



ATTACHMENTS MINUTES

Ordinary Council Meeting

Monday, 15 March 2021

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2021-2031 Long Term Plan

Toi Moana



Our Strategic Framework





1. Regulatory Reform

- Responding to central government regulatory reform
- Focus on National Environmental Standards for Freshwater and Air Quality
- \$28m spent on freshwater policy over next 10 years
- Climate Change Declaration



2. Regional Recovery

- Focus on job creation and boosting economy
- Transformational change for the region





3. Climate Change

- Climate emergency declaration
- Practical and real actions
- Position statement
- Regional focus



4. Land use and transport

- Work, live, learn and play and importance of place-making
- Environmentally sustainable transport and urban form system
- Key consultation questions on fares
- Key is implementation and delivery



5. Partnership with Māori

- Key for thriving together
- How we work together will evolve and focus is on mana enhancing partnerships
- Māori Responsiveness Framework





6. Making best use of resources

- Range of funding sources
- Current dividend offsets general rates by \$301 per property in first year of LTP
- Conducted comprehensive Financial Framework Review
- Community views sought on right funding level



7. Sub-regional/regional view

- Different goals and aspirations
- Recognise importance of local, sub-regional and regional focus
- Adjust our services to suit





8. Community participation and constructive relationships

- Community participation critical
- Engage to meet needs of the region



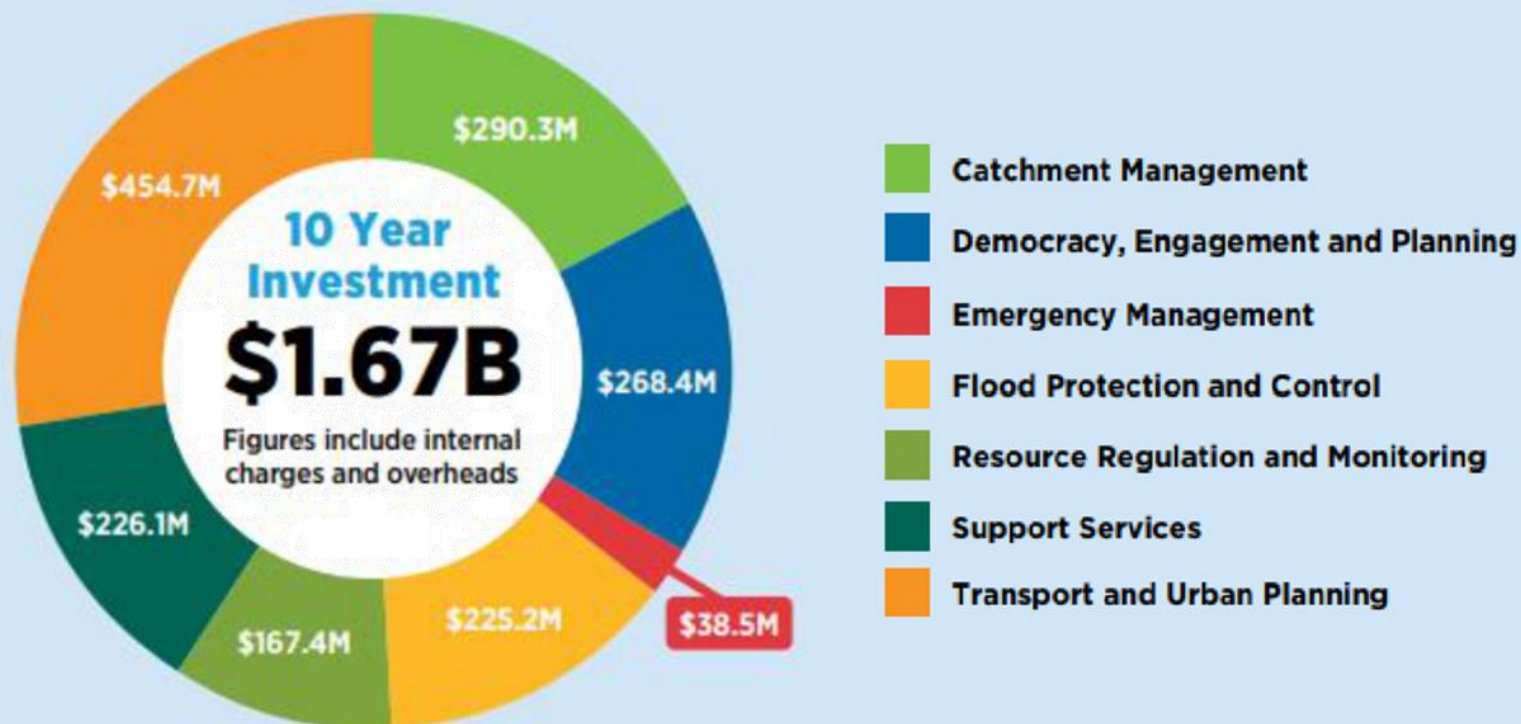


Transformational shifts required

1. An engaged and aware community, enabled to take action
2. Transport emissions significantly reduced
3. Lower carbon energy supply and demand challenges addressed
4. Land use planning results in emissions reductions and adaptation
5. Investors in our region support low carbon transitions
6. Significant investment in natural carbon storage

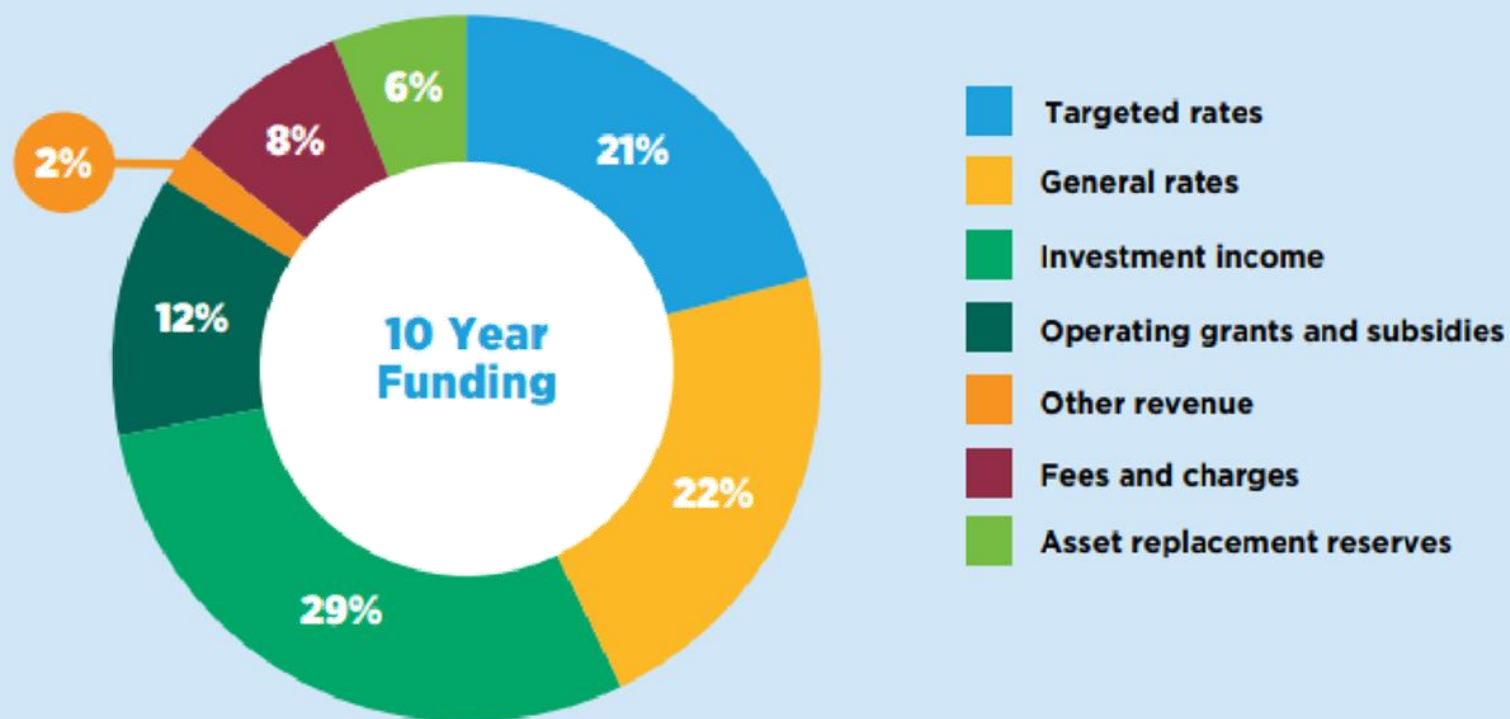


Where is the money being spent?





