

NORTHLAND REGIONAL COUNCIL

Agenda

For meeting to be held at the Mangawhai Club, Molesworth Drive, Mangawhai,
on Tuesday 28 January 2014, commencing at 1 pm

**Recommendations contained in the council agenda are NOT council decisions.
Please refer to council minutes for resolutions.**

OPEN MEETING

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<p>ACC - Accident Compensation Corporation</p> <p>AHB - Animal Health Board</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DOL - Department of Labour</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EE - Environmental Education</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>EMA - Employers and Manufacturers Association</p> <p>EMC - Environmental Management Committee</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HASNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System: new computer system being developed collaboratively with other Regional Councils</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTP - Long Term Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>MCDEM - Ministry of Civil Defence & Emergency Mgmt</p> <p>MFE - Ministry for the Environment</p> <p>MHWS - Mean High Water Springs</p> <p>MNZ - Maritime New Zealand</p> <p>MOH - Ministry of Health</p> <p>MOT - Ministry of Transport</p>	<p>MPI – Ministry of Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NES – National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NPC - Northland Port Corporation</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>ORC - Otago Regional Council</p> <p>OSH - Occupational Safety & Health (now Ministry of Business, Innovation and Employment)</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RTC - Regional Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RSG - Regional Sector Group</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SCAR - SmartStream Council Activity Reporting</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>SRC - Southland Regional Council (Environment Southland)</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TA - Territorial Authority: City & District Councils</p> <p>TAC - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TRAION - Te Rūnanga a Iwi o Ngāpuhi</p> <p>TRC - Taranaki Regional Council</p> <p>TROTR - Te Rūnanga o Te Rarawa</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>WCRC - West Coast Regional Council</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WWTP - Wastewater Treatment Plant</p>
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ISSUE: Chairman's Report to Council**ID:** A609150**To:** Council Meeting, 28 January 2014**From:** Bill Shepherd, Chairman**Date:** 17 January 2014

Summary The purpose of this report is to provide an update from the Chairman for December 2013. It concludes with the recommendation that the report be received.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Meetings/events attended:

During the period I attended the following meetings/events/functions:

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Briefing to Northland councils on the Kaipara Report by the Assistant Auditor General.
 - Public meetings on local government reform in Kaitiāia, Kerikeri, Russell and Omapere.
 - Enviroschools Green/Gold Celebration, Oturu School, Kaitiāia.
 - Meet and greet with Kaitiāia office staff.
 - Hon John Carter, Mayor, Far North District Council, and Ross Blackman, Chairman, Far North Holdings Ltd – Economic development and property proposals.
 - Presentation on Māori Agribusiness Programme.
 - Regional Software Holdings Ltd – AGM and Board meeting by teleconference.
 - David Wilson, CEO, Northland Inc. – catch up meeting.
 - Meet and greet with Deborah Harding, CEO and trustees, Te Uri o Hau Settlement Trust.
 - Public meeting at Kaiwaka – boundaries.
 - Richard Bull and Trevor Downey, Mangawahi Harbour Restoration Society, along with Cr Craig Brown – general discussion on mangrove management.
- Filming of Christmas message for Channel North.
- Presentation of Bronze Enviroschools certificate to Comrie Park Kindergarten.

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Local Government Reform:

I have had a number of short meetings with various staff members to ensure that the council's response to the Local Government Commission's proposal for local government reform in Northland is in line with the councillors' wishes.

Correspondence:

During December I sent out the following correspondence:

Date	Addressed To	Subject
09.12.13	Hon John Carter, Mayor, Far North District Council Sheryl Mai, Mayor, Whāngārei District Council John Robertson, Commissioner, Kaipara District Council	Appointment of additional directors to Northland Inc.
19.12.13	Regional Sector Chairs/Mayors	Whāngārei Marine Biosecurity Charter
23.12.13	Hon John Carter, Mayor, Far North District Council Sheryl Mai, Mayor, Whāngārei District Council John Robertson, Commissioner, Kaipara District Council	NRC submission to the Local Government Commission

Legal compliance:

The activities detailed in this report are provided for in the council's 2012-2022 Long Term Plan and as such are in accordance with the council's decision making process and sections 76 to 82 of the Local Government Act 2002.

Recommendation:

That the Chairman's report dated 17 January 2014 be received.

ISSUE: Chief Executive's Report to Council**ID:** A606559**To:** Council Meeting, 28 January 2014**From:** Malcolm Nicolson, Chief Executive Officer**Date:** 17 January 2014

Summary: The purpose of this report is to provide an overview of recent council organisation activity. It concludes with the recommendation that the report be received.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Report:**5.1 CROSS DISCIPLINARY PROJECTS****Local government reform and reorganisation**

A draft submission on the Local Government Commission's initial proposal for reorganisation of Northland's local government appears on this agenda. The submission has been prepared on the basis of council discussions since the draft proposal was issued on 12 November 2013. The submissions period closes 21 February 2014.

