Thriving together – mō te taiao, mō ngā tāngata

Our values
- Courage
- Whanaungatanga
- Trust
- Integrity
- Manaakitanga
- Kotahitanga

We will maintain and enhance our air, land, freshwater, geothermal, coastal resources and biodiversity for all those who live, work and play within our region. We support others to do the same.

A healthy environment
- We develop and implement regional plans and policy to protect our natural environment.
- We manage our natural resources effectively through regulation, education and action.
- We work cohesively with volunteers and others to sustainably manage and improve our natural resources.
- Our environmental monitoring is transparently communicated to our communities.

Freshwater for life
- Good decision making is supported through improving knowledge of our water resources.
- We listen to our communities and consider their values and priorities in our regional plans.
- We collaborate with others to maintain and improve our water resource for future generations.
- We deliver solutions to local problems to improve water quality and manage quantity.
- We recognise and provide for Te Mana o Te Wai (intrinsic value of water).

Safe and resilient communities
- Our planning and infrastructure supports resilience to natural hazards so that our communities’ safety is maintained and improved.
- We provide systems and information to increase understanding of natural hazard risks and climate change impacts.
- We support community safety through flood protection and navigation safety.
- We work with our partners and communities to achieve integrated planning and good decision making.
- We lead regional transport strategy and system planning, working with others to deliver a safe and reliable public transport system.

A vibrant region
- We lead regional transport strategy and system planning, working with others to deliver a safe and reliable public transport system.
- We contribute to delivering integrated planning and growth management strategies especially for sustainable urban management.
- We work with the right people to create a prosperous region and economy.
- We work with communities and others to consider long term views of natural hazard risks through our regional plans and policies.

We work with our partners and communities to achieve integrated planning and good decision making. We support economic development, understanding the Bay of Plenty region and how we can best add value.

The way we work
- We provide great customer service
- We honour our obligations to Māori
- We deliver value to our ratepayers and our customers
- We continually seek opportunities to innovate and improve
- We look to partnerships for best outcomes
- We use robust information, science and technology

Strategic challenges
- Different priorities and issues across the region
- The implications of changing climate
- Limitations of our natural resources
- Sustaining development across the region
- An increasingly complex operating environment
- Ensuring Māori participation in Council decision making
- Balancing the expectations of both national and local partners

COMMUNITY OUTCOMES

OBJECTIVES

1. We develop and implement regional plans and policy to protect our natural environment.
2. We manage our natural resources effectively through regulation, education and action.
3. We work cohesively with volunteers and others, to sustainably manage and improve our natural resources.
4. Our environmental monitoring is transparently communicated to our communities.

1. Good decision making is supported through improving knowledge of our water resources.
2. We listen to our communities and consider their values and priorities in our regional plans.
3. We collaborate with others to maintain and improve our water resource for future generations.
4. We deliver solutions to local problems to improve water quality and manage quantity.
5. We recognise and provide for Te Mana o Te Wai (intrinsic value of water).

1. Our water and land management practices maintain and improve the quality and quantity of the region’s freshwater resources.

1. We provide systems and information to increase understanding of natural hazard risks and climate change impacts.
2. We support community safety through flood protection and navigation safety.
3. We work with our partners to develop plans and policies, and we lead and enable our communities to respond and recover from an emergency.
4. We work with communities and others to consider long term views of natural hazard risks through our regional plans and policies.

1. We work with our partners and communities to achieve integrated planning and good decision making.
2. We support economic development, understanding the Bay of Plenty region and how we can best add value.

COMMUNITY OUTCOMES

OBJECTIVES

1. We lead regional transport strategy and system planning, working with others to deliver a safe and reliable public transport system.
2. We contribute to delivering integrated planning and growth management strategies especially for sustainable urban management.
3. We work with the right people to create a prosperous region and economy.
4. We invest appropriately in infrastructure to support sustainable development.

Our values
- Trust
- Integrity
- Courage
- Manaakitanga
- Kotahitanga
- Whanaungatanga
The work we do

- Integrated Catchment Management
- Flood Protection and Control
- Resource Regulation and Monitoring
- Transportation
- Regional Development
- Regional Planning and Engagement
- Emergency Management
- Technical Services
- Corporate Services

Guide to this document

The Bay of Plenty Regional Council Toi Moana ‘Arotake Tuatahi 2018/19’ is our first review of our performance for 2018/19. It provides a snapshot of our key performance focus areas, including financial and non-financial performance for the reporting period July to September 2018.

This document is used to inform our Council and the community about our recent work, financial situation, trends and risks, while supporting key decision making processes.

This report allows the reader to track the work we are doing and our progress towards achieving our vision and community outcomes, contained within our Long Term Plan 2018-2028 strategic framework (illustrated opposite).
Highlights

This dashboard provides a high level overview of key performance information. Further detail on each of these areas is contained later in the report.

**Summary financials for the three months ending 30 September 2018**

Bay of Plenty Regional Council Toi Moana 2018/19 budget compared to the year to date actual/annual forecast
Major capital projects

FLOOD REPAIR PROJECT
$11.5m
$3.2m
$8.3m

BUILDINGS UPGRADE PROJECT
$20.4m
$13.8m

RANGITĀIKI FLOODWAY UPGRADE PROJECT
$1.4m
$0.4m
$1m

KOPEOPEO CANAL REMEDIATION PROJECT
$5.4m
$4.4m
$1m

KAITUNA RIVER RE-DIVERSION PROJECT
$5.9m
$3m

KOEPOPEO CANAL REMEDIATION PROJECT
$5.9m
$3m

$1m

$million actual expenditure of 2018/19 annual capital budget

Treasury

Current Credit Rating AA

Investments $183m
Avg interest rate on investments 3.44%

Borrowings $90m
Avg interest rate on borrowings 2.01%

Key performance indicators

YEAR TO DATE

KPIs on track 20
KPI not on track 1
KPIs no data 11

KPIs on track 32
KPIs not on track 0
KPIs no data 0

Health and safety

INCIDENTS
Year to date 8

STAFF TRAINING COMPLETED
72

TOTAL NEAR MISSES
26

ALL INJURIES
8
1. WE DEVELOP AND IMPLEMENT REGIONAL PLANS AND POLICY TO PROTECT OUR NATURAL ENVIRONMENT

Our Regional Pest Management Plan for the Bay of Plenty sets out what we are trying to achieve through our efforts to manage pest plants and pest animals in the region. Our proposed plan for 2018-2028, covering 55 pests, is currently out for consultation seeking community input on whether the right pests and management approaches are included to protect our regional environment.

The submissions process on Plan Change 13 (Air Quality) to the Regional Natural Resources Plan was extended to the end of July. Hearings are underway and are due to finish in October. Implementation of other plan changes is ongoing.

2. WE MANAGE OUR NATURAL RESOURCES EFFECTIVELY THROUGH REGULATION, EDUCATION AND ACTION

Successful prosecutions were brought against four companies for accidental dairy effluent discharges and poor sediment management practices. These convictions are the result of investigations and prosecution action by Regional Council staff.

Water use by more than 140 registered kiwifruit and avocado growers has now been assessed through a partnership programme between Regional Council, NZ Kiwifruit Growers Association and NZ Avocado Growers. Approximately 60 resource consent applications are expected, from growers who wish to take a greater volume of water than permitted activity levels allow. So far 20 have been received, with ongoing conversations being held with the other growers.

3. WE WORK COHESIVELY WITH VOLUNTEERS AND OTHERS, TO SUSTAINABLY MANAGE AND IMPROVE OUR NATURAL RESOURCES

We’ve worked with our volunteers and iwi to plant more than 3,000 plants and trees throughout the region through Coast Care and Environmental Enhancement Fund activities.

The Whakatāne and Ōhope Sites Environmental Programme agreement was guaranteed for another five years. This programme is the largest community-based protection and enhancement project funded by the Bay of Plenty Regional Council, in partnership with Department of Conservation, Whakatāne Kiwi Trust, Whakatāne District Council, Te Rūnanga o Ngāti Awa, Te Tapatoru a Toi, Ngāti Awa Group Holdings Limited and Kevin and Julia Dodds. The programme protects the ecological integrity of the sites, including...
intensive predator control targeting possums, rats, weasels, stoats and wasps.

We held a round of consultation hui with iwi, hapū, ahu whenua trusts and tangata whenua in Ōkurei about future geothermal management.

Bay Conservation Alliance, recipients of Community Initiative Funding, held their launch event in September which was attended by Conservation Minister Hon. Eugenie Sage.

4. OUR ENVIRONMENTAL MONITORING IS TRANSPARENTLY COMMUNICATED TO OUR COMMUNITIES

Our air quality monitoring information will be enhanced with six new monitoring stations in the Mount Maunganui industrial area, due to be operational by the end of 2018. These additional stations will collect data on a number of contaminants that are not collected by the three existing stations.

A new rain gauge was installed at Relph Road, Ngongotahā at the request of the community. Live monitoring data can now be viewed on our website.

A new monitoring report on the impacts of on-site domestic wastewater systems (such as septic tanks) in the Bay of Plenty was released. The report includes water quality monitoring results for a number of un-reticulated coastal and lake-side communities. It shows that replacement of septic tanks with a reticulated system at Lake Ōkāreka has significantly reduced nitrate inputs to the lake. It also found that the introduction of a Maintenance Zone at Tanners Point has resulted in decreasing contaminant levels in local drains. The report raises concerns in relation to water contamination from septic tanks at Matatā and Mamaku; options for addressing this will be considered through an upcoming plan change (Proposed Change 14).

Water sensors have been installed in various pools of the Kaituna Wetland and the Kaituna River. These sensors will provide information on the dissolved oxygen, water level and conductivity (or saltiness) of the water as it moves between the wetland and the Kaituna River.

Indicative outputs of the e-Source catchment water quality model have been presented to the Rangitāiki and Kaituna-Pongakawa-Waitahanui community groups. The project team is now working to build on the feedback given on model outputs by the community, as well as using the results from the model to assess impacts on downstream receiving environments.

2. WE LISTEN TO OUR COMMUNITIES AND CONSIDER THEIR VALUES AND PRIORITIES IN OUR REGIONAL PLANS

Community consultation on Draft Plan Change 14 (OSET) began in July and will run until October. A Proposed Plan Change will then be developed using the community feedback and further staff work. It is expected that the Proposed Plan Change will be publicly notified for submissions in mid-2019.

The Rangitāiki River Document – Te Ara Whānui o Rangitāiki becomes operative from the 9 October as part of the Regional Policy Statement following Environment Court approval in July. A report was prepared for the September Regional Council meeting seeking approval that Proposed Change 3 be made part of the operative Regional Policy Statement (RPS) in October 2018.

The Kaituna River Document: Kaituna he taonga tuku iho - a treasure handed down, was approved and publicly notified as having legal effect from 1 August 2018. A public celebration was held at Waitangi-Rangiriu Whenua Reserve on Sunday 30 September, coinciding with World Rivers Day. The Regional Council and Te Maru o Kaituna River Authority now have the challenge of progressing the second RPS Treaty Co-governance change (Proposed Change 5) for the Kaituna River Catchment. Public notification of the draft change is expected in 2019.
We approved the adoption of the Region-wide Water Quantity Plan Change (Plan Change 9) to strengthen water allocation limits and management in the Bay of Plenty. The decision was based on the recommendations of an independent hearings panel and more than 269 submissions received from iwi, industry and the wider public since consultation first began in 2015.

Court proceedings on the 16 Environment Court appeals received on the Regional Coastal Environment Plan are ongoing. We intend to make the majority of the Regional Coastal Environment Plan operative once the iwi resource management final decision is received.

3. WE COLLABORATE WITH OTHERS TO MAINTAIN AND IMPROVE OUR WATER RESOURCE FOR FUTURE GENERATIONS

We have started the process of setting objectives, limits and methods for quality and quantity under the National Policy Statement for Freshwater Management in nine key Water Management Areas (WMAs). The current focus is to build an information base and agree an approach to working together with iwi and hapū in the Rangitāiki and Kaituna-Pongakawa-Waitahanui WMAs.

4. WE DELIVER SOLUTIONS TO LOCAL PROBLEMS TO IMPROVE WATER QUALITY AND MANAGE QUANTITY

The Kaituna River re-diversion, which will partially restore freshwater flows from the Kaituna River into Te Awa o Ngatoroirangi, is now underway.

The annual drawdown of Lake Rotoiti has taken place: the lake level was dropped 100mm below its normal operating range to help facilitate flushing of the Ōhau Channel and reduce flood risk in the channel.

Our Automated Water Accounting system is being finalised which will enable resource consent applicants and water users to see water availability at a catchment level within surface and groundwater systems.

5. WE RECOGNISE AND PROVIDE FOR TE MANA O TE WAI (INTRINSIC VALUE OF WATER)

National Policy Statements for Fresh Water and Coastal give clear directions about the importance of Māori values and interests. Māori values are underpinned by Mātauranga Māori. During this quarter, staff have been working on an implementation plan for He Korowai Mātauranga.

Water policy work has focused on improving how fresh water is managed by setting catchment-specific objectives, limits and methods for both surface and groundwater, considering and recognising Te Mana o te Wai in Water Management Areas. This work is ongoing.
1. WE PROVIDE SYSTEMS AND INFORMATION TO INCREASE UNDERSTANDING OF NATURAL HAZARD RISKS AND CLIMATE CHANGE IMPACTS

In July, a hui at the Tangatawha Marae in Rotorua launched the ECLIPSE programme: this research project is bringing together the scientific and Emergency Management communities alongside local iwi to better understand and manage the risk of living on the most active supervolcano system on earth.

We hosted a practitioner’s workshop on the Ministry for the Environment ‘Coastal Hazards and Climate Change Guidance’ which was updated in December 2017. The workshop was held in August and attended by many of our partners including local councils and tangata whenua. This was an opportunity to discuss how decision makers can manage and adapt to the increased coastal hazard risks posed by climate change and sea-level rise.

2. WE SUPPORT COMMUNITY SAFETY THROUGH FLOOD PROTECTION AND NAVIGATION SAFETY

A new section of the College Road stopbank in Edgecumbe was completed in August, marking a major milestone in the Bay of Plenty Regional Council’s April 2017 Flood Repair Project. Flood damage repairs across the region were completed on 16 sites this quarter, bringing the total number to 135 of the 520 required for completion.

A Lower Rangitāiki information day was held in August to update the community on the flood repairs on multiple sites along the river. Our engineering team shared information as part of ongoing public consultation on the Rangitāiki Floodway Project as well as reporting progress on the recommendations in the Rangitāiki River Scheme Review.

Stage 4 of the Rangitāiki Floodway project is underway on the left bank, downstream of Thornton Road. This work involves earthworks to relocate stopbanks, channel widening to increase capacity, and works on internal drainage systems.

An independent review panel has been set-up to review what happened, and what contributed to, flooding in Ngongotahā on 29 April and make recommendations for future mitigations.

3. WE WORK WITH OUR PARTNERS TO DEVELOP PLANS AND POLICIES, AND WE LEAD AND ENABLE OUR COMMUNITIES TO RESPOND AND RECOVER FROM AN EMERGENCY

During September, we undertook a Tier 2 Oil spill response exercise, based on a barge carrying several hundred litres of diesel and hazardous chemicals running aground at the Whakatāne Heads. This was a great way to test the organisational response to oil spills in the Eastern Bay of Plenty.

Emergency Management Bay of Plenty hosted the Bay of Plenty Civil Defence and Emergency Management (CDEM) Response Seminar in Tauranga on 5 September 2018. This free seminar was aimed at officials in the Emergency Management sector across the Bay of Plenty region. The seminar focused on understanding the roles of support agencies in emergency management.

Emergency Management Bay of Plenty continues to engage with the Ministry of Civil Defence & Emergency Management and other stakeholders on the Ministerial Review - Better Responses to Natural Disasters and other Emergencies in New Zealand, following the Government’s response to the Technical Advisory Group’s recommendations in August.

In July 2018, Emergency Management Bay Of Plenty were awarded two awards in the category ‘Partners in Preparedness’ by the International Association of Emergency Managers (IAEM) for the Marae Emergency Preparedness Project, a partnership between the Bay of Plenty CDEM Group and the Ministry of Māori Development.

4. WE WORK WITH COMMUNITIES AND OTHERS TO CONSIDER LONG TERM VIEWS OF NATURAL HAZARD RISKS THROUGH OUR REGIONAL PLANS AND POLICIES

We are working with the region’s local councils to consider long term views of natural hazard risk through Structure Planning for urban growth. Last quarter this included five Structure Planning processes with Rotorua Lakes Council, Tauranga City Council and Western Bay of Plenty District Council.
We are also supporting the community to consider long term risk from natural hazards through the District Applications Coordinator in collaboration with the other councils.

We began developing guidance material around implementation of the Regional Policy Statement natural hazard provisions through regional and district plans and policies. We are also working collaboratively with local councils to produce natural hazard exposure and risk mapping that considers long term views, including climate change, such as the Western Bay of Plenty Tsunami Inundation Assessment and the Regional Active Fault Assessment for urban growth areas.

We are leading a joint study on coastal hazards for Tauranga Harbour, partnering with Tauranga City Council and Western Bay of Plenty District Council. This work includes modelling erosion and inundation over the long term and includes the effects of climate change on sea level rise. The analysis and reporting stage of the study is complete and the information will be shared with the community in the next few months. The mapping outputs will be produced in accordance with the RPS natural hazard provisions and used by our partners for future plan changes.

The Bay of Plenty Regional Policy Statement risk-based approach to natural hazard management has been short-listed for the Commonwealth Association of Planners (CAP) Award for Outstanding Planning Achievement in the Commonwealth. The winner will be announced in Cape Town, South Africa, in October.
1. WE LEAD REGIONAL TRANSPORT STRATEGY AND SYSTEM PLANNING, WORKING WITH OTHERS TO DELIVER A SAFE AND RELIABLE PUBLIC TRANSPORT SYSTEM

The Regional Public Transport Plan, which provides a statement of Council policies, information and infrastructure that support bus services across the region, was adopted by Council on 6 September, with an effective date of 10 December 2018.

Work continues on delivering the Public Transport Blueprint, with contracts now signed for the new bus services commencing in December 2018, along with some slight adjustments to services in response to community requests.

We are continuing to upgrade the technology associated with our public transport system: the Transit app has been made more user friendly and we are working with Tauranga City Council regarding electronic signage on bus stops to provide an alternative source of information.

2. WE CONTRIBUTE TO DELIVERING INTEGRATED PLANNING AND GROWTH MANAGEMENT STRATEGIES ESPECIALLY FOR SUSTAINABLE URBAN MANAGEMENT

Tauriko West Plan Change hearings and Te Kauae a Roopu hui on Proposed Change 4 (Tauriko West Urban Limit) were held in July and August. In September, the Minister for the Environment approved the amendment to the urban limits line. The Minister’s decision completes the Streamlined Planning Process used for the first time under the Resource Management Act. The decision will be publicly notified by Council on 23 October 2018 to make Plan Change 4 operative.

Discussions are underway with Tauranga City Council and Western Bay of Plenty District Council regarding possible Special Housing Areas at Pāpāmoa, Welcome Bay and Te Puke, outside the urban limits.

Preparation for consultation on SmartGrowth’s Future Development Strategy (FDS) is underway, with community consultation planned for October. The FDS will help manage urban growth for the medium and long term in the western Bay of Plenty. The FDS will need to show how an additional 43,000 houses will be provided for over the next 30 years (based on the Housing and Business Development Capacity).

3. WE WORK WITH AND CONNECT THE RIGHT PEOPLE TO CREATE A PROSPEROUS REGION AND ECONOMY

A tour of the Eastern Bay for Ministers took place on 21 August. The visit was to showcase the investment opportunities for Regional Development in the Eastern Bay of Plenty in relation to the Provincial Growth Fund.

We hosted a hui with Western Bay Government iwi Leaders on 19 July which included Mayors, Chairs, Chief Executives and iwi leaders. The meeting focused on a longer term view for resource consent processes in the Western Bay.

The Bay of Connections Annual Forum took place in August, with the Regional Economic Development Minister, Hon. Shane Jones, and Minister for Māori Development and Local Government, Hon. Nanaia Mahuta, both attending.

Workshops with key stakeholders were held on the Bay of Connections portfolio review, which is considering streamlining some action areas and focusing on the sectors that will add real value to the region’s commerce.

4 WE INVEST APPROPRIATELY IN INFRASTRUCTURE TO SUPPORT SUSTAINABLE DEVELOPMENT

A dawn service was held to formally open the Tauranga Harbour Marine Precinct in August. Councillor Cronin spoke on behalf of Council.

Both the Ongare Point Wastewater Scheme Treatment plant and Te Puna West Wastewater Scheme are complete, assisted by support through the Regional Infrastructure Fund.
Our Long Term Plan 2018-2028 strategic framework includes a set of working principles, these are termed — the way we work.

The following section profiles two case studies showing how our work programmes demonstrate ‘the way we work’ principles.

We look to partnerships for best outcomes

Case study: fighting wallabies

We rely on our ability to foster positive partnerships with communities, iwi, and other key stakeholders to achieve the best outcomes for our region. This profile illustrates how we work in partnership with the regional sector to lobby Central Government to support our fight against the spread of pest wallabies.

Alongside our partners, Canterbury, Otago, Auckland and Waikato Regional Councils – we have recently increased funding for wallaby control. This has resulted in an annual increase of approximately $1.5 million nationally; however, this level of commitment from regional councils is not currently matched by Central Government. A funding partnership with Central Government is essential to ensure that we can achieve effective control of the wallaby population.