Where is the money coming from?





Financial Strategy

We must

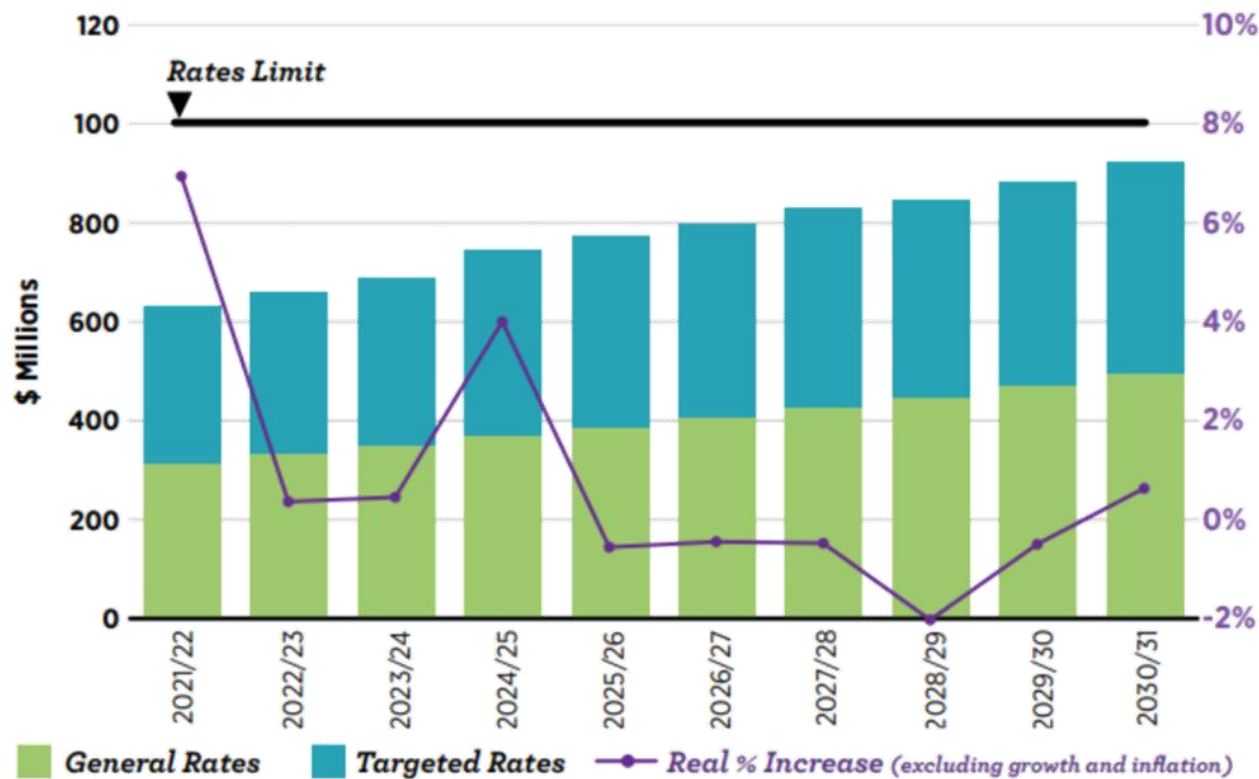
- Increase our financial resilience to respond to climate change and other challenges
- Keep rates affordable

How we will deliver

- Grow dividends from Quayside Holdings
- Use financial reserves where appropriate
- Maintain our ability to borrow

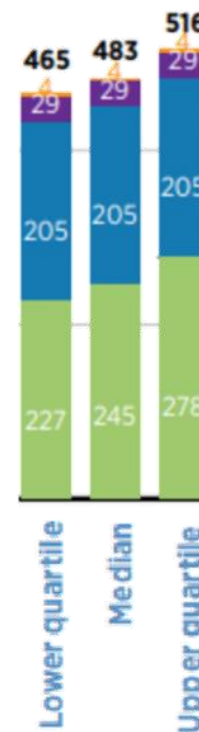
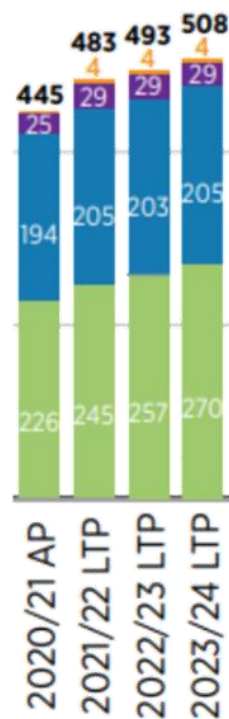
Rates

