governance of PoTL will remain in place. These include rules and reporting requirements with the NZX, Commerce Commission oversight with respect to competition law and pricing, and the Overseas Investment Office oversight with respect to levels of foreign ownership.

The responsibility Council has through its role as a consenting authority, and as a regulator will remain unchanged.

Conflicts of interest assessment

The presence of actual or perceived conflicts of interest will depend on the exact manner in which any sell down of PoTL shares is implemented.

These conflicts will be managed in accordance with Council's current processes. We will ensure any specialist expert advisor on implementation options will not stand to benefit financially inappropriately from any transaction.

You can make a submission online at www.boprc.govt.nz/ltp-2024

Alternatively, there is a submission form at the end of this document.

Kaupapa uiuinga 3

CONSULTATION TOPIC 3

Should Regional Council investigate new opportunities for regional parks?



Regional Council is currently investigating two potential locations for new Regional Parks, one in the western Bay of Plenty, and another near Rotorua.

Toi Moana Bay of Plenty Regional Council currently owns and manages two Regional Parks in the Bay of Plenty - Pāpāmoa Hills Cultural Heritage Regional Park located in the western Bay, and the Onekawa Te Mawhai Regional Park near Ōhiwa Harbour in the eastern Bay.

We maintain and enhance visitor experiences with car parking, toilets, signs and storytelling, track development and maintenance, prescribed grazing, programmed native re-vegetation and community events.

These parks provide recreation opportunities for locals and visitors to the region and help provide protection of both the natural environment and cultural and archaeological features. Thousands of visitors explore the regional parks each month with close to 100,000 visitors to the Pāpāmoa Hills Cultural Heritage Regional Park in 2022/23.

The opportunity

We have become aware of opportunities to purchase and develop two new regional parks, one is in the Western Bay of Plenty and one is in the Rotorua district.

We are planning to investigate both of these options in greater detail, including exploring any opportunities to find partners to purchase and develop the Regional Parks.

Developing either or both Regional Parks would deliver a range of environmental, economic, social and cultural benefits to our community through:

- Increased protection for biodiversity and water quality through land use change.
- Reduced erosion and sedimentation into bodies of water through planting back into native bush.

- Carbon sequestration opportunities.
- Protection of culturally significant and/or archaeological sites.
- New recreation opportunities for residents such as walking, running, mountain biking and horse riding trails.
- Cultural experiences, volunteering opportunities and outdoor/environmental education.
- Economic benefits through increased tourism with more visitors to our region.

What do you think?

These two opportunities are at a relatively early stage and we have further investigatory works and due diligence to carry out which may include farm system planning, valuations, legal fees, planning and other permissions before final decisions can be made. These investigations will cost up to \$450,000 over two years and could increase rates by an average of \$3.30 per household/ratepayer, depending on land value. We would like to get an early indication of the level of support for these opportunities.



Pāpāmoa Hills Cultural Heritage Regional Park

Located in the Western Bay of Plenty, near Te Puke, Pāpāmoa Hills Cultural Heritage Regional Park is a 135 hectare property explored and enjoyed by thousands of visitors each month.



Onekawa Te Mawhai Regional Park

The Onekawa Te Mawhai Regional Park, on the spectacular headland between the Ōhiwa Harbour and Bryans Beach, was opened by the Upokorehe hapū and the Bay of Plenty Regional Council in 2010.

QUESTION: Should regional council investigate new opportunities for regional parks?

Change to level of service and impact on debt levels	No impact on levels of service or debt levels. Council are seeking an early indication of the level of support for these opportunities.
Option 1 (status quo)	No - Council should not investigate new opportunities for regional parks.
Option 2 (our preferred option)	Yes - Council should investigate new opportunities for regional parks.

Our preferred option

We prefer option 2. We see both regional parks as opportunities to provide a range of environmental, social, cultural and economic benefits to the people in the Bay of Plenty, as a result we would like to investigate both opportunities before budgeting for their purchase and development.

You can make a submission online at www.boprc.govt.nz/ltip-2024

Alternatively, there is a submission form at the end of this document.





Te whakatau whakatika āhuarangi

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 regionwide.

Following our declaration of a climate change emergency in June 2019, we committed to working with our sectors and communities on transitioning to a low emission future' and preparing ourselves for the changing climate. Our Climate Change Action Plan and Work Programme guides our work in this area.