A business case process is now underway to lobby Central Government to consider implementation options, including the confirmation of additional resources for coordination, tools and operations. Once a preferred option has been agreed, including the form and timing of a budget bid, this will be provided to Central Government.

The Minister of Conservation is supportive of a 2019 budget bid to increase investment in wallaby control and has endorsed the partnership approach taken. Discussions between the regional sector, government agencies and Ministers will need to continue to determine the best course of action. In the meantime, all partners are socialising the business case with key stakeholders.

Without our partnerships we would struggle to influence Central Government to support our ambitions; however with sustained and collective pressure we are more likely to achieve the best possible outcome in our fight against wallabies.
We continually seek opportunities to innovate and improve

Case study: riding innovation

Within our transport activity, we are responsible for the regional bus network that includes the yellow and blue Bayhopper buses in the western and eastern Bay, the green Cityride buses in Rotorua and a number of rural services. Providing a reliable public transport service that people from all walks of life can use is an important function of ours. Not only does it mean our communities have options for how they move around, efficient public transport networks also help ease congestion and reduce emissions in our main centres.

To cater for urban growth, we will increase the western Bay of Plenty’s bus services’ reach and frequency. As a result, we have the opportunity to innovate and improve the services and will introduce electric buses to the fleet, while developing more direct routes, extended operating hours and a real-time passenger information system for bus tracking and trip planning – the Transit app. All buses will be fitted with Wi-Fi capabilities, bike racks, CCTV cameras and increased accessibility that will allow for an additional wheelchair configuration, providing for two on each bus.

As our communities continue to grow, the bus services provided need to adapt to this growth, adjust to public demand and deliver better outcomes for our diverse community. Our bus network has been redesigned to provide more frequent (from 30 minutes to 15 or 20 minutes on a number of routes) and direct routes and stronger connections to areas outside the Central Business District. Our services to Waihi Beach have increased from one day a week to two. From December 2018 frequency to Te Puke will also increase from five to eleven services, with an hourly return service between 7am and 6pm.

Weekend services in Tauranga will double to run every 30 minutes and operating hours for all urban services will extend to about 8pm. In addition, services to Katikati and Omokoroa will increase. As demand increases across the western Bay, we hope to introduce extended operating hours on core services and Saturday services for Katikati, Omokoroa and Te Puke and will continue to look for new ways to improve our service delivery through innovation.
To achieve our Long Term Plan 2018-2028 community outcomes we need to deliver our work programmes efficiently and effectively. We regularly monitor, evaluate and forecast our financials and key performance indicators to enable timely, accurate and targeted performance information for key decision making processes. The following provides an update on our financial performance for the three months ending 30 September 2018.

### Annual (full year) financial forecast

#### Operating Revenue and Expense by Group of Activities

<table>
<thead>
<tr>
<th>Group</th>
<th>Operating Revenue</th>
<th>Operating Expenditure</th>
<th>Operating Surplus / (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Forecast</td>
<td>Variance</td>
</tr>
<tr>
<td>Integrated Catchment Management</td>
<td>21,830</td>
<td>20,016</td>
<td>(1,814)</td>
</tr>
<tr>
<td>Flood Protection and Control</td>
<td>15,180</td>
<td>15,173</td>
<td>(7)</td>
</tr>
<tr>
<td>Resource Regulation and Monitoring</td>
<td>18,417</td>
<td>18,971</td>
<td>554</td>
</tr>
<tr>
<td>Transportation</td>
<td>25,466</td>
<td>25,016</td>
<td>(450)</td>
</tr>
<tr>
<td>Regional Development</td>
<td>1,518</td>
<td>1,608</td>
<td>90</td>
</tr>
<tr>
<td>Regulatory Planning and Engagement</td>
<td>19,897</td>
<td>19,941</td>
<td>44</td>
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<tr>
<td>Emergency Management</td>
<td>3,439</td>
<td>3,439</td>
<td>0</td>
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<tr>
<td>Technical Services</td>
<td>14,450</td>
<td>14,608</td>
<td>158</td>
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<tr>
<td>Corporate Services*</td>
<td>2,580</td>
<td>2,854</td>
<td>274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122,777</strong></td>
<td><strong>121,626</strong></td>
<td><strong>(1,151)</strong></td>
</tr>
</tbody>
</table>

**Variance Indicators**

- Low <10% (Revenue) Lower revenue
- Medium 10% to 30% (Expenditure) Higher expenditure
- High >30% (Surplus/Deficit) Unfavourable

*Figures include overheads and recoveries. See page 49 for Corporate Services figures excluding overheads and recoveries.
### STATEMENT OF REVENUE AND EXPENSE BY CLASS

<table>
<thead>
<tr>
<th>Class</th>
<th>OPERATING REVENUE</th>
<th>OPERATING EXPENDITURE</th>
<th>Capital Expenditure by Group of Activities</th>
<th>Capital Expenditure by Major Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Forecast</td>
<td>Variance</td>
<td>Group</td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted rates</td>
<td>24,780</td>
<td>24,707</td>
<td>(73)</td>
<td></td>
</tr>
<tr>
<td>General rates</td>
<td>25,728</td>
<td>25,728</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Fees and charges</td>
<td>10,593</td>
<td>10,819</td>
<td>226</td>
<td></td>
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<tr>
<td>Operating grants and subsidies</td>
<td>17,770</td>
<td>15,501</td>
<td>(2,269)</td>
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<tr>
<td>Other revenue</td>
<td>1,807</td>
<td>2,472</td>
<td>665</td>
<td></td>
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<tr>
<td>Revaluation and asset disposal gains</td>
<td>0</td>
<td>24</td>
<td>24</td>
<td></td>
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<tr>
<td>Dividends</td>
<td>31,300</td>
<td>31,296</td>
<td>(4)</td>
<td></td>
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<tr>
<td>External interest income</td>
<td>6,725</td>
<td>6,703</td>
<td>(22)</td>
<td></td>
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<tr>
<td>Internal interest income</td>
<td>4,074</td>
<td>4,376</td>
<td>302</td>
<td></td>
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<tr>
<td>Total operating revenue</td>
<td>122,777</td>
<td>121,626</td>
<td>(1,151)</td>
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</tr>
<tr>
<td>Operating expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>38,685</td>
<td>38,772</td>
<td>(87)</td>
<td></td>
</tr>
<tr>
<td>Contract work</td>
<td>35,439</td>
<td>35,700</td>
<td>(261)</td>
<td></td>
</tr>
<tr>
<td>Consultancy fees</td>
<td>6,034</td>
<td>5,599</td>
<td>435</td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>15,843</td>
<td>15,753</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Administration expenses</td>
<td>7,365</td>
<td>7,307</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>19,434</td>
<td>15,140</td>
<td>4,294</td>
<td></td>
</tr>
<tr>
<td>Depreciation and asset disposal</td>
<td>7,363</td>
<td>7,382</td>
<td>(19)</td>
<td></td>
</tr>
<tr>
<td>External interest expense</td>
<td>2,827</td>
<td>2,479</td>
<td>348</td>
<td></td>
</tr>
<tr>
<td>Internal interest expense</td>
<td>4,074</td>
<td>4,375</td>
<td>(301)</td>
<td></td>
</tr>
<tr>
<td>Net recoveries</td>
<td>(10)</td>
<td>(67)</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Total operating expenditure</td>
<td>137,054</td>
<td>132,440</td>
<td>4,614</td>
<td></td>
</tr>
<tr>
<td>Total operating surplus / (deficit)</td>
<td>(14,277)</td>
<td>(10,814)</td>
<td>3,463</td>
<td></td>
</tr>
<tr>
<td>Operating subsidies - capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance recoveries - capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capital revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total surplus / (deficit)</td>
<td>(1,755)</td>
<td>1,596</td>
<td>3,351</td>
<td></td>
</tr>
</tbody>
</table>
# Year to date financials for the three months ending 30 September 2018

## OPERATING REVENUE AND EXPENSE BY GROUP OF ACTIVITIES

<table>
<thead>
<tr>
<th>Group</th>
<th>Operating Revenue</th>
<th>Operating Surplus / (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YEAR TO DATE</td>
<td>YEAR TO DATE</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Integrated Catchment Management</td>
<td>6,589</td>
<td>6,272</td>
</tr>
<tr>
<td>Flood Protection and Control</td>
<td>3,258</td>
<td>3,216</td>
</tr>
<tr>
<td>Resource Regulation and Monitoring</td>
<td>5,240</td>
<td>5,102</td>
</tr>
<tr>
<td>Transportation</td>
<td>6,504</td>
<td>5,873</td>
</tr>
<tr>
<td>Regional Development</td>
<td>378</td>
<td>408</td>
</tr>
<tr>
<td>Regulatory Planning and Engagement</td>
<td>4,974</td>
<td>5,018</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>784</td>
<td>786</td>
</tr>
<tr>
<td>Technical Services</td>
<td>4,614</td>
<td>4,850</td>
</tr>
<tr>
<td>Corporate Services*</td>
<td>3,245</td>
<td>8,845</td>
</tr>
<tr>
<td>Total</td>
<td>35,586</td>
<td>40,370</td>
</tr>
</tbody>
</table>

### Variance Indicators

- **Low <10%** (Revenue) Lower revenue
- **Medium 10% to 30%** (Expenditure) Higher expenditure
- **High >30%** (Surplus/Deficit) Unfavourable

*Figures include overheads and recoveries. See page 49 for Corporate Services figures excluding overheads and recoveries.*
### Statement of Revenue and Expense by Class

<table>
<thead>
<tr>
<th>Class</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted rates</td>
<td>5,484</td>
<td>5,417</td>
<td>(67)</td>
</tr>
<tr>
<td>General rates</td>
<td>6,432</td>
<td>6,484</td>
<td>52</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>4,322</td>
<td>4,509</td>
<td>187</td>
</tr>
<tr>
<td>Operating grants and subsidies</td>
<td>5,735</td>
<td>4,794</td>
<td>(941)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>489</td>
<td>954</td>
<td>465</td>
</tr>
<tr>
<td>Revaluation and asset disposal gains</td>
<td>0</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Dividends</td>
<td>10,425</td>
<td>15,696</td>
<td>5,271</td>
</tr>
<tr>
<td>External interest income</td>
<td>1,681</td>
<td>1,592</td>
<td>(89)</td>
</tr>
<tr>
<td>Internal interest income</td>
<td>1,018</td>
<td>901</td>
<td>(117)</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>35,586</td>
<td>40,370</td>
<td>4,784</td>
</tr>
<tr>
<td><strong>Operating Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>8,968</td>
<td>8,478</td>
<td>490</td>
</tr>
<tr>
<td>Contract work</td>
<td>7,813</td>
<td>7,065</td>
<td>748</td>
</tr>
<tr>
<td>Consultancy fees</td>
<td>1,229</td>
<td>858</td>
<td>371</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>4,957</td>
<td>5,326</td>
<td>(369)</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>1,894</td>
<td>1,427</td>
<td>467</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,525</td>
<td>4,552</td>
<td>(1,028)</td>
</tr>
<tr>
<td>Depreciation and asset disposal gains</td>
<td>1,841</td>
<td>1,852</td>
<td>(11)</td>
</tr>
<tr>
<td>External interest expense</td>
<td>707</td>
<td>487</td>
<td>220</td>
</tr>
<tr>
<td>Internal Interest expense</td>
<td>1,018</td>
<td>901</td>
<td>117</td>
</tr>
<tr>
<td>Net recoveries</td>
<td>(2)</td>
<td>(76)</td>
<td>73</td>
</tr>
<tr>
<td><strong>Total operating expenditure</strong></td>
<td>31,950</td>
<td>30,871</td>
<td>1,079</td>
</tr>
<tr>
<td>**Total operating surplus / (deficit)</td>
<td>3,636</td>
<td>9,499</td>
<td>5,863</td>
</tr>
</tbody>
</table>