FORECAST RATES AND RATES INCREASES





Tauranga City rates



General
Rates

Urban River
Scheme

Air Action
Plan

Rotorua
Lakes

Passenger
Transport

Civil
Defence

Regional Safety &
Rescue Services



What are we consulting on?

- Climate Change Projects
- Sustainability Initiatives
- Public Transport bus fares
- Regional Safety and Rescue Services fund





RLTP Consultation

- The RLTP aims to shift the focus of our investment strategy to better provide for alternative modes of transport and move away from continued car dependency
- Climate change poses a significant challenge to our region
- The Plan includes a number of projects, within the prioritised list of activities



Fees and Charges

- Resource Management Act and Building Act fees and charges.
- Flood Protection and Drainage Bylaw fees and charges.
- Port charges for vessels over 1000 gross tonnage under the Navigation Safety Bylaw



Questions?

Thank you.



Development contributions (“DCs”) on papakainga and community housing provider (“CHP”) developments

During the 8 March 2021 Council meeting, additional information and clarification was sought on a number of matters relating to the two papers covering the above topics. This paper provides updates where additional material is available.

Weekly repayments of deferred DCs on papakainga housing

Council sought an understanding of the likely weekly repayment on deferred DCs.

As noted in the paper to the 8 March meeting, the DCs payable on a development vary depending on the location of the development (affecting local DCs) and the number of bedrooms in the new house (affecting city-wide DCs). It should also be noted that city-wide DCs have been flagged as likely to increase in 2021/22 as a result of the Waiari water supply project being introduced into the calculations.

For the purposes of the following calculations, three variables have been modelled:

- total DCs per property of \$20,000 and \$30,000
- repayment periods of 10 years and 15 years
- interest rates of 4% per annum and 4.5% per annum, as well as an interest-free option

Note that the modelling assumes that repayments start immediately. If a ‘repayment holiday’ period is included at the beginning before the 10 or 15 year terms started then the calculations would need adaptation (no impact on the interest-free version naturally).

The calculations are:

Principal \$20,000	Interest Rate	10 Years	15 Years
Weekly Payment	4.5%	\$47.78	\$35.27
Weekly Payment	0.0%	\$38.46	\$25.64
Principal \$30,000	Interest Rate	10 Years	15 Years
Weekly Payment	4.5%	\$71.67	\$52.91
Weekly Payment	0.0%	\$57.69	\$38.46
Principal \$20,000	Interest Rate	10 Years	15 Years
Weekly Payment	4.0%	\$46.68	\$34.11
Weekly Payment	0.0%	\$38.46	\$25.64
Principal \$30,000	Interest Rate	10 Years	15 Years
Weekly Payment	4.0%	\$70.02	\$51.16
Weekly Payment	0.0%	\$57.69	\$38.46

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Western Bay of Plenty District Council's approach to CHPs

The papakainga report to the 8 March meeting referenced the 50% discount that was provided by Western Bay of Plenty District Council ("WBoPDC") on financial contributions levied on papakainga developments. Council sought to understand whether such discounts were also provided on developments undertaken by CHPs.

Staff at WBoPDC have confirmed that their financial contributions policy makes no provision for discounts or funding for CHPs equivalent to the 50% provision for papakainga developments.

Kainga Whenua Infrastructure Grant

The papakainga report to the 8 March meeting also referenced the potential for papakainga developments to apply to Te Puni Kokiri for Kainga Whenua Infrastructure Grants for the 'other' 50% of financial contributions levied by WBoPDC. Verbal responses during the meeting noted that the Kainga Whenua Infrastructure Grant website indicated that such grants were not able to be used to fund development contributions or financial contributions.