This Climate Change Statement outlines Toi Moana Bay of Plenty Regional Council's view of what needs to occur in our region. 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's greenhouse gas emissions reduce across all areas of influence, including its own operations, helping to create the conditions for a just transition to a smart, innovative, low-carbon regional economy.

How we work

- Show leadership in climate change response and take a regional approach where appropriate.
- Consider climate change in our decision making.
- Act proactively to address climate change risks and advocate for climate resilient and sustainable development.
- Raise awareness of climate change and its anticipated impacts, and empower communities to take action.
- Identify opportunities for nature-based solutions and enhancing biodiversity.
- Work innovatively, collaboratively and add value regionally.
- Put science-based evidence front and centre.
- Value mātauranga and Te Ao Māori in our approach.

Our Goals

1. BOPRC is net zero greenhouse gas emissions by 2050.
2. Reducing regional greenhouse gas emissions.
3. As a region we understand, are preparing for and adapting to a changing climate.
4. Our BOP community is aware, engaged and resilient.

A copy of Council's full Climate Change Action Plan 2024-26 is available at
www.participate.boprc.govt.nz



Te ahunga o ngā pūtea

Our budget approach

This section is a summary of our financial strategy and you can provide feedback on this through your submission.

Our financial strategy will ensure:

- **We keep rates affordable.**
- **We have the financial resilience to respond to climate change, extreme weather events and other challenges.**

We have a wide range of challenges coming in the future. We acknowledge these uncertainties and are planning to create the financial resilience to respond to any major events. We acknowledge that our rates income must be affordable and sustainable, and have reviewed all of our services to determine what is essential and where we can make savings. We have maintained our investments to provide another income source to provide for this.

The council group – who we are

Toi Moana Bay of Plenty 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), a part owner of Regional Software Holdings Limited (RSHL) and a part owner of the Local Government Funding Agency (LGFA).

- Quayside manages our shareholding in the Port of Tauranga and a diversified investment portfolio. Quayside provides an annual dividend to Council to offset rates and its growing diversified investment portfolio provides for financial resilience.
- The Toi Moana Trust manages a \$70 million investment to provide a dividend to offset rates.
- BOPLASS provides access to shared service arrangements and joint procurements to reduce costs.
- RSHL provides a framework for collaboration and shared services on behalf of Te Uru Kahika (the Regional and Unitary Council sector) to reduce costs.
- The LGFA enables us to borrow at low interest rates.

Our path – how we will get to our future

We will focus on efficiency and effectiveness

Council is committed to reducing costs and ensuring that we deliver value for money wherever possible.

We are on track to make savings of \$2 million in 2023/24, which we plan to use to reduce the impact on rates next year. This LTP includes an immediate reduction of \$4.5 million per annum in operating costs that were determined to be non-essential and a further \$5 million budgeted savings from working more efficiently and sharing services.

As more information becomes available, we will continue to rigorously review the budget throughout this Long Term Plan, for each Annual Plan and will closely monitor expenditure and value for money through our Arotake performance monitoring reports to Council.

We will ensure the right people are paying for services

Council's Revenue and Financing Policy sets out how each activity is funded i.e. what is the right mix from fees and charges, general rates across the region and targeted rates.