### Capital Expenditure by Group of Activities

<table>
<thead>
<tr>
<th>Group</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Catchment Management</td>
<td>1,701</td>
<td>2,957</td>
<td>(1,256)</td>
</tr>
<tr>
<td>Flood Protection and Control</td>
<td>4,809</td>
<td>4,910</td>
<td>(101)</td>
</tr>
<tr>
<td>Resource Regulation and Monitoring</td>
<td>1</td>
<td>(2)</td>
<td>3</td>
</tr>
<tr>
<td>Transportation</td>
<td>178</td>
<td>20</td>
<td>158</td>
</tr>
<tr>
<td>Regional Development</td>
<td>31</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>Regulatory Planning and Engagement</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Technical Services</td>
<td>120</td>
<td>152</td>
<td>(32)</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>10,166</td>
<td>7,164</td>
<td>3,002</td>
</tr>
<tr>
<td><strong>Total capital expenditure</strong></td>
<td>17,015</td>
<td>15,201</td>
<td>1,814</td>
</tr>
</tbody>
</table>

### Capital Expenditure by Major Project

<table>
<thead>
<tr>
<th>Project</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kopeopeo Canal Remediation Project</td>
<td>2,700</td>
<td>1,144</td>
<td>1,556</td>
</tr>
<tr>
<td>Flood Repair Project</td>
<td>1,683</td>
<td>3,241</td>
<td>(1,558)</td>
</tr>
<tr>
<td>Kaituna River Rediversion Project</td>
<td>1,175</td>
<td>2,932</td>
<td>(1,757)</td>
</tr>
<tr>
<td>Buildings Upgrade Project</td>
<td>8,961</td>
<td>6,561</td>
<td>2,400</td>
</tr>
<tr>
<td>Rangitāiki Floodway Upgrade Project</td>
<td>117</td>
<td>419</td>
<td>(302)</td>
</tr>
<tr>
<td><strong>Total capital expenditure (major projects)</strong></td>
<td>14,636</td>
<td>14,297</td>
<td>339</td>
</tr>
</tbody>
</table>
## Financial variances for the three months ending 30 September 2018

### OPERATING REVENUE

| Activity                        | Class                      | YEAR TO DATE $000 |  | ANNUAL $000 |  | Explanation of variance |
|---------------------------------|----------------------------|-------------------|--------------------------|--------------------------|--------------------------------------------------------------------|
| **Integrated Catchment Management** | Rotorua Lakes (Grants and subsidies) | Budget | Actual | Variance | Budget | Actual | Variance | Rotorua Lakes is forecasting less land use change incentives agreements which will reduce the subsidy received from the Ministry for the Environment in 2018/19. |
| **Resource Regulation & Monitoring** | Biosecurity (Other revenue) | 62 | 75 | 12 | Higher | 250 | 757 | 508 | Higher | Biosecurity is forecasting additional costs associated with the Biocontrol Programme which it is administering on behalf of the other regional councils and these costs will be recoverable. |
| **Transportation** | Passenger Transport (Grants and subsidies) | Budget | Actual | Variance | Budget | Actual | Variance | Rotorua Lakes is forecasting less land use change incentives agreements which will reduce the subsidy received from the Ministry for the Environment in 2018/19. |
| **Technical Services** | Science (Fees and charges) | 844 | 1,024 | 180 | Higher | 930 | 1,024 | 94 | Higher | The actual invoicing of Section 36 fees and charges revenue for Science is higher than the budget estimates. |
| **Corporate Services** | Finance and Corporate Planning (Internal interest income) | 1,018 | 901 | 117 | Lower | 4,074 | 4,376 | 302 | Higher | Forecast internal loans are higher than budget due to capital project delivery and associated subsidies. Forecast internal interest revenue is therefore higher and this is offset by higher internal interest costs. |
|  | Other revenue | 10,425 | 16,087 | 5,662 | Higher | 31,300 | 31,296 | (4) | Lower | The positive year to date variance is due to the early receipt of the dividend from Quayside Holdings Limited (100% council controlled organisation). |
## OPERATING EXPENDITURE

<table>
<thead>
<tr>
<th>Activity Class</th>
<th>Budget YEAR TO DATE $000</th>
<th>Actual YEAR TO DATE $000</th>
<th>Variance</th>
<th>Budget ANNUAL $000</th>
<th>Actual ANNUAL $000</th>
<th>Variance</th>
<th>Explanation of variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integrated Catchment Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotorua Lakes</td>
<td>1,096</td>
<td>2,767</td>
<td>(1,671)</td>
<td>8,393</td>
<td>4,579</td>
<td>3,814</td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Works have been slow to commencement and Rotorua Lakes is forecasting a budget underspend for land use change incentives in 2018/19.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Flood Protection and Control</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rivers and Drainage Schemes</td>
<td>575</td>
<td>620</td>
<td>(45)</td>
<td>2,302</td>
<td>2,657</td>
<td>(355)</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>There are some timing delays in receiving the Ministry for the Environment subsidy for the Kopeopeo Canal Remediation Project as a result of slower than anticipated project delivery. This has increased the amount of internal interest cost with the higher internal loan balance in Rivers and Drainage. Note, this cost is offset with an increase in internal interest revenue within the Finance and Corporate Activity.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Resource Regulation &amp; Monitoring</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biosecurity</td>
<td>7</td>
<td>34</td>
<td>(26)</td>
<td>30</td>
<td>154</td>
<td>(124)</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Biosecurity is forecasting higher expenditure as a result of the Biocontrol Programme which it is administering on behalf of other councils. This is a cost recoverable programme.</td>
</tr>
<tr>
<td>Biosecurity Contract work</td>
<td>270</td>
<td>162</td>
<td>108</td>
<td>1,374</td>
<td>1,753</td>
<td>(379)</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Passenger Transport is forecasting an underspend due to adjustments in the timing of the implementation of the new ticketing system. These forecasts will be reviewed as more information relating to proposed new routes and operational changes, as well as timing changes for the implementation of the integrated ticketing system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Transport</td>
<td>5,432</td>
<td>4,559</td>
<td>873</td>
<td>22,035</td>
<td>21,122</td>
<td>913</td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rotorua Lakes is forecasting lower capital expenditure for the Tikitere Diversion Project while other alternatives to achieve the nitrogen target are investigated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rotorua Lakes is forecasting lower capital expenditure for the Tikitere Diversion Project while other alternatives to achieve the nitrogen target are investigated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Emergency Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Management</td>
<td>471</td>
<td>371</td>
<td>100</td>
<td>2,037</td>
<td>1,778</td>
<td>260</td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Four vacant staffing positions in Emergency Management will be recruited pending the outcome of the service delivery review in December 2018.</td>
</tr>
<tr>
<td><strong>Corporate Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People and Capability</td>
<td>10</td>
<td>41</td>
<td>(31)</td>
<td>69</td>
<td>216</td>
<td>(147)</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Higher expenditure in People and Capability is forecasted as a result of operational projects. This will be offset by projected savings in other areas.</td>
</tr>
</tbody>
</table>

## CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th>Activity Class</th>
<th>Budget YEAR TO DATE $000</th>
<th>Actual YEAR TO DATE $000</th>
<th>Variance</th>
<th>Budget ANNUAL $000</th>
<th>Actual ANNUAL $000</th>
<th>Variance</th>
<th>Explanation of variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integrated Catchment Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotorua Lakes</td>
<td>288</td>
<td>30</td>
<td>258</td>
<td>1,153</td>
<td>668</td>
<td>485</td>
<td>Lower</td>
</tr>
<tr>
<td>Kaituna</td>
<td>1,413</td>
<td>1,743</td>
<td>(331)</td>
<td>6,925</td>
<td>8,776</td>
<td>(1,851)</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rotorua Lakes is forecasting lower capital expenditure for the Tikitere Diversion Project while other alternatives to achieve the nitrogen target are investigated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rotorua Lakes is forecasting lower capital expenditure for the Tikitere Diversion Project while other alternatives to achieve the nitrogen target are investigated.</td>
</tr>
<tr>
<td><strong>Corporate Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>818</td>
<td>422</td>
<td>396</td>
<td>3,583</td>
<td>3,109</td>
<td>474</td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>An underspend is forecasted on several technology projects while resources are aligned for delivery.</td>
</tr>
</tbody>
</table>

19
INVESTMENT FUND BY RESERVES AS AT 30 SEPTEMBER 2018

- Infrastructure Fund, $26m, 14%
- Regional Fund, $28m, 15%
- Toi Moana Fund, $45m, 25%
- Borrowing Investment - Capital, $35m, 19%
- Borrowing Investment - Other, $40m, 22%
- Other reserves, $9m, 5%

INVESTMENTS

Our total investment portfolio is $183 million with the allocation by cash reserve shown in the graph left. The $45 million Toi Moana Fund is being managed by Council and the fund is expected to be transferred to Quayside Holdings Limited (Quayside) to manage on our behalf, once the relevant legal/taxation implications have been finalised.

The average bond yield is 6.21% along with the average term deposit yield of 3.14% gives the portfolio an average yield of 3.44%

The interest earned on investments and cash to date is $1.6 million, with a full year forecast of $6.7 million compared to the annual budget of $6.7 million.

Additional gross interest of $2.4 million will be earnt from our reinvestment of external borrowings. This will result in net income of $0.9 million in 2018/19.

BORROWINGS

We have borrowed $90 million from the Local Governance Funding Authority (LGFA) in the period. We pre-funded $50 million of our 2018/19 capital expenditure and a further $40 million was pre-funded. These funds were invested in term deposits with maturity dates aligning to expected cashflow requirements. No borrowing has been undertaken to on-lend to Quayside during the period.

$15 million of the $90 million pre-funding is core debt as it has matured from the investment portfolio to meet capital expenditure requirements. This leaves the pre-funding balance at $75 million as at 30 September 2018 and these funds are invested in term deposits which mature before August 2019.