Since the meeting, staff at Te Puni Kokiri have confirmed that the Kainga Whenua Infrastructure Grants are available to fund narrowly-defined physical works relating to the construction of papakainga and are not available to fund or part-fund development or financial contributions levied by the local council.

Rating impact

During the 8 March meeting, Council sought to understand the rates impact of different options to address discounted or foregone DCs.

The rating impact of different options depends on:

- if discounts are selected, whether the discount is 50%, 100% or another amount (guidelines for 50% and 100% options were included in the report, based on assumptions around uptake – see paragraphs 43 and 46 respectively)
- if deferral is selected, whether interest is charged (if interest is charged there will be no rates impact, if not there will be equivalent to the interest foregone)
- the funding source used for any discounts (i.e. discounts could be funded from rate-funded grants, in which case the rating impacts occur in the year the grant is made, or from a loan repaid over a longer period, in which case the same rating impact would be spread over that longer period, say 5 or 10 years).

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SUBMISSION TO THE BAY OF PLENTY REGIONAL COUNCIL LONG TERM PLAN 2021-2031

1. Tauranga City Council (TCC) is pleased to comment on the Bay of Plenty Regional Council Long Term Plan 2021-2031 (BOPRC LTP) Consultation Document and the supporting documentation. We wish to be heard in support of our submission.
2. We are happy to discuss our submission further with you. Enquires should be directed to: Marty Grenfell, Chief Executive, marty.grenfell@tauranga.govt.nz, 07 577 7000.

KEY SUBMISSION POINTS

SUB-REGIONAL FUNDING AND FINANCING

3. TCC acknowledges the Financial Framework that has informed BOPRC's financial strategy and would like to emphasise the points below.
4. At the 1 July 2020 SmartGrowth Leadership Group meeting, the committee signed off on a SmartGrowth funding and financing project. This project consists of two phases, phase one being identification of the 30-year capital needs across the sub-region and likely shortfalls using known funding sources. Phase two looks to options for closing the gap by identifying and evaluating options for financing and funding infrastructure. The aim is to identify realistic financing and funding options for infrastructure, noting current constraints. This work is to look at a range of existing tools / options together with a future focus on tools and options to deliver better outcomes across the sub-region.
5. This work is ongoing and is establishing a set of principles to be applied to look at sub-regional funding and financing options before developing more specific options. This will include how balance sheets, rating and investment income streams can be used to maximise the delivery of outcomes.
6. **TCC encourages** BOPRC to consider this sub-regional finance work in light of the outcomes for the financial framework and reflected in the financial strategy.
7. This would include a review of the use of the dividend from Quayside Holdings. This currently is used as an offset for general rates requirement and **TCC encourages** a review as to the options for this dividend to provide more strategic benefit across the region.
8. In addition, **TCC encourages** BOPRC to review the current Statement of Intent with the Quayside Group, which primarily has a commercial focus and is required by the shareholder to deliver a commercial driven return. Given that the Quayside Group is owned by a Local Authority which has a legislative requirement to "promote the social, economic, environmental, and cultural well-being of communities in the present and for the future", **TCC submits** that the Statement of Intent should be modified to reflect public good elements. In particular, **TCC recommends** that the Statement of Intent incorporates an objective that the group and its investment activity have regard to, and facilitate the implementation of, SmartGrowth, the Urban Form and Transport Initiative (UFTI), the Regional Land Transport Strategy (RLTS), the Regional Policy Statement (RPS) and the Western Bay of Plenty Transport System Plan (TSP).
9. **TCC encourages** further review of the use of financial reserves and debt in light of the sub-regional funding and financing work mentioned above. TCC is currently highly constrained by its debt position relative to BOPRC. The current draft TCC LTP (yet to

be adopted by Council) requires the use of approximately \$450m of rates over the ten-year period in order to allow investment to continue by retiring debt on its balance sheet. **TCC encourages** BOPRC to continue to work with sub-regional partners to provide investment capacity in order to reduce the debt burden directly on TCC ratepayers by avoiding the need for debt retirement rate levies.

10. **TCC supports and fully agrees with** the recognition of the Port of Tauranga as a strategic asset for the region. TCC would like to work in collaboration with BOPRC to look at funding and financing alternatives that maximise this strategic asset for the region.
11. **TCC encourages** BOPRC to reference the sub-regional funding and financing work underway and notes that, whilst no progress on this piece of work has been incorporated within the draft LTP, it will continue to work with the SmartGrowth partners to continue to develop options for future plans.