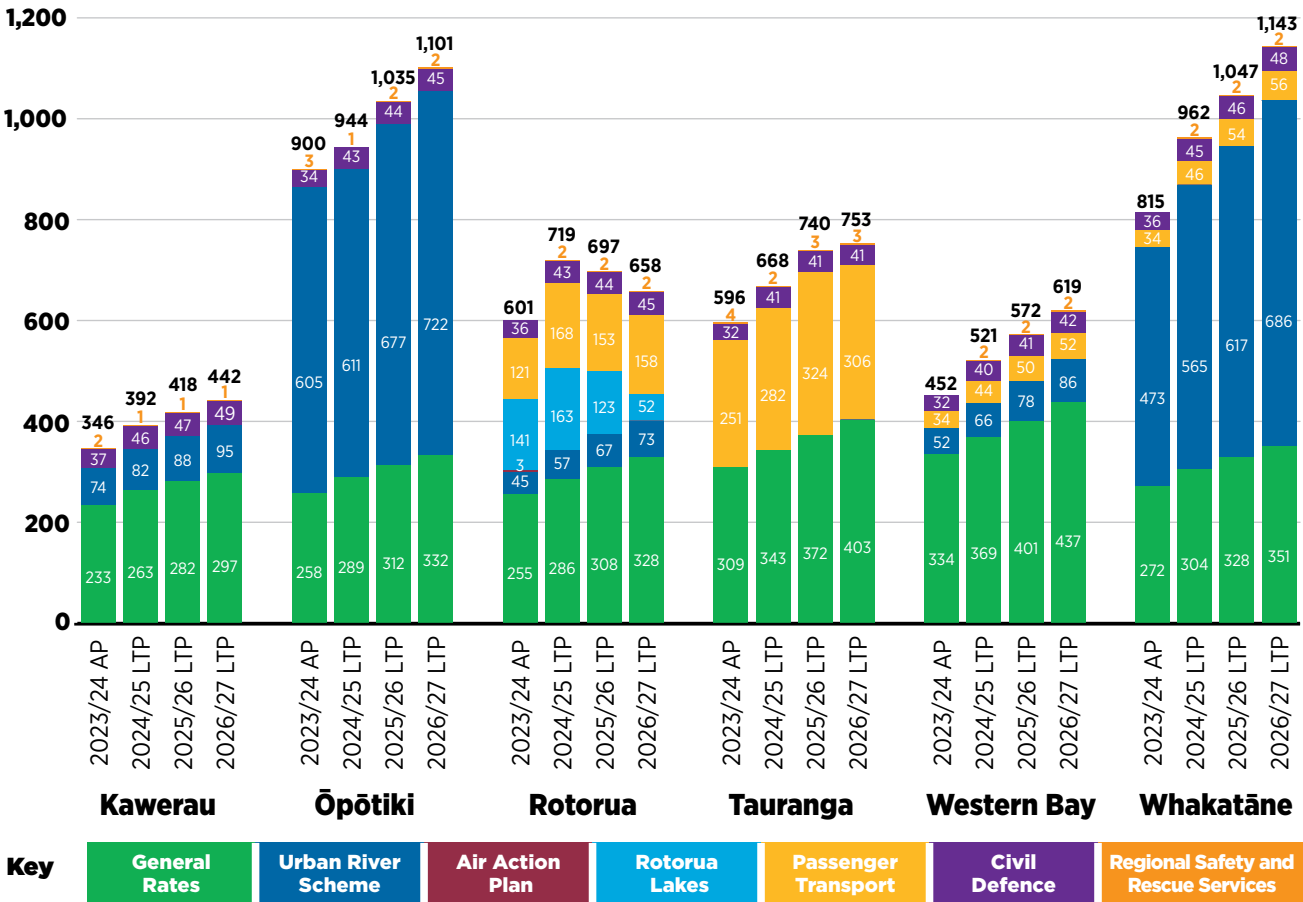
We have reviewed all our funding sources for equity and fairness and have proposals for public consultation on our draft Fees and Charges Policy and our draft Revenue and Financing Policy, alongside the LTP consultation:

- Increase most of our regulatory fees and charges to cover a higher proportion of the cost of these services. This has a corresponding decrease to funding received from general rates. More detail is contained in our Statement of Proposal for the Revenue and Financing Policy (link below).
- Increase general rates funding for some activities including Passenger Transport (refer page 16), Rotorua Lakes Catchment and Rotorua Air Quality. This has corresponding decreases in targeted rates for these same activities. The changes for the Rotorua Lakes Catchment are being phased in over several years to avoid large one-off changes. More detail is contained in our Statement of Proposal for the Fees and Charges Policy (link below).