Total interest expense year to date is $0.5 million, with a full year forecast of $2.5 million compared to the annual budget of $2.8 million. The average interest rate on borrowing is 2.01%

Borrowings

- Infrastructure Fund, $26m, 14%
- Regional Fund, $28m, 15%
- Toi Moana Fund, $45m, 25%
- Borrowing Investment - Capital, $35m, 19%
- Borrowing Investment - Other, $40m, 22%
- Other reserves, $9m, 5%

Treasury performance update

Current Credit Rating: AA
InVESTMENTS

- Investments $183m
- Avg interest rate on investments 3.44%

Borrowings

- Borrowings $90m
- Avg interest rate on borrowings 2.01%

GROSS DEBT $50m
CORE DEBT $40m
Floating rate debt
Fixed rate debt

Treasury performance update
### INVESTMENT MATURITY PROFILE

- **< 3 months:** 78 $million
- **3-6 months:** 15 $million
- **6-12 months:** 85 $million
- **+1 year:** 5 $million

### INVESTMENT EXPOSURE BY COUNTERPARTY

- **ANZ (AA-):** $50 million
- **ASB (AA-):** $55 million
- **BNZ (AA-):** $43 million
- **Kiwibank (A):** $20 million
- **Rabobank (A-):** $10 million
- **Z Energy (unrated):** $5 million

#### Ratio

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Policy Limit</th>
<th>Actual to date</th>
<th>Forecast year end</th>
<th>Compliant with Treasury Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of net interest expense of total revenue</td>
<td>&lt;20%</td>
<td>(3%)</td>
<td>(4%)</td>
<td>✓</td>
</tr>
<tr>
<td>% of net external debt of total revenue</td>
<td>&lt;250%</td>
<td>(255%)</td>
<td>(40%)</td>
<td>✓</td>
</tr>
<tr>
<td>% of net interest of rates and levies</td>
<td>&lt;30%</td>
<td>8%</td>
<td>(9%)</td>
<td>✓</td>
</tr>
<tr>
<td>% of available financial accommodation of external debt</td>
<td>&gt;110%</td>
<td>163%</td>
<td>127%</td>
<td>✓</td>
</tr>
</tbody>
</table>
Major capital projects

Our Long Term Plan 2018-2028 set a capital expenditure budget for 2018/19 of $58 million and this budget was revised to $59 million in September 2018. We are aiming to deliver in excess of 80% of our capital works programme this year. We have several major capital works that require continued monitoring, reporting and management to ensure successful delivery. The following section provides a review of the five most significant projects currently underway – all of which involve a capital expenditure of over $2 million in 2018/19, making up $45 million (or 78%) of the annual capital expenditure budget approved in the Long Term Plan.

- a. Kopeopeo Canal Remediation Project
- b. Rivers and Drainage Flood Repair Project
- c. Kaituna River Re-diversion and Te Awa o Ngatoroirangi/Maketū Estuary Enhancement Project
- d. Buildings Upgrade Project
- e. Rangitāiki Floodway Upgrade Project
The objective of the Kopeopeo Canal Remediation Project is to safely remove elevated levels of dioxin-contaminated sediment from 5.1 kilometers (km) of the Kopeopeo Canal at its eastern extremity.

Securing the contaminated sediment in two Council owned containment sites addresses the human health risk, while the removal of the accumulated contaminated sediment will return the canal to its original capacity and enable continued drainage of a major part of the Rangitāiki Plains. The project is jointly funded by Bay of Plenty Regional Council and the Ministry for the Environment (MfE) through the Contaminated Site Remediation Fund (CSRF).

**Delivery**

To date, approximately 2.3 km of canal has been dredged and 1.85 km (36%) has been cleared and chemically verified to meet the remediation target. Dredging progress has been slower than anticipated.

To support delivery, a risk and issues register is maintained. The highest priority risks are reported to Council’s Audit and Risk Committee, MfE and the Project Steering Group for management and mitigation.

Project success is measured by environmental improvements that will be recognised after the physical works are completed. Measures include:

- Ongoing analysis of eel tissue to indicate whether they are safe for consumption. Eel flesh data will be collected over five years following completion of the remediation.
- Ecological survey prior to, and following, the remediation.
- Community feedback and recreational use of the canal post remediation.
- Monitoring to indicate that remedial targets within the containment sites have been achieved.

**Budget**

- The project budget for 2018/19 is $5.4 million which includes new funding of $3.9 million approved as part of the LTP process bringing the total project budget to $19.3 million.
- A request for additional funding has been made to the MfE Contaminated Site Remediation Fund - a cost share of 50% of the new funding, being $1.965 million.
- Expenditure year to date is within the annual budget of $5.4 million.
Rivers and Drainage
Flood Repair Project

Bay of Plenty Regional Council is carrying out repairs to approximately 520 sites that were damaged during the April 2017 flood event.

This is a four year project being delivered by the Rivers and Drainage Flood Repair Project Team that covers all of the our managed river schemes. Project funding will be partially supported by insurance claims, Central Government and other agencies.

Delivery

The target number of sites for completion in 2018/19 is 145 and 16 sites have been completed this quarter. Delivery has been impacted by the shortage of a secure rock supply, wet weather and unforeseen ground conditions.

A new section of the College Road stopbank in Edgecumbe was completed in August, marking a major milestone in the project.

The material damage insurance claim is well advanced and a progress payment of $100,000 has been received. It is expected that this claim will be finalised by early 2019. The infrastructure insurance claim is progressing and a $2 million advance payment has been offered.

Steady progress has been made with the Ministry of Civil Defence and Emergency Management (MCDEM) response and essential infrastructure claims. Claim 3 will be submitted in October (approximately $1 million) and the project team are working on Claim 4 at College Road, Edgecumbe.

Budget

The overall repair project budget for 2018/19 is $11.47 million: there are variances in the individual scheme budgets due to resource limitations in some schemes slowing down planned stockpiling work.
Kaituna River Re-diversion and Te Awa o Ngatoroirangi/Maketū Estuary Enhancement Project

The Kaituna River re-diversion project, being delivered by the Kaituna Activity will re-divert the Kaituna River through the Ongatoro/Maketū Estuary, create new wetlands and maximise ecological and cultural benefits to the area.

**Delivery**

There has been significant progress on the project since its commencement on 12 June 2018 and it is now well ahead of schedule. At 30 September, 23% of the project has been completed while being only 14% into the scheduled construction period. For example, dredging, construction of the new stopbank, Te Paika earthworks and overlay are well ahead, aided by the dry September. The sheet piling and culvert delivery are currently behind schedule, but those items do not affect the critical path.

Completion of the project was originally budgeted for June 2020. It is now likely to be early 2020.

Risks associated with this project, which include damage to roads, estimate inaccuracy, flooding and damage to existing infrastructure, have all been managed and mitigated appropriately.

**Budget**

The Kaituna River Re-diversion project is tracking ahead of budget with $2.9 million spent year to date compared to the expected $1.1 million. It is forecast to be 60% complete at year-end compared to the scheduled 46%.

If the project continues to track at its current rate, a request will be made to move $1.7 million of the overall capital budget from year two of the LTP to the current year. The project will be monitored and adjustments requested as necessary.

**Budget**

<table>
<thead>
<tr>
<th>Year to date budget</th>
<th>$1,175</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year to date actuals</td>
<td>$2,932</td>
</tr>
<tr>
<td>Variance</td>
<td>($1,757)</td>
</tr>
<tr>
<td>Annual budget</td>
<td>$5,975</td>
</tr>
<tr>
<td>Annual forecast</td>
<td>$7,666</td>
</tr>
<tr>
<td>Variance</td>
<td>($1,691)</td>
</tr>
</tbody>
</table>
Buildings Upgrade Project

Bay of Plenty Regional Council is upgrading its two main offices in Whakatāne and Tauranga.

This work, being delivered by the Corporate Property activity, includes upgrading Wallingford House in Tauranga to an IL4 building to accommodate the Group Emergency Coordination Centre, as well as refurbishment of Regional House in Tauranga and the Whakatāne office. The environmentally sustainable design features being installed in each of these sites aim to reduce the organisation’s energy use carbon footprint by 50%.

**Delivery**

Work on Regional House and Wallingford House are scheduled for completion in May and December 2019, respectively. The Whakatāne building is scheduled for completion in July 2019.

**WHAKATĀNE OFFICE**

There has been significant progress across the Whakatāne Office this quarter. Stage 1, which includes the new public interface, Council meeting rooms and staff accommodation in the Eastern end of the building, is scheduled for completion at the end of October. Work has begun on Stage 2, which includes the laboratory and top floor deck.

**REGIONAL OFFICE**

The construction work at Regional House is on a much greater scale than the Whakatāne Office, and is also progressing well. Toi Ohomai is carrying out a sustainability and waste management case study on the Regional House portion of the project. As part of the study, contractors have been monitoring waste and recycling of materials.

**Budget**

The Buildings Upgrade Project is currently tracking on budget. The rescheduling of the project programme may mean that some expenditure is forecast to be carried into the next financial year, with the project forecast still to be delivered within overall budget.

**Budget**

- **Budget to actual/forecast**: $000
  - Year to date budget: 8,961
  - Year to date actuals: 6,561
  - Variance: (2,400)
  - Annual budget: 20,356
  - Annual forecast: 20,356
  - Variance: -

*Solar panels and wind turbine installed on the Whakatāne building.*
Rangitāiki Floodway Upgrade Project

The purpose of this project is to design and complete upgrades to the Rangitāiki floodway and spillway as part of a wider flood mitigation project to protect the Edgecumbe township, and the Rangitāiki Plains, from up to a ‘100 year’ flood event.

The project is being delivered by the Engineering team on behalf of the Rivers and Drainage Schemes Activity.

The Rangitāiki Floodway Upgrade Project is a multi-stage project with Stages 1 to 3a completed between 2011 and 2017. Significant delays in progressing have been attributed to the Edgecumbe floods in April 2017. The resolutions of the Rangitāiki River Scheme Review placed renewed impetus on completing the entire floodway upgrade as soon as possible to mitigate flood risk.

**Delivery**

Stage 4 was scheduled to be completed before winter 2018, however, wet ground conditions meant works were halted, but have since re-commenced with completion expected by December 2018. Planning and scoping is underway for bifurcation, bridge and Thornton Hall Road works (Stage 5).

The next key decisions include approval of the consent variation for the bridge and bifurcation (Stage 5), sign-off of the procurement plan for the remaining stages of the project, the tender recommendation for contractor engagement (Stage 5), and a recommendation on the spillway option (Stage 7).

**Budget**

The project is currently tracking on budget, with the bulk of the budget to be expended now that physical works have re-commenced.

---

**Budget**

<table>
<thead>
<tr>
<th></th>
<th>$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year to date budget</td>
<td>117</td>
</tr>
<tr>
<td>Year to date actuals</td>
<td>419</td>
</tr>
<tr>
<td>Variance</td>
<td>(302)</td>
</tr>
<tr>
<td>Full year budget</td>
<td>1,442</td>
</tr>
<tr>
<td>Full year forecast</td>
<td>1,549</td>
</tr>
<tr>
<td>Variance</td>
<td>(107)</td>
</tr>
</tbody>
</table>

---
# People and culture

The following section provides an update on our people and culture, and health and safety. Our people work to deliver the services, infrastructure and functions for our communities as agreed through the Long Term Plan 2018-2028.

## 1. Strategy and Key Projects

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>CURRENT AND FUTURE WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>People &amp; Culture Strategy</td>
<td>The People &amp; Culture Strategy will pull together various elements such as workforce planning, REM2020 outcomes and Leadership into one cohesive strategy. This work is in its early stages and is progressing well.</td>
</tr>
<tr>
<td>REM2020</td>
<td>The Rem2020 project is a review of our current Performance &amp; Remuneration Policy with a view to designing remuneration and performance frameworks that are fit for purpose for our organisation.</td>
</tr>
<tr>
<td></td>
<td>We are currently running a three month pilot of a newly developed individual performance framework. This framework has been developed based on the feedback from staff in the first phase of the Rem2020 project.</td>
</tr>
<tr>
<td></td>
<td>From here, the next steps include:</td>
</tr>
<tr>
<td></td>
<td>• Continuing to pilot the individual performance framework</td>
</tr>
<tr>
<td></td>
<td>• Engaging with unions through collective bargaining</td>
</tr>
<tr>
<td></td>
<td>• Consulting directly with staff who are on individual employment agreements</td>
</tr>
<tr>
<td>Collective Bargaining</td>
<td>The two representative unions have initiated collective bargaining with formal bargaining to commence November 13, 2018.</td>
</tr>
<tr>
<td>Engagement Survey</td>
<td>The staff engagement survey was conducted in May and the following key focus areas where identified: Performance, Common Purpose, Communication &amp; Inclusion and Leadership. Work is progress in these areas via the Rem2020 Project, the Big Shifts and the People &amp; Culture Strategy. Staff are participating in regular pulse surveys to monitor progress in key focus areas.</td>
</tr>
</tbody>
</table>
2. People and Turnover Key Performance Indicators

HIGHLIGHTS

Staff levels as at 30 September 2018 comprised 383 Full Time Equivalents (FTE) against an annual budget of 425 FTE, and this represents a total headcount of 407. The FTE total includes 32 fixed term positions and 4 permanent staff on parental leave. The permanent FTE numbers increased marginally from 350 to 350.4 over the quarter. Rolling turnover percentage decreased during the quarter from just over 12% to 10.5%. Several key metrics are presented in the figures below.

**HEADCOUNT INCLUDING FIXED TERM EMPLOYEES**

![Graph showing headcount and FTE](image)

**HEADCOUNT BY GENDER**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>226</td>
</tr>
<tr>
<td>Male</td>
<td>181</td>
</tr>
</tbody>
</table>

**HEADCOUNT BY LOCATION**

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tauranga</td>
<td>165</td>
</tr>
<tr>
<td>Whakatāne</td>
<td>149</td>
</tr>
<tr>
<td>Rotorua</td>
<td>41</td>
</tr>
<tr>
<td>Mount Maunganui</td>
<td>35</td>
</tr>
<tr>
<td>Edgecumbe</td>
<td>14</td>
</tr>
<tr>
<td>Ōpōtiki</td>
<td>2</td>
</tr>
<tr>
<td>Remote</td>
<td>1</td>
</tr>
</tbody>
</table>
Elected Members, as “Officers” under the Health and Safety at Work Act 2015 (the Act) are responsible for ensuring that Council complies with the statutory requirements of the Act and its associated regulations. Officers meet this requirement by satisfying themselves that due diligence elements are being met. This health and safety (H&S) report is provided to help inform Elected Members in fulfilling that duty.

### Performance Indicators – Lead Indicators

#### Near Misses Reported Per Month, Last 12 Months

![Graph showing near misses reported per month.](image)

#### Number of Staff That Have Completed H&S Training Per Month, Last 12 Months

![Graph showing number of staff trained per month.](image)

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>CURRENT AND FUTURE WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone Work</td>
<td>The review of lone work devices continues, with a Request For Quotation sent to suppliers on 9 October. The intent is to start implementing the devices in November.</td>
</tr>
<tr>
<td>H&amp;S Representative Training</td>
<td>Training is being organised for all BOPRC health and safety representatives over 12-13 February. This will provide professional development for the 24 H&amp;S representatives.</td>
</tr>
<tr>
<td>H&amp;S team training</td>
<td>The H&amp;S Advisor and Coordinator completed working at height and confined space training.</td>
</tr>
<tr>
<td>Occupational Health</td>
<td>The new service provider begins 24 October. This change should bring improved levels of service for reduced cost.</td>
</tr>
</tbody>
</table>
OTHER LEAD INDICATORS

Workers acknowledged by the H&S Committee for good H&S performance 2

Number of corrective actions implemented 217

H&S Committee meetings held 3

Elected Member H&S training attended 0

Chief Executive H&S training attended 0

General Manager H&S training attended 0

H&S staff training attended 4

LEAD INDICATORS – COMMENTARY

• The corrective actions count includes amendments of existing risk controls as part of the risk review process.

• The Chief Executive will be attending the “Business Leaders in Health and Safety” CEO safety leadership training in March 2019.

Performance Indicators – Lag Indicators

INJURIES LAST 12 MONTHS

LAG INDICATORS – COMMENTARY

• The two lost time injuries this reporting period (July – September) were a wrist injury suffered when a drill bit caught (2 days lost time) and a back sprain (15 days lost to date).

• The three medical treatment injuries were caused by; head versus staffroom cabinet (concussion), shoulder strain and injured thumb while sitting down (dislocation).

INJURIES BY CATEGORY LAST 12 MONTHS
The work we do

Our work is carried out over 33 activities which are split into nine groups of activities. These nine groups deliver the services and infrastructure, and perform the functions outlined in our Long Term Plan 2018-2028.

The following pages report on the first quarter of 2018/19 with specific reference to each one of the nine Groups of Activities and their specific work programmes, financial performance and key performance indicators.

Integrated Catchment Management
Te Whakahaere Tōpū i Ngā Wai

<table>
<thead>
<tr>
<th>Delivery</th>
<th>Budget</th>
<th>KPI</th>
</tr>
</thead>
</table>

**Delivery**

**TAURANGA HARBOUR**

- Negotiations with landowners in the Kaiate Falls catchment are going well and we expect work to exclude stock from waterways to commence this summer.
- Bacterial source tracking work has been completed in the Uretara catchment and shows that although livestock have an impact, birds are the major source of contamination. A plan is being developed to deal with this.
- Ongoing support for catchment community groups: Project Parore, Katikati Hills to Ocean, and the Waitao Kaiate Environmental Group.

**KAITUNA**

- Community planting days have been held at Papahikahawai Island in the Maketū estuary in conjunction with Te Runanga o Ngati Whakaue ki Maketū, which combined with contract planting, has put more than 20,000 plants into the island during the period.
- Ongoing support for 14 environmental care groups including additional funding for Aongatete Forest Restoration Project which manages a High Value Ecological Site.
- The Kaituna River re-diversion has completed 23.9% of the work programme in the period, putting the project well ahead of schedule.
- Te Pourepo o Kaituna Wetland Creation Project is on track to lodge a consent application in 2019, with current work on modelling and concept design development, with tangata whenua and other stakeholders.

**ROTORUA LAKES**

- Repair works have been completed at 30 of the more than 200 locations along the lower Ngongotahā, Utuhina and Puarenga Streams that were damaged during the 29 April 2018 floods.
- The Ngā kaitiaki o te Taiao o Waiowhiro Care Group planting day was held in July at the Waiowhiro stream.
- More than 40 children from Fairview Park Kindergarten planted 26 trees in a “fruit forest”.

**EASTERN CATCHMENTS**
- More than 50 local people, including Waiohau landowners, tamariki from Te Kura Māori-a-Rohe o Waiohau, and other volunteers, came together for a July working bee beside a historic puna (spring) in the Rangitāiki River catchment.
- Waiōtahe catchment dairy farmers have now completed farm environment plans which are being assessed for implementation.
- Nukuhou River catchment dairy farmers have started the process of farm environment planning with Fonterra.
- The Ōhiwa Harbour Catchment programme has completed the heritage trail (12 sites) project around the harbour; the shellfish project is installing a trial to protect mussels from starfish, and trialing new ways of securing mussel spat in the harbour.
- Council, DairyNZ and the BOP Dairy Farm Trust have set up field days relating to ‘On Farm Water Use’ for November across the region.
- The Rangitāiki River document has been embedded into the Regional Policy Statement.

**Budget**
Forecast operating expenditure is $3.8 million lower than budget mainly due to the reduction in the Rotorua Lakes Activity land use change incentive agreements expected to be signed this year. As a result the revenue forecast for the Ministry for the Environment subsidy is $1.8 million lower than budget.

Capital expenditure is forecast $1.4 million higher than budget. $1.7 million additional capital expenditure is forecast on the Kaituna River Rediversion Project as this is progressing well ahead of schedule. Forecast capital expenditure for the Rotorua Lakes Activity Tikitere Diversion Project is $0.5 million lower than budget while other alternatives to achieve the nitrogen target are investigated.

**KPI commentary**
Two of the three KPIs are reported annually. The remaining KPI is on track and forecast to be exceeded for the year.

**LEVEL OF SERVICE**

**Improve the indigenous biodiversity and waterbodies in the Bay of Plenty catchments**

**Key Performance Measure:** Number of new Priority Biodiversity Sites actively managed

<table>
<thead>
<tr>
<th>TARGET</th>
<th>RESULT</th>
<th>YTD</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>3</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

**Key Performance Measure:** Number of Rotorua Lakes that have reached their Trophic Level Index (TLI), based on the three year rolling TLI

<table>
<thead>
<tr>
<th>TARGET</th>
<th>RESULT</th>
<th>YTD</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

**Key Performance Measure:** Percentage of monitored river and stream sites that meet the ‘swimmability’ requirements under the National Policy Statement for Freshwater Management

<table>
<thead>
<tr>
<th>TARGET</th>
<th>RESULT</th>
<th>YTD</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>
Flood Protection and Control
Te Pare me te Whakahaere Waipuke

### Delivery

**RIVERS AND DRAINAGE SCHEMES**
- Undertook maintenance and renewals for rivers and drainage schemes (Kaituna, Rangitāiki-Tarawera, Whakatāne-Tauranga, Waioeka-Otara and Rangitāiki Drainage Schemes) in accordance with the Asset Management Plan.
- Undertaking high priority flood repair works across the 5 major schemes including flood repair works on the upper Kaituna scheme streams at Rotorua resulting from the major April 2018 flood event.
- Meetings held with all four River Scheme Advisory Groups. Maintenance works and capital projects planning and progress was presented and considered.
- A meeting of Rangitāiki Drainage Scheme Advisory representatives is scheduled for 31 October, and meetings with the 34 minor pumping schemes are progressing.
- Work has recommenced to complete Stage 4 of the Rangitāiki Floodway Upgrade Project.

### REGIONAL FLOOD RISK

- Flood damage repairs across the region were completed on 16 sites, bringing the total number to 135 of the 520 required for completion.
- Lower Rangitāiki information day was held which included an update on the flood repairs, including the College Road stopbank construction and road realignment.
- Media coverage reminding rural communities to think twice before grazing stock on stopbanks during winter to prevent pugging and damage.

### K O P E O P E O CANAL REMEDIATION

- Sediment dredging of 2.3 km of the overall 5.1 km has been completed over 120 dredging days since it started in January 2018. Dredging is proceeding slower than forecast and has largely been contributed to equipment failures and sand blockages.
- An application for additional funding has been made to the Ministry for the Environment.
Budget

The revenue forecast for the Rivers and Drainage Schemes Activity is consistent with the annual budget however there are some timing delays in receiving the subsidy from the Ministry for the Environment for the Kopeopeo Canal Remediation Project as a result of slower than anticipated project delivery.

Forecast operating expenditure is $0.5m higher than budget due to interest costs as the internal loan balance for the project is higher than budget. Note, this is offset with the increase in internal interest revenue within the Finance and Corporate Activity in Corporate Services.

Capital expenditure forecast is $0.1 million higher than budget. The majority of capital expenditure year to date has been on the College Road Stop Bank Realignment Project with works nearing completion. Work has recommenced on the Rangitāiki Floodway Upgrade. Issues with the supply of quality rock material could result in rephasing the flood repair works on the Rangitāiki-Tarawera scheme.

KPI commentary

Performance Measures are on track

LEVEL OF SERVICE

Provide flood protection and drainage

Key Performance Measure: Percentage of maintenance, repairs and renewals completed in accordance with the Rivers and Drainage Asset Management Plan (Note: or based on approved changes to the work programme)

<table>
<thead>
<tr>
<th>TARGET</th>
<th>RESULT</th>
<th>YTD</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LEVEL OF SERVICE

Provide the community with timely warning of potential flooding

Key Performance Measure: Percentage of flood warnings at pre-determined levels are given in accordance with the flood warning manual

<table>
<thead>
<tr>
<th>TARGET</th>
<th>RESULT</th>
<th>YTD</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Resource Regulation and Monitoring
Ngā Ture Rawa me te Aroturuki

Delivery

BIOSECURITY:
- The Proposed Regional Pest Management Plan (RPMP) is now open for submissions until 6 November, 2018 and the 2017/18 RPMP Annual Report and Operational Plan for 2018/19 have been completed.
- A warning has been issued to lake users to be extra vigilant this season and help stop the spread of catfish.

AIR QUALITY:
- Proposed Plan Change 13 (Air Quality) hearings to be undertaken during October.
- Additional air quality monitoring around the Port of Tauranga is underway with Methyl bromide monitors currently being prepared for installation. It is expected that monitoring at the six new sites will be operational by end of November.
- Under proposed new rules, next winter will be the last for Rotorua residents to use their old wood burners. The proposed rules would make wood burners, multi-fuel burners and coal burners installed before September 2005 illegal to use in the Rotorua Airshed from 2020.
- Ballance Agri-Nutrients has pleaded guilty and was fined $82,500 for an unauthorised discharge of sulphur dioxide to air from their fertiliser plant at Mount Maunganui.

RESOURCE CONSENTS:
- From July 1 to 30 September, no new applications have received discounts due to Council exceeding processing time frames – the annual target is 5%.
- During this period we have received 212 consent applications - 100% of those that progressed through the decisions stage (48) have been processed within statutory processing time frames.
- In total, 144 decisions have been made over the quarter (includes applications lodged prior to 1 July). A total of 640 applications are currently in process, including a mix of historical consents on hold.

REGULATORY COMPLIANCE:
- Throughout the period, the regulatory compliance team has received and responded to 745 service requests received through the Regional Council’s Pollution Hotline and issued 24 abatement notices, and 10 infringement notices.
- Two companies were fined for accidental dairy effluent discharges to land which led to waterways, with another two companies fined and convicted for poor sediment management practices.
- Abatement notices were issued on 11 July 2018 to a company for their use of methyl bromide during fumigation processes at the Port of Tauranga on 8 March 2018. The notices required the consent holder to operate in accordance with the consent that provides for the discharge of methyl bromide at the Port.

MARITIME:
- Navigation aid audits are up to date. Three reported spills have been reported, with one infringement issued.
**Budget**

The Biosecurity Activity is forecasting an additional $0.5 million in revenue from other regional council’s for the Biocontrol Programme. This cost recoverable programme has increased the activity’s forecast operating expenditure by $0.6 million.

**KPI commentary**

Performance Measures are on track (where data are available)

**LEVEL OF SERVICE**

*Improve air quality*

**Key Performance Measure:** Replacement of non-compliant burners in Rotorua Airshed attributed to the Rotorua Air Quality programme

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**Key Performance Measure:** Percentage of customers who are satisfied overall with the service provided during the consents process

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**LEVEL OF SERVICE**

*Deliver effective pest management*

**Key Performance Measure:** Council maintains a current Regional Pest Management Plan, develops management plans for new pest incursions and prepares annual reports in accordance with the Biosecurity Act

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LEVEL OF SERVICE

Respond to environmental incident complaints

**Key Performance Measure:** Percentage of urgent complaints made to the pollution hotline that are responded to within 12 hours

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<td>95%</td>
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**Key Performance Measure:** Percentage of customers satisfied with staff response to substantiated complaints about Resource Management Act non-compliance

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<td>80%</td>
<td>91%</td>
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LEVEL OF SERVICE

Ensure consent conditions are monitored and complied with

**Key Performance Measure:** Percentage of compliance monitoring inspections that occur as per the frequency specified in the Resource Management Act and Building Act Charges Policy

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LEVEL OF SERVICE

Minimise risks and effects of maritime oil spills and navigation hazards

**Key Performance Measure:** Percentage of navigation aids rated as 'good' quality or higher

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**Key Performance Measure:** Spills in Tauranga are responded to within 30 minutes and all others are responded to within two hours

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## Transportation

### Ikiiki

**Delivery**
- Contracts signed with NZ Bus Limited for the Western Bay of Plenty Bus Service, commencing December 2018.
- The Regional Public Transport Plan was adopted by Council on 6 September.
- The Transit App had 1,164 downloads in July and 46,000 individual sessions opened by 8,000 unique users in Tauranga.
- Free Bayhopper travel provided for the AIMS Games 2018 and the Bay of Plenty Steamers’ game against Canterbury on 1 September.
- Memorandum of understanding between Bay of Plenty Regional Council and Tauranga City Council to provide a School Bus Users Road Safety (BURS) Programme was signed.

**Budget**
Lower forecasts for operating expenditure of $1 million and subsidy revenue of $0.4 million are due to adjustments in the timing of the implementation of the new ticketing system. These forecasts will be reviewed as more information relating to proposed new routes and operational changes, as well as timing changes for the implementation of the integrated ticketing system.

**KPI commentary**

While the percentage of planning and policy reports that are rated satisfactory or higher has yet to be assessed, based on previous assessments this is forecast to be achieved.

No actions were identified in latest NZTA audit.

### LEVEL OF SERVICE

**Provide a quality cost-effective public transport system**

**Key Performance Measure:** Number of passenger transport trips taken in the region

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**Key Performance Measure:** New Zealand Transport Authority (NZTA) Audit recommendations implemented

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**Key Performance Measure:** Percentage of planning and policy reports that are rated satisfactory or higher via an independent assessment process

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Regional Development
Whanaketanga ā-Rohe

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<th>Delivery</th>
<th>Budget</th>
<th>KPI</th>
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**REGIONAL INFRASTRUCTURE**
- Tertiary campus on track and due to open for 2019 academic year.
- Construction at SCION expected to commence in 2018.
- Official opening of the Tauranga Harbour Marine Precinct in August.
- The Ongare Point and Te Puna West Wasterwater Schemes are complete.
- Ōpōtiki Harbour Transformation project is currently being rescoped and reassessed.
- The funding agreement and payment schedule for Rotoiti/Rotomā sewerage is being finalised.

**REGIONAL DEVELOPMENT**
- Bay of Connections Yearly Forum held in Rotorua on 3 August.
- Initiated a review of the Bay of Connections strategy and framework, which includes the Regional Growth Programme and supporting Action Plan.
- Two of Rotorua Lakes Council’s Rotorua ‘Big Moves’ Projects identified in the Bay of Connections Visitor Economy Strategy were awarded $811,625 from the Provincial Growth Fund (PGF) in June. The two projects - the redevelopment of the Rotorua Lakefront and Whakarewarewa Forest - were awarded a further $24.7 million from the PGF in September.
- The Eastern Bay of Plenty Regional Leadership Group (of which we are a member) has submitted a PGF application to fund a part-time project manager to support the development of more than 65 identified economic opportunities in the sub-region.
- The Western Bay Government Iwi Leaders Hui was held to discuss the longer term focus on how leaders can work better together on resource consents in the Western Bay.
- Ministers and Government officials visited the Eastern Bay in August to look at investment opportunities through the Provincial Growth Fund.

**REGIONAL PARKS**
- Regional Parks: Stage 1 of Te Whakarauratanga o Te Rae o Pāpāmoa (Pāpāmoa Hills Revitalisation Project) is complete and concept planning and tangata whenua engagement is underway for Stage 2.
- Archaeological authority obtained, earthworks complete and materials on-site at Pāpāmoa for the new woolshed and stockyards. This infrastructure is required due to change in grazing licence holder. Woolshed and yard construction expected during October to December 2018 period.
### Budget

All budgeted Regional Infrastructure Fund grants within the Regional Infrastructure Activity are expected to be paid in this financial year.

The Regional Economic Activity is forecasting additional consultants costs of $0.2 million for the Toi Moana BOP Economic Action Plan and the Bay of Connections review. The costs will be partly funded by the Ministry of Business, Innovation and Employment, and Provincial Growth Fund.