PUBLIC TRANSPORT FARES (CONSULTATION TOPICS 3 – 6)

12. Increasing bus ridership and achieving mode shift is important to the western Bay of Plenty sub-region and Tauranga City in particular. Bus ridership can be influenced by a number of means, pricing is one important and influential lever but needs to be considered together with service reliability, frequency and convenience relative to alternative modes of travel. All these factors should be considered together and aligned to support increased ridership and achieve mode shift.
13. **TCC supports** BOPRC in considering different pricing approaches for public transport use by particular user groups. Evidence from zero-fare initiatives for specific groups overseas indicates that lower prices can lead to a growth in patronage for certain groups, which then can justify the need for more buses, more services, increased frequencies, and as such improving the quality for all users, not just those who directly benefit from lower or zero-fares.
14. **TCC encourages** BOPRC to take a robust and evidenced based approach to setting fares for public transport use. The Fare Review project is considered to provide that approach and we look forward to ongoing and active involvement in this project, as it is relevant to Tauranga City. We see this process testing different fare price options alongside different levels of service (e.g. frequency, reliability) to identify the optimal price approach for fares. This will help to ensure that investment in public transport and the wider network is integrated and optimised across key transport partners in Tauranga City and the wider western Bay of Plenty.
15. We note that several bus fare options were tested through the UFTI project. The modelling was based on school buses, students, general public, and the region was split into three zones. The option of zero-fare pricing options for different income (CSC-card holder) or school-type groups, or a flat fare across region, have not been tested through the UFTI report. Refer to the [UFTI modelling report](#), section 3.1.6 for all details. We also note that bus frequencies, services, or changes to bus fares can be tested in the transport model and TCC sees this as an important element to the Fare Review project.

REGIONAL PUBLIC TRANSPORT PLAN REVIEW / TSP PUBLIC TRANSPORT INFRASTRUCTURE & SERVICES BUSINESS CASE

16. We note that BOPRC intends to review the Regional Public Transport Plan (RPTP) between February 2021 and June 2022. TCC supports this review as we agree there has been a significant change to both the operating environment and the strategic context particularly for public transport in Tauranga and the wider western Bay of Plenty sub-region since the last review in 2018. Given the significance of the changes

since 2018, a comprehensive and open RPTP review is required particularly in terms of how services are delivered for Tauranga. We are aware that work between the respective Council staff to confirm the scope of the RPTP review and its role and function relative to other business cases including the 'Transport System Plan – Combined Public Transport Infrastructure and Services Business Case' (Business Case) is progressing and still to be completed. We see this as an essential initial step to ensure there is clarity on what each process will investigate and inform including the service model and the appropriate sequencing of that work.

17. The Business Case is a priority for TCC and **TCC supports** resources being allocated by BOPRC in the 2021/22 financial year to its development. We note that TCC has resources in our draft LTP which enables us to actively participate in the development of the Business Case. We note that the assumptions in the draft BOPRC LTP are based on the current public transport service and direction, however they will be reviewed through the development of the business case to determine the most appropriate public transport service and infrastructure to deliver on the direction provided by UFTI and the TSP.

PLANNING REGULATION

18. The Regional Policy Statement (RPS) provides a framework for sustainably managing the region's natural and physical resources. While it does not contain rules, it does set out how city and district councils need to manage these resources. A review of the RPS, in particular the urban limits and natural hazard policies, is important to enable TCC to give effect to policies that provide a robust, integrated approach to promoting sustainable management of natural and physical resources. The timing of this review is significant as TCC must give effect to the RPS as part of the City Plan review which is required to be notified by April 2024.
19. It is not clear within the LTP documentation whether funding is allocated to undertake this work.
20. **TCC seeks clarification** that BOPRC LTP funding is allocated to undertake a review of the RPS, in particular the urban limits and natural hazard policies, and on proposed timing for the review.