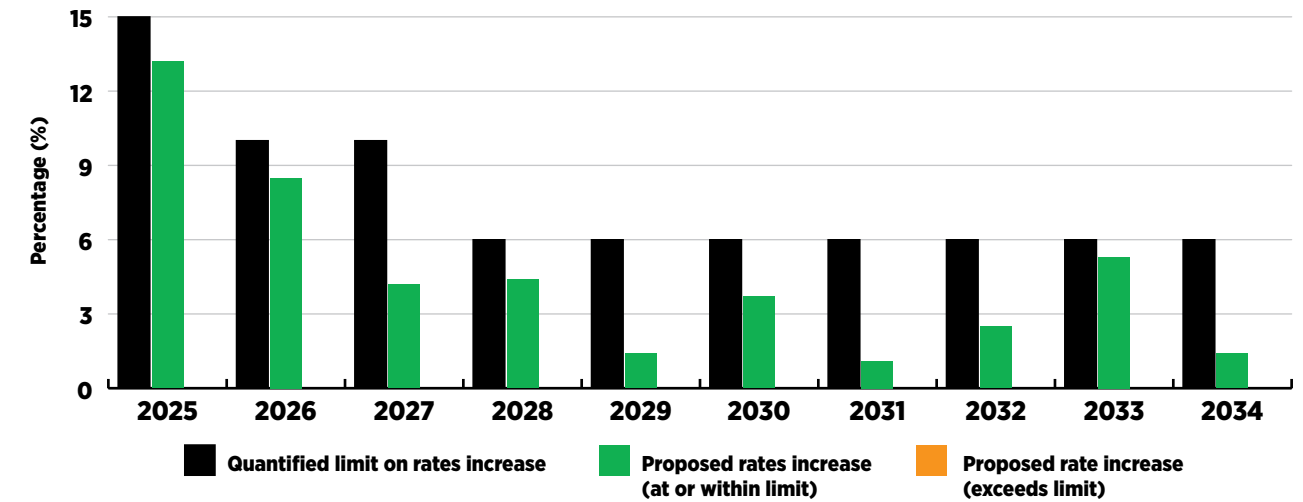
The proposed breakdown of our rates for median properties in each district is shown over the page. In addition, you can access the proposed rates for individual properties through our online calculator at **www.boprc.govt.nz/ltp-2024**

You can make a submission on our Revenue and Finance Policy and other financial policies at **www.participate.boprc.govt.nz**

Annual total rates by territorial authority - median properties 1000m² GST inclusive



We have set the following limits on our total rates increases



We will use financial reserves where appropriate

Through good financial management and careful budgeting over time 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).

Over the next three years we plan to use some of our accumulated reserves to reduce rates. Rates will need to increase in the future, but we can use some of our savings to phase in these changes over time. We intend to replenish the Regional Fund over the later years of this Long Term Plan. We have currently budgeted to increase this fund to \$50 million. The purpose of the Regional Fund is to fund infrastructure and projects with long-lasting benefits.

We intend to hold our \$70 million investment in the Toi Moana Trust for the longer term and continue to use the dividend from this to reduce rates.

We also budget to accumulate reserves to fund asset replacements and/or repay borrowing in the future.

Our financial strategy reflects our proposal for a managed sell down of our shareholding in PoTL

Currently we use the dividend from Quayside to subsidise general rates. This enables everyone to benefit from the regional funds that we control and helps keep rates affordable. Quayside has also retained a portion of its profits for investment and has achieved strong growth for many years.

Council has proposed allowing Quayside to sell down a portion of the shares in the Port of Tauranga to allow it to diversify its investments. We will still hold a strategic stake in the Port of Tauranga as the foundation of our investment portfolio.

Quayside issued \$200 million of perpetual preference shares in 2008. The proposal to diversify Quayside's investments could require Quayside to use part of the proceeds of any sell down of the PoTL shares to repurchase these shares, which would reduce costs.

Diversifying Quayside's investments allows us to reduce the risk of changes in investment values and provides more certainty for dividends in the long term.

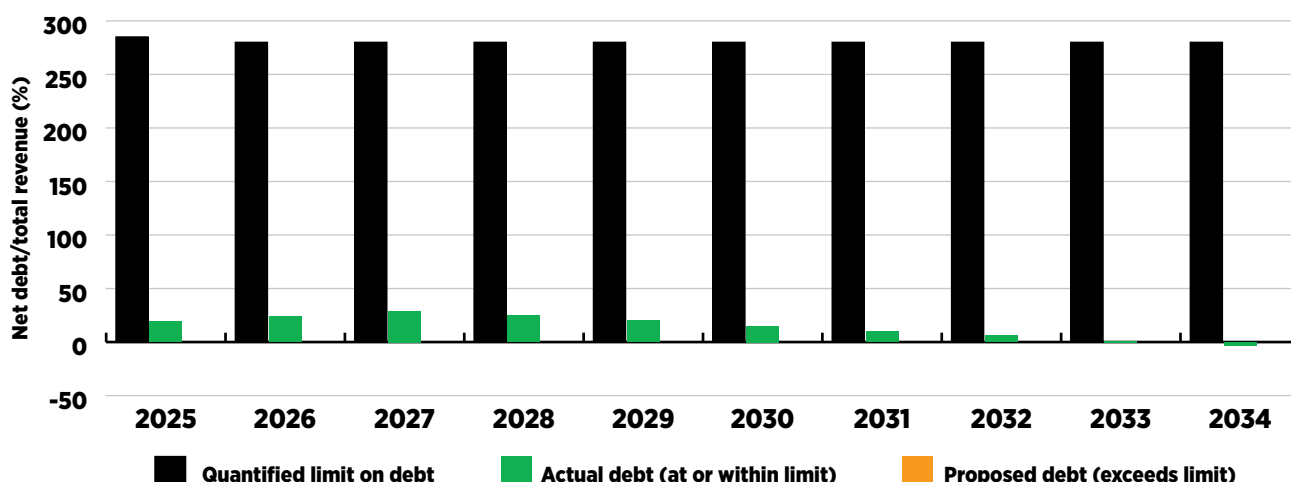
We will maintain the ability to borrow if needed

Council is currently benefitting from low fixed interest rates on most of our borrowing. We do need to borrow more to fund our capital expenditure for the next three years, but plan to reduce borrowing after that. Our planned borrowing increases from \$154 million to \$190 million in 2027, then gradually reduces. We currently plan to use our accumulated asset replacement reserves to reduce our borrowing requirements.

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 for general purposes and a facility for up to \$100 million to finance industrial development at Rangiuru, which will be repaid as parts of the Rangiuru development are sold.

Council is well within its borrowing limit which sets a cap on net borrowing (after subtracting liquid investments) as a percentage of revenue. Our projected net borrowing compared to the limit is shown below.

Projected net borrowing compared to debt limit



Ngā rawa me te tūāhanga

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 is 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.

Regional Council owns, operates, and maintains approximately \$438 million (Optimised Depreciated Replacement Cost) worth of flood protection and control assets. Our Infrastructure Strategy is focused on the issues we face in operating flood protection and control assets, and it sets out the capital and operating spend required to meet the currently delivered levels of service for those flood control assets.

Over the next 30 years, we are planning for significant challenges in this space. These include:

- The impact of climate change leading to sea level rise and increased intensity and frequency of storm events leading to increased insurance, maintenance and construction costs.
- Geotechnical issues including subsiding ground levels, ground shrinkage in floodplains, and stopbanks that could be geotechnically unstable during high and prolonged river levels.
- Affordability due to increasing costs to maintain service levels as a result of climate change and potentially declining populations in the east (where the greatest risk of flooding is).

Key Assets	Quantity
Stopbanks	382 km
Erosion protection	482 km
Waterways	498 km
Pump stations	15
Structures	597

Infrastructure strategy investment

We will continue to do regular capacity reviews of our various rivers and drainage schemes. We are also implementing the Rivers 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 rivers scheme.

This approach includes investigating alternative engineering options, such as moving away from simply raising our existing stopbanks to keep pace with higher water levels associated with climate change. This approach means long-term flood management options may be different to the hard engineering, capital intensive, structural solutions that are currently the core components of the schemes. Structural, non-structural and other alternative, nature-based solutions have been identified for some of the rivers and drainage schemes and are being evaluated to enable a sustainable strategy.

It is possible that when capacity reviews and geotechnical investigations are completed for the various schemes there will be identified shortfalls that require additional investment.

Capacity review timeframes:

1. **Waioeka-Otara Rivers Scheme – 2028/2029 (year 5).**
2. **Upper Rangitāiki-Tarawera Rivers Scheme – 2028/29 (year 5).**
3. **Whakatāne-Tauranga Rivers Scheme – 2029/2030 (year 6).**
4. **Lower Kaituna Catchment Control Scheme – 2033/34 (year 10).**
5. **Kaituna Catchment Control Scheme – 2035/36 (year 12).**

It is also likely that there will be changes when the Rivers Scheme Sustainability Project is completed. The Rangitāiki catchment has already had options developed and considered by the community. Other schemes are yet to be fully considered.

Expenditure over the next 30 years

Between 2024 and 2054, we expect to spend \$135 million on new or replacement structures in our rivers and drainage schemes (capital expenditure) and \$712 million on maintenance, repairs, analysis and modelling (operational expenditure).

In recent years there has been significant investment in new or upgraded flood protection and control assets, this recent investment plus the capital work planned work over the next three years in particular means less investment is planned in the latter part of the Infrastructure Strategy.

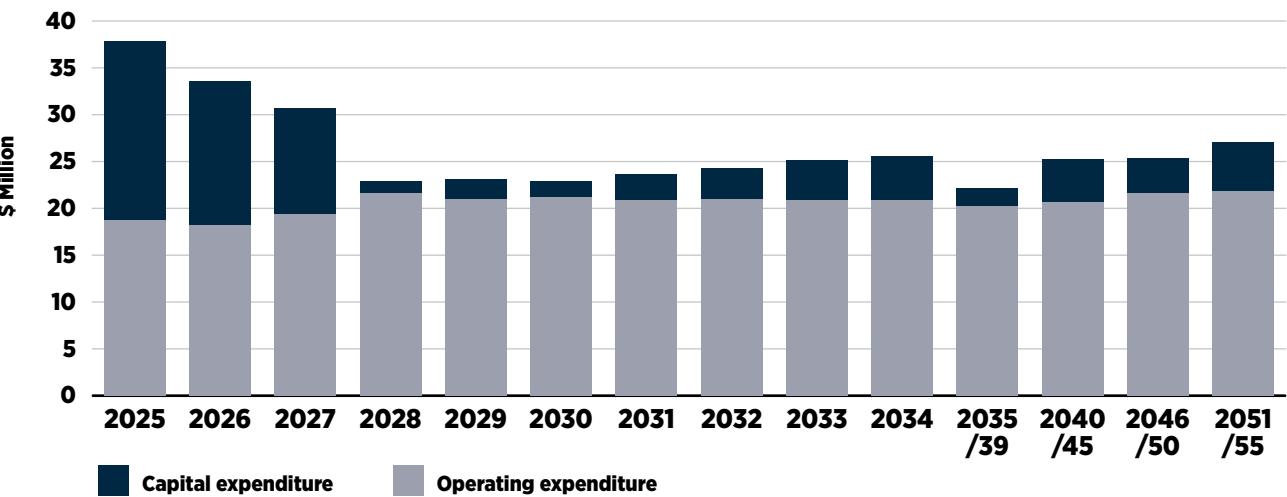
Significant capital work deliverability risks

The risks for the Regional Council's capital work program would include the potential fallout from

major flooding events. Should such a disaster unfold, priorities could swiftly shift, necessitating rapid resource reallocation to effectively address emergent needs. In this dynamic operational landscape, agile decision-making and resource management become paramount to ensure uninterrupted delivery of essential flood protection services to the community.

Furthermore, international supply chain challenges further underscore the vulnerability of the council's capital projects to disruptions. The Council is taking proactive steps to mitigate these risks. By stockpiling essential resources, it aims to minimise the impact of potential disruptions in the international supply chain. Additionally, the Council has prudently aligned the capital expenditure for Year 1 of the Long Term Plan to levels achieved on average in recent years. This strategic approach ensures resilience and stability in infrastructure investments.

Flood Protection and Control Capital and Operational Expenditure Budget 2024-2054



Note: \$ figures in years 2035-2055 are averaged annual planned expenditure for each respective five-year period.



Taukī whakamātau

Audit Statement

To the reader - Independent auditor's report on Bay of Plenty Regional Council's consultation document for its proposed 2024-34 long-term plan.

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. I have carried out this audit using the staff and resources of Audit New Zealand. We completed our report 6 March 2024.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2024-34 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.

Emphasis of Matter

Uncertainty over the delivery of the capital programme

Without modifying our opinion, we draw attention to page 6 of the consultation document, which outlines that the Council is proposing capital expenditure of \$162 million over the 10 years of the long-term plan. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 33 of the consultation document there is uncertainty over delivery of the capital work programme due to factors like severe weather events and challenges in sourcing essential resources and suppliers. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

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.

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

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition to this audit and our reports on the 2022/23 annual reports of the Council, Quayside Holdings Limited and Toi Moana Trust, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with the Auditor-General's independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.



Leon Pieterse

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

AUDIT NEW ZEALAND
Mana Arotake Aotearoa





Ka pēhea te tuku i tāu kōrero

How to have your say

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

Submissions close 4pm on Tuesday 9 April 2024.