Considerable effort is being made to inform Northland communities about the draft proposal and the opportunity to make submissions.

- A special issue of the Regional Report will be distributed to Northland households this month.
- Radio advertising, social media networks and posters are carrying messages about the proposal and public meetings (described below).
- The council's website has been updated.
- Direct engagement with key stakeholders.

During December 2013 the CEO and Chairman hosted a number of public information evenings on the proposal:

- Russell, Wednesday, 18 December
- Kaiwaka, Thursday, 19 December
- Ōmāpere, Friday, 20 December

Additional meetings have been scheduled prior to the close of the submissions period:

- Ruakaka - Ruakaka Recreation Centre, Takutai Place, Thursday 30 January 2014
- Tutukākā - Marina Room, Oceans Resort Hotel, 4 Marina Road, Friday 31 January 2014
- Parua Bay - Parua Bay Community Centre, 1347 Whāngārei Heads Road, Monday 3 February 2014

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- Whāngārei - Council Chamber, Northland Regional Council, 36 Water Street, Monday 10 February 2014

All meetings start at 7 pm and will run until approximately 9 pm. Councillors are encouraged to attend the meetings in their area.

The Northland Chamber of Commerce has also scheduled an additional “Business After 5” event on Wednesday, 5 February 2014, hosted by NRC in Council Chambers, to inform the business community about the draft proposal. The Kerikeri Business Association is also hosting a meeting on local government reform for service clubs in the area on 11 February 2014, which The Chairman and I will be attending.

Once the submissions period closes, the Commission has the option of conducting hearings prior to the next decision-making stage of the process. At that point the Commission may decide to develop a final reorganisation scheme, or it may decide not to proceed.

Waiora Northland Water

Whāngārei was the only catchment group to hold a workshop during December 2013.

Doubtless Bay catchment group has a workshop scheduled for 29 January at 10am.

Further information about the project is available on the [NRC Waiora Northland Water website](#) pages. A full report on the activities of Waiora Northland Water was provided in the December 2013 EMC agenda.

5.2 RESOURCE MANAGEMENT

Proposed Regional Policy Statement

On 17 September 2013, council accepted the recommendations made by three independent commissioners. Their recommendations then became council decisions on submissions. Submitters then had until mid-November 2013 to appeal the decisions to the Environment Court. As at 16 January 2014, 16 appeals have been lodged with the Court. Any person who has an interest greater than the general public can become a party to appeal proceedings under section 274 of the Resource Management Act 1991. As at 16 January 2014, council has received notice from 39 parties that they will be joining appeal proceedings (many of whom are party to multiple appeals).

Regional plans review project

At the 02 December 2013 Regional Policy Committee meeting, the committee approved the commencement of the review of the Regional Air Quality Plan, Regional Water and Soil Plan, and Regional Coastal Plan in accordance with Section 79 of the Resource Management Act 1991. It is anticipated that the review(s) will be finalised by September 2014. The process for undertaking the review of the regional plans will be the subject of an Agenda item to the Regional Policy Committee in February.

Internal meetings were held between council staff during December, the key output was the development of a draft template for how the review(s) may be undertaken.

National Policy Statement for Freshwater Management

Planning and policy staff in conjunction with consents, monitoring and land management teams, have assessed the proposed changes to the National Policy Statement for Freshwater Management (NPSFM). An item on the proposed changes

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is on the agenda for the January 2014 council meeting. The item recommends that a submission be lodged. Submissions close Tuesday, 4 February 2014.

Other Resource Management Issues

No district plan changes were received during December. Auckland Council notified the Proposed Auckland Plan on 30 September 2013 with submissions due to close 28 February 2014. This is a combined planning document that includes the regional policy statement and regional and district plans. An item is on the agenda for the January 2014 council meeting recommending a submission be lodged on the Proposed Auckland Plan. The item recommends the submission indicate support for the plan with the primary focus of the submission points being on integrated management and cross boundary issues.

Land use and subdivision applications

During December 2013, 17 resource consent applications were received from the district councils (2 notified and 15 non-notified). At the time of writing, no comments or submissions have yet been made on these applications.