### KPI commentary

Performance measures are on track

#### LEVEL OF SERVICE

**Facilitate regional economic development**

**Key Performance Measure:** Sector strategies are reviewed and updated every three years

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#### LEVEL OF SERVICE

**Manage our Regional Parks sustainably**

**Key Performance Measure:** Number of visitors to our Regional Parks

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<td>100,000</td>
<td>21,217</td>
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Regional Planning and Engagement
Te Hanga Mahere ā-Rohe me te Whakawhitiwhiti

**Delivery**

**REGIONAL PLANNING**
- Region-wide water quantity plan change (Proposed Plan Change 9) recommendations approved as Council’s decisions in September.
- Hearings on Proposed Change 4 (Tauriko West Urban Limit) to the Regional Policy Statement held and a report provided to the Minister for the Environment. The Minister approved Change 4 to amend the urban limits line in September.
- Submission process for Regional Air Quality Plan Change completed.
- Final Environment Court decisions on Iwi Resource Management and Natural Heritage appeal topics to the Regional Coastal Environment Plan received.
- Release of a new monitoring report on the impacts of on-site domestic wastewater systems (septic tanks) in the Bay of Plenty.
- Working groups formed to start to develop the detail of the Council’s draft climate change action plan.
- Hosted a workshop with MfE on Coastal Hazards and Climate Change guidance.

**MĀORI POLICY**
- Development of a draft He Korowai Mātauranga (HKM) implementation plan underway.
- Completed two series of RMA workshops with tangata whenua/kaitiaki.
- Processed the development of two new iwi management plans (Te Arawa Lakes Trust and Ngā Potiki).
- Provided dedicated support to the resource consents team on using Accela for Iwi contacts.
- Co-authored and supported the launch of the Kaituna River Document – Kaituna He Taonga Tuku Iho.

**GEOTHERMAL**
- Geothermal Plan Change process initiated in Rotorua (Ōkurei) through a series of hui.
- Significant geothermal features methodology confirmed.

**Community Engagement**
- Work on the Public Consultation and Engagement project has recommenced.
- Four Environmental Enhancement Fund applications totalling $89,537 approved, three applications in process and one declined.
- Pollution Busters magazine on Transport distributed to more than 500 homes.
- Hosted three sub-regional cluster hui attended by representatives from 22 Enviroschools plus partner organisations.

**Governance**
- Initiated an efficiency review of the Council’s Agenda Management process which handles the process and timeframes for compiling Council/Committee meeting agendas, papers and minutes.
**Budget**

This Group of Activities is forecast to be on budget at year end.

**KPI commentary**

Performance Measures are on track (where data are available).

**LEVEL OF SERVICE**

*Provide robust and legislatively compliant planning and policy (Regional Planning and Geothermal)*

**Key Performance Measure:** Percentage of planning and policy reports that are rated satisfactory or higher via an independent assessment process

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**LEVEL OF SERVICE**

*Building Māori participation in Council decision making*

**Key Performance Measure:** Level of satisfaction of Komiti Māori that the information provided meets their terms of reference

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**LEVEL OF SERVICE**

*Support community projects which help improve our environment*

**Key Performance Measure:** Percentage of completed projects that have achieved their measured goals

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**LEVEL OF SERVICE**

*Promote good governance and democratic decision making*

**Key Performance Measure:** Percentage of Council and Committee meeting agendas for all scheduled meetings that are available at least two working days before meetings

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<td>95%</td>
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**Key Performance Measure:** Percentage of draft Council and Committee meeting minutes that are published on the Council website within 10 working days after the meeting

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No capital expenditure in this Group of Activities
Delivery

- Emergency Management Bay of Plenty were awarded two awards in the category 'Partners in Preparedness' by the International Association of Emergency Managers.
- On Wednesday 19 September we undertook a Tier 2 Oil spill response exercise in Whakatāne.
- Several CDEM professional development courses have been conducted at Tauranga over this quarter, with several more planned for next quarter. The courses aimed to enhance the professional knowledge and confidence for staff when conducting a role within either an Emergency Operations Centre or Emergency Coordination Centre. This quarter saw the following Bay of Plenty Regional Council staff attendance at training:
  - Integrated Training Framework Coordination Centre Intermediate course – 6 People
  - Integrated Training Framework Logistics – 7 People
  - Psychological First Aid Training – 7 People
  - Recovery Matters Workshop – 2 People
- Three further Integrated Training Framework Coordination Centre Intermediate courses are planned to be conducted next quarter.
- Emergency Management Bay of Plenty supported an information day held at the Rangitāiki Cosmopolitan Club on 31 July 2018 to update the community on the flood repairs on multiple sites along the river.
- On 31 August 2018, Emergency Management Bay of Plenty supported the Cancer Society Daffodil Day by delivering daffodils across the Tauranga Central Business District whilst promoting preparedness and encouraging the public to register for text alerts.

Budget

KPI

- There were no emergency events that required partial or full activations/declarations during the quarter. There were four separate periods of severe weather over the reporting period. On average, each event required the Duty Manager to assess and disseminate five warnings. A total of 16 Civil Defence Alerts email messages, 20 Facebook posts, and 23 Tweets were used as part of readiness and response activities this quarter. Challenges and risk around clarity of roles and responsibilities between Council and CDEM partner agencies has been identified and is being mitigated through collaboration across the sector including through committees and, joint multi agency training and exercises and active participation in active reviews.
**Budget**

Forecast operating expenditure is $0.25 million lower than budget as recruitment of four new staffing positions is deferred until the outcome of the service delivery review is known in December 2018.

**KPI commentary**

Progress to meet the *Percentage of staff identified for roles in the Emergency Coordination Centre* KPI will be a challenge this year. The trained standard has increased to include participation in the ITF intermediate Coordination Centre Course. A programme is in place to offer this training to all EOC staff but is reliant on staff attending the training available.

**LEVEL OF SERVICE**

*Provide emergency management response and community initiatives*

**Key Performance Measure:** Percentage of roles that have been identified and staffed for 24 hour operation of the Emergency Coordination Centre

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<td>85%</td>
<td>89%</td>
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**Key Performance Measure:** Percentage of staff identified for roles in the Emergency Coordination Centre that are trained to an appropriate level agreed by the Group

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<td>85%</td>
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**Key Performance Measure:** Number of Council delivered initiatives to promote community resilience and safety

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Technical Services
Ngā Ratonga Hangarau

Delivery

GEOSPATIAL
- The project to scan the entire Crown archive of historic aerial imagery in partnership with LINZ continues ahead of schedule. The Bay of Plenty images date from 1937-2005 and are due to be completed in Q1 2019 (circa 45,000 individual photos). The images continue to be made available to the public as they are scanned via the Retrolens web site.
- Continuing to lead GIS for Emergency Management in the Bay of Plenty. Work included the setup of a multi-council cloud geospatial platform to provide the data and applications needed for an emergency response and recovery.

ENGINEERING
- Annual drawdown of Lake Rotoiti took place to facilitate flushing, and reduce flood risk, of the Ōhau channel.
- Monitoring of the water levels at Lake Ōkāreka and the quantity of water flowing down the Waitangi Stream continues. Through the discharge of 360L/s water under the emergency consent, staff have been able to maintain the water level within the target range.
- We provided 55 internal technical reviews for the resource consents team, supported 89 district consent applications and provided floor level information to 147 parties.

DATA SERVICES
- A new rain gauge installed in Ngongotahā.
- A new air quality monitoring site has been installed at Moses Road, Rotorua.
- The new air monitoring programme measuring parameters of interest such as particulate matter, SO₂, CH₃Br and meteorological data at Mt Maunganui and Sulphur Point has been finalised. Programme implementation is expected to be completed by the end of 2018.

SCIENCE
- The first outputs of the eSource catchment water quality model were presented to the Rangitāiki and Kaituna-Pongakawa-Waitahanui community groups.
- Summary reports on the health of waterways in the Rangitāiki and Kaituna catchments were published as a resource for the community.
Budget

Revenue is forecast $0.16 million higher than budget due to actual billing of fees and charges in the Science and Data Services activities.

KPI commentary

Performance Measure are on track.

LEVEL OF SERVICE

Provide the community with ready access to environmental data

Key Performance Measure: Percentage availability through website of real-time deliverable environmental data

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LEVEL OF SERVICE

Provide accessible, trusted and relevant science

Key Performance Measure: Number of environmental indicators with online scorecards

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Delivery

INTERNAL SERVICES

- Members of the public are now able to make credit card payments at Council reception areas to pay for council services. Previously, only eftpos and cash were accepted.
- A new electronic Visitor System is been being piloted at the Tauranga reception. The system can remember individual’s details from previous visits, allowing for efficiencies. The system can also respond instantly in the event of an evacuation scenario.
- An after-hours telephone service, which commenced from July, allows for 24/7 public access.
- In comparison to the same quarter in 2017, the last quarter witnessed 11,040 customer calls taken and 2,970 visitors to Council receptions, a decrease of 1,349 calls and 1,420 visitors, respectively. The reduction in visitors to Council offices is attributed to the reconstruction works at the Whakatāne office.

FINANCE AND CORPORATE PLANNING

- The Finance and Corporate Planning team have completed the Annual Report for year ended 30 June 2018 which was adopted by Council with a clean (unmodified) Audit Opinion.

PROPERTY

- Council approved a new tenancy on the corner of Fenton and Pukaki Streets to serve the team based in Rotorua.
- Stage one of the Whakatāne building project is now complete.

COMMUNICATIONS

- World Rivers Day and Water Quantity Plan Change web, social and news media promotions reached approximately 200,000 people and generated more than 1200 visits to our Freshwater Futures web pages.
- Council approved a BOPRC Residents survey and the survey is due to start on 15 October 2018 with a report back to Council in December 2018.
- A self-assessment for CouncilMARK was completed ahead of the formal assessment due to be carried out in early 2019.
**Budget**

The Finance and Corporate Planning Activity is forecasting additional internal interest revenue of $0.3 million because the internal loans within the Rivers and Drainage Schemes Activity are higher than budget due to capital project delivery and associated subsidies. This revenue is offset however by increased internal interest cost in the Rivers and Drainage Schemes Activity.

Forecast operating expenditure is $0.8 million lower than budget. Some savings have been realised due to lower interest rates compared to budgeted rates in the Finance and Corporate Planning Activity. The People and Capability Activity is forecasting $0.2 million additional expenditure associated with key operational projects and these costs will be offset by other savings.

The Information and Communication Technology Activity is forecasting a capital underspend of $0.4 million on several projects while resources are aligned for delivery.

**KPI commentary**

Performance Measure is due to be reported on annually.

**LEVEL OF SERVICE**

*Reduce carbon emissions through the installation of energy efficient systems in building refurbishments*

**Key Performance Measure:** Reduction of carbon emissions in relation to building energy use at the Tauranga and Whakatāne sites (baseline is 2016/17 emissions)

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**Corporate Services Budget compared to Actual and Forecast 2018/19**

**OPERATING REVENUE**

- excludes investment income allocated
- $0.3m higher revenue
- $5.6m higher revenue

**OPERATING EXPENDITURE**

- excludes overheads allocated
- $0.8m lower expenditure
- $1.1m lower expenditure

**CAPITAL EXPENDITURE**

- $0.5m lower expenditure
- $3.0m lower expenditure