

Informal Workshop Notes

Annual Plan 2025/26 Workshop No.3

Regional Council

Held: 9.30 am, Tuesday 26 November 2024, Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual meeting)

Chairperson: Chairman Doug Leeder

Deputy Chairperson: Deputy Chairperson Jane Nees

Present: Cr Malcolm Campbell
Cr Stuart Crosby
Cr Toi Kai Rākau Iti
Cr Matemoana McDonald (via Zoom)
Cr Kat Macmillan
Cr Ron Scott
Cr Ken Shirley
Cr Paula Thompson
Cr Lyall Thurston
Cr Andrew von Dadelszen
Cr Te Taru White
Cr Kevin Winters

In Attendance: Fiona McTavish - Chief Executive; Mat Taylor - General Manager, Corporate; Reuben Fraser - General Manager, Regulatory Services; Namouta Poutasi - General Manager, Strategy and Science; Chris Ingle - General Manager, Integrated Catchments; Kataraina O'Brien - General Manager, Strategic Engagement (via Zoom); Mark Le Comte - Principal Advisor, Finance; AJ Prinsloo - Finance Manager; Oliver Haycock - Director, Public Transport; Claudia Cameron - Committee Advisor

1. Workshop Item

1.1 2025/26 Draft Annual Plan

Presented by: Mat Taylor - General Manager, Corporate

Supported by: Mark Le Comte - Principal Advisor, Finance; AJ Prinsloo - Finance Manager; Chris Ingle - General Manager, Integrated Catchments; Oliver Haycock - Director, Public Transport

Key Points:

- The reports brought together proposed rates increases, shown in dollar amounts alongside percentage increases, and potential activity cost savings
- Figures were working assumptions from previously received guidance.

In Response to Questions:

- Agenda section 3.2.1 showed actual rates increases. Real increases rounded to zero, meaning inflation would effectively account for the 3% increase
- Acknowledged that the public transport targeted rate for Whakatāne extended further geographically compared to Rotorua; a change to this would require consultation
- The targeted rates figure relating to the Corporate activity was due to the corporate costs being recovered across all activities using an overhead recovery mechanism
- Regarding Agenda Attachment 2 - Impact on Selected Property Types, a more fulsome list of properties (including properties in Kawerau and Ōpōtiki) would be provided to Councillors
- Staff were awaiting further information from central government regarding any proposals for rate capping
- Organisations were able to apply for Third Party Infrastructure Funding at any time; a business case/proposal was required to start the process. It was noted, however, that available reserves were limited. If an organisation wished to present to Council, they could do so once they had project information available such as the level of funding requested and a timeline
- In relation to potential legal funding, the forecasted balance of the Regional Fund Reserve had been identified; a decision of Council later in the Annual Plan 2025/26 process would establish its allocation
- Ōhau wall:
 - Acknowledged the substantial variance in potential costs associated with the different options for the repair of the Ōhau Wall and the potential impact this may have on Rotorua rate payers
 - An update would be provided to Council in December 2024 and the community and technical working group would be presenting options to Council in early 2025
 - The Annual Plan 2025/26 currently proposed to delay the start of the project and spread it over two years i.e. 2025/26 and 2026/27
 - At this stage, it was understood that the recommended approach would be to repair the wall in 'patches', however the engineering challenges of this option were acknowledged. WSP Global Inc. corrosion expert engineers had joined the technical experts working group and there was potential for a solution to be presented to Council in 2025
 - There were currently funds in the Long Term Plan 2024-2034 (LTP) to commence the repair work, but insufficient budget to cover repair completion or to fully replace the wall
 - Although the wall was leaking water from Lake Rotorua into Lake Rotoiti, the water quality of Lake Rotoiti was not deteriorating. Noted the need to improve Lake Rotorua water quality alongside wall repairs
- Water Services Plans had been approved during the LTP, with the associated policy being developed in 2025
- Any changes or additions to targeted rates would require consultation on the Revenue and Financing Policy; this policy had been consulted on during the LTP

- Information could be provided on advancing the Regional Biodiversity Strategy workstream. This would help identify potential funding gaps within biodiversity and regional parks, which could lead to future funding mechanisms being identified. It was noted that there was some reliance on Central Government funding and collaboration with the Department of Conservation (DOC) for this to progress
- Noted that the councillor catering budget had been reduced as requested.

Key Points - Members:

- Noted the current timeframe for the Ōhau wall repair was unlikely to be satisfactory for the community
- Suggested investigation into the potential use of Diatomix™, alongside alum (aluminium sulphate) dosing, to improve water quality in Lake Rotorua
- A potential future Regional Parks or Biodiversity targeted rate was discussed:
 - A small, additional rate to support biodiversity and regional parks funding was suggested
 - Biodiversity was a core purpose of BOPRC and during the LTP consultation 64% of the population supported regional parks
 - Proposed it be a regional rate, and identify the purpose on rates bills
 - It was suggested that if this rate were to be included, it should be in place of other expenditure
 - As the revenue and financing policy had recently been consulted on, there was some discomfort with re-writing and re-consulting on this policy so soon after adoption
 - It was noted that, with a feasibility study underway regarding regional parks, it would be preferable to await its outcome before considering changes to the Revenue and Financing Policy
- Suggested that instead of lowering the Rotorua targeted rate, the additional revenue be collected as a reserve for “lakes enhancement” to smooth future rate increases required for the Ōhau wall repairs.

Public Transport:

- NZ Transport Agency Waka Kotahi (NZTA) draft farebox recovery/private share targets had been notified to BOPRC; these targets were substantially higher than expected
- Staff were investigating whether NZTA had examined the potential implications of these targets, as they would likely lead to substantial fare increases
- Concern had been raised from other Public Transport Authorities (PTA) regarding the targets and potential impacts, noting a disconnect between local/regional policy and national policy. An aligned political response was being sought through connections at Te Uru Kahika – Regional and Unitary Councils Aotearoa
- There were currently three school bus contracts. The larger of the three was due to lapse in 2027 and the two smaller contracts at the end of 2026. Efficiencies in the school bus network were being sought via a review currently being undertaken
- Most school buses lacked ticketing machines, preventing fare collection on these routes. Consequently, it was assumed that no children would be charged until the system could be applied network-wide. Charges for children using the Urban Network could begin as early as April 2025, though it may be considered inequitable to charge only some school routes

- NZTA would be fitting the entire fleet with National Ticket Solution (NTS) machines in mid-2025, therefore installing machines prior to this date was not recommended
- Staff could investigate bringing potential school fare adjustments forward to mid-2025, although it was noted that there would be less time for communications with schools and parents
- A thorough school service review was being undertaken; this would look at routes and patronage and identify services which were less utilised, or where there was a viable urban bus alternative
- Engagement was planned with the Murupara community regarding the cessation of the tertiary service
- Noted that potential future National Land Transport Fund (NRLF) funding was tied to farebox recovery target progress.

Key Points - Members:

- Suggested it would be appropriate for a discussion regarding the strategic direction of Public Transport, particularly in the context of the current external pressures and uncertainty
- Indicated that it would be useful for staff to provide Councillors with background information regarding school bus services in the Western Bay
- There was a need for strategic overview and an awareness of the impacts of decisions, particularly after the extensive investment in strategy documents such as the Urban Form and Transport Initiative (UFTI)
- Highlighted the need to give schools and parents time to plan for fare adjustments on the school service
- Noted the complexity and potential political risk of increasing school bus fares
- Emphasised the need to make changes in order to meet NZTA farebox recovery targets.

10.53 - The workshop **closed**.