A

Complete a submission online
at www.boprc.govt.nz/ltl-2024

B

Email your submission to
LTP@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
8 March 2024**

**Have your say
8 March to 9 April
2024**

**Hearings
10, 14, 15, 16 May 2024**

**Deliberations
29 May 2024**

**Plan adopted
26 June 2024**

We are consulting on the following policies as part of our LTP:

- Revenue and Financing Policy
- Rates Remissions and Postponement Policy (all Land)
- Rates Remissions and Postponement Policy for Māori Freehold Land
- Fees and Charges Policy
- Development Contributions or Financial Contributions Policy

In addition, the following non LTP consultation is also going on:

- Regional Land Transport Plan
- Change 13 (Air Quality) Policy 12
- Hearings for the Navigation Safety Bylaws

Please go to our website to find out more at www.participate.boprc.govt.nz

Puka whakauru

Submission form

Your details

First name: _____ Last name: _____

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

☐ Individual ☐ On behalf of someone else ☐ Organisation (if applicable): _____

Phone number: _____

Email address: _____

Postal address: _____

Your contact details are requested so that you can be kept informed of the hearings process and the outcomes of any decisions. A summary of all submissions will be published on our website **www.boprc.govt.nz** including names of submitters.

Do you wish to keep your contact details confidential? ☐ Yes ☐ No

Understanding our community

As part of our commitment to inclusivity, we request demographic information such as age, gender, ethnicity, and location. This information will be treated with the utmost confidentiality, stored securely, and used solely for statistical analysis. Your privacy is our priority, and we adhere to stringent data protection measures. Participation in providing this information is entirely voluntary, and you may choose not to disclose any demographic details.

How do you identify your gender?

- ☐ Male / Tāne
☐ Female / Wahine
☐ Another gender / He ira kē anō

☐ Prefer not to say

What year were you born? _____

What is your ethnicity?

- ☐ NZ European (Pākehā) ☐ Chinese
☐ Māori ☐ Indian
☐ Samoan ☐ Prefer not to say
☐ Cook Islander ☐ Other - e.g. Dutch, Japanese, Tokelauan etc
☐ Tongan
☐ Niuean

Which district do you live in?

- ☐ Tauranga ☐ Western Bay of Plenty ☐ Ōpōtiki ☐ Taupō
☐ Rotorua ☐ Whakatāne ☐ Kawerau ☐ Other

Your postcode

Speaking to your submission

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

Do you wish to speak to your submission?

- ☐ Yes
☐ No

I will present in

- ☐ English
☐ Te Reo Māori
☐ NZ Sign Language

Where would you prefer to present?

- ☐ Whakatāne
☐ Rotorua
☐ Tauranga
☐ On a Marae
☐ Online i.e. Zoom

When would you prefer to present?

- ☐ Between 9am and 4pm
☐ After 5pm

Tāu tukunga

Your submission

Kaupapa uiuinga 1 - CONSULTATION TOPIC 1

How should we fund public transport in urban centres across the region?

- ☐ **OPTION 1 (STATUS QUO):** Rates funding for public transport in urban areas across the Bay of Plenty comes 100% from targeted rates.
- ☐ **OPTION 2 (OUR PREFERRED OPTION):** Rates funding for public transport in urban centres comes from 90% targeted and 10% general rates).

Kaupapa uiuinga 2 - CONSULTATION TOPIC 2

Do you agree with our proposal to enable a managed sell down of our Port of Tauranga Limited shareholding to no less than 28%?

- ☐ **OPTION 1 (STATUS QUO):** Retain current shareholding in Port of Tauranga.
- ☐ **OPTION 2 (OUR PREFERRED OPTION):** Enable a reduction (by Quayside) in Port of Tauranga Shares to a minimum of 28%.

Kaupapa uiuinga 3 - CONSULTATION TOPIC 3

Should Regional Council investigate new opportunities for regional parks?

- ☐ **OPTION 1 (STATUS QUO):** No - Council should not investigate new opportunities for regional parks.
- ☐ **OPTION 2 (OUR PREFERRED OPTION):** Yes - Council should investigate new opportunities for regional parks.

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

Do you have any other comments?

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

Submissions close 4pm Tuesday 9 April 2024

Ngā mangai

Your representatives

Bay of Plenty Regional Council has 14 councillors who are decided on every three years in a local election. Our Councillors enable democratic local decision making on behalf of the communities they represent and promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Eleven of these councillors are elected from four general constituencies – Tauranga (five councillors), Rotorua, western Bay of Plenty and eastern Bay of Plenty (two each), while voters on the Māori roll elect one councillor from three Māori constituency areas – Kōhī, Mauao and Ōkūrei.



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Jane Nees, Deputy Chair
Western Bay of Plenty
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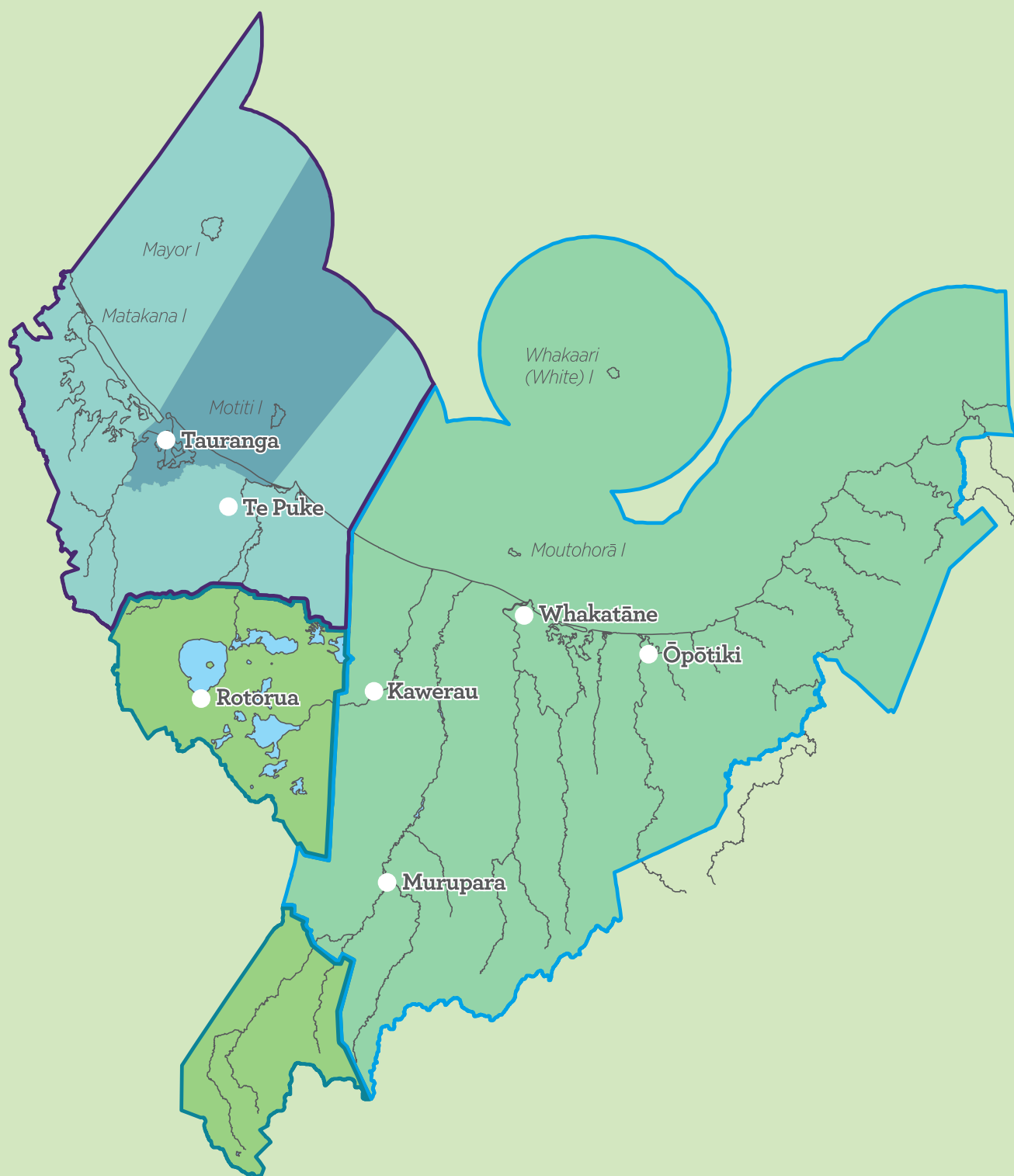
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General

- *Western Bay of Plenty*
- *Tauranga*
- *Rotorua*
- *Eastern Bay of Plenty*

Māori

- *Mauao*
- *Ōkūrei*
- *Kōhī*

Tukua tō kōrero **HAVE YOUR SAY**

www.boprc.govt.nz/ltp-2024