WAIROA RIVER

21. The Wairoa River is the largest freshwater tributary into the Tauranga Harbour. Te Kauae a Roopu and the Pirirakau Incorporated Society submitted to the Western Bay of Plenty District Council (WBOPDC) 2018-2028 LTP, requesting a comprehensive review of the Wairoa River Valley Strategy in light of plans to develop Tauriko West.
22. The Wairoa River Valley Strategy is a joint strategy between WBOPDC, TCC, Tangata Whenua and the communities within the Strategy area. It was envisaged as a partnership between these groups and was adopted in 2005 with a desktop review in 2013.
23. Recent discussions with Te Kauae a Roopu have clarified that a more comprehensive management plan for the Wairoa River is sought as an outcome, rather than simply reviewing the existing Strategy (which encompasses only the area from the McLaren Falls bridge to the Harbour, and specifically excludes all river tributaries).
24. In relation to development of a comprehensive and sustainable management approach for the Wairoa River, in partnership with Tangata Whenua:
 - a. **TCC requests** that BOPRC makes the Wairoa River a 'focus catchment' and assigns appropriate LTP funding to deliver action on the ground to reduce land run-off and protect the river and its tributaries. This is a short-to-medium

term action, that would provide largely operational support for the River and its environs.

- b. **TCC requests** that BOPRC identifies the entire Wairoa River, including its tributaries, as a Freshwater Management Unit (FMU) for the purposes of implementation of the National Policy Statement on Freshwater Management (NPS-FM). This is a medium-to-longer term action, with policy and planning implications for all three councils over time.
- c. **TCC requests** that BOPRC includes sufficient capacity and capability building funding within its LTP to enable the Wairoa River local hapū to appropriately participate in both the 'focus catchment' and the NPS-FM processes (including in the identification of appropriate FMUs for the region).
- d. **TCC supports** the WBOPDC, Te Kauae a Roopu and any other hapū submissions to the BOPRC LTP regarding the Wairoa River.

OTHER SUBMISSION POINTS

CLIMATE CHANGE PROJECTS (CONSULTATION TOPIC 1)

- 25. Climate change focus for local government to date has mostly been on improving our understanding of climate impacts. Sponsored action will support our communities to take a part in the shared responsibility we all have for climate adaptation.
- 26. To provide an integrated approach for the BOP given our interdependencies as communities, **TCC requests** that BOPRC champions a regional climate change integration programme with the region's district/city councils, focusing on how we can adapt to and/or mitigate impacts from climate change on our ways of life.
- 27. Areas of focus might include: biodiversity and biosecurity; natural hazards; technological interdependence – power; transportation; water; agriculture, horticulture and aquaculture; and leadership and advocacy.

SUSTAINABILITY FUNDING (CONSULTATION TOPIC 2)

- 28. **TCC supports** BOPRC's adoption of a Climate Change Action Plan and Work Programme, as well as its Climate Change Statement within the BOPRC LTP consultation document.
- 29. Solar enablement adds to resilience through distributing generation, load management and distribution of electricity. To support solar enablement, TCC does not charge for building consents for the installation of solar panels.
 - a. **TCC suggests** that BOPRC focuses on reducing power consumption through solar capture on its own facilities first, then community facilities to reduce their operating overheads and create resilient hubs for use in emergencies.
 - b. **TCC suggests** that BOPRC adopts partnership models with territorial authorities and electrical distributors/installers for household solar enablement. (See Marlborough's model for a practicable [example](#)).
- 30. Rain and grey water capture / re-use would also add resilience to households and the region through more effective use of non-potable water for irrigation. It would also aid stormwater management through adding additional capture devices to the network to take some of the immediate downfall pressure from the system. (See Auckland's approach to [water capture enablement](#), and also the [City of Melbourne](#) has some innovative uses of water capture engineering / technology to aid in time of water scarcity).

- a. **TCC suggests** that BOPRC adopts partnership models with territorial authorities and relevant distributors/installers for household rain and grey water capture/re-use enablement.
31. The integration of this sustainability approach into the Freshwater Reforms will require consideration, as well as aligning this to the requirements proposed in the Water Services Bill and in particular the emphasis for increased involvement of local and regional councils in source water management.

REGIONAL SAFETY AND RESCUE SERVICES (CONSULTATION TOPIC 7)

32. **TCC supports** BOPRC's proposal to introduce a targeted rate to provide funding of up to \$400,000 per annum for charitable regional safety and rescue services.
 33. However, TCC is concerned that the range of applicants could include multiple national entities that run regional services as franchisees, creating a significant management challenge.
 34. Additionally, BOPRC could consider including this funding within its CDEM targeted rate.
-