Consents***Consents in Process***

During December 2013, a total of 46 decisions were issued. A copy of these decisions is circulated under separate cover. These decisions comprised:

0	Moorings
30	Coastal Permits
0	Air Discharge Permits
4	Land Discharge Permits
1	Water Discharge Permits
3	Land Use Consents
2	Water Permits
6	Bore Consents

The processing timeframes for the above consents ranged from:

- 191 to 1 calendar days, with the median time being 44 days;
- 135 to 2 working days, with the median time being 19 days.

27 Applications were received in December 2013.

Of the 178 applications in progress at the end of December 2013:

108	were received more than 12 months ago (most awaiting further information);
14	were received between 6 and 12 months ago (most awaiting further information);
56	less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in December 2013.

Consents Decisions and Progress on Notified Applications in Process, Objections and Appeals

The current level of notified application processing activities at the end of December 2013 is (by number):

▪ Applications Publicly/Limited Notified During Previous Month	0
▪ Progress on Applications Previously Notified	10
▪ Hearings and Decisions	0
▪ Appeals/Objections	5

A more detailed summary of the above activities can be found in **Attachment 1**.

Dam Safety Scheme - Building Amendment Act 2013

The Building Amendment Act 2013 (BAA) became law on 28 November 2013 and amends the Building Act 2004 (BA). Among the changes to the BA are a number of provisions relating to dams and particularly the Dam Safety Scheme (the Scheme).

The Building (Dam Safety) Regulations 2008, which give practical effect to the Scheme, became law in July 2008. Although the regulations were originally to come into effect on 1 July 2010, this has been deferred until 1 July 2014. The regulations are currently being revised, and are expected to be issued around April 2014.

As a result of the delay in finalising the Scheme, little work in this area has been able to be carried out by staff in the interim beyond an initial contact with dam owners in June 2010 that provided them with relevant information in respect of the Scheme, advised them of their obligations under it, and sought confirmation of ownership and information held by the council for each dam.

NRC staff are currently working collaboratively with staff of other regional councils across New Zealand, with help from Ministry of Business, Innovation and Employment (MBIE) staff, towards assisting dam owners to comply with their obligations under the Act relating to the Dam Safety Scheme.

We intend to write to all known dam owners and other interested parties in Northland around the end of January 2014 to give them a “heads-up” in regard to how the Act and the forthcoming regulations will likely affect them. This will be done in concert with and on a common basis with the other regional councils. The information in that correspondence will be limited by the fact that the regulations will not be in place by then.

The Scheme only applies to **large dams**.

Definitions

A “**large dam**” is now defined as a dam that has a height of 4 or more metres and holds 20,000 or more cubic metres volume of water or other fluid.

The method for measuring the **height** of a dam is provided in the Act as the definition of a **crest** for the purposes of measuring that height. However, how volume is to be measured is not defined in the Act but will be defined by the regulations when they are issued.

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The information currently held by the council indicates that there are at least 20 large dams in Northland within the approximately 450 dams currently on record.

Most of the large dams are district council (public) water supply dams or irrigation water supply dams used for horticulture or dairy farm irrigation. Compliance with the Scheme requirements by the district councils and owners of the larger irrigation water supply dams (e.g. Kerikeri Irrigation Company) is not expected to be an issue. However, the council may need to take follow-up action where the irrigation water supply dam is owned by an individual who has failed to comply.

Classifiable and Referable Dams

Two new terms: **classifiable dam** and **referable dam** are introduced by the BAA but are also yet to be defined by the regulations.

Owners of classifiable and referable dams in Northland are required to notify the council by 30 September 2014 of the size and location of their dams and their classification as low, medium or high potential impact (PIC). The notification must be accompanied by a certificate by a recognised engineer that states that the classification of the dam accords with the prescribed criteria and standards for dam safety. Dam owners who do not classify their dams commit an offence under the Act and are liable, on conviction, for a fine not exceeding \$20,000.

Owners of dams that are classified as medium or high potential impact (PIC) are required to prepare a **Dam Safety Assurance Programme** (DSAP) for their dam. The DSAP must be certified by a recognised engineer.

Owners of dams with DSAPs must subsequently supply an **Annual Dam Compliance Certificate** to the council. The dam compliance certificate must be accompanied by a certificate from a recognised engineer that confirms that the DSAP has been followed and complied with over the preceding 12 months.

Dam Register

Every regional council is required under the BA to maintain a register of large dams for their respective regions. Council staff have commenced compiling this register based on the information currently in council records. Some of this information is old and will require verification by the owners of the dams.

Staff Resourcing

It is estimated that approximately five staff hours per week, on average, will be required until the regulations have been issued, at which point this is expected to rise to an average of approximately 10 staff hours per week whilst the dam classifications are being notified to the council. Staff hours are then expected to reduce from the end of 2014 to an average of approximately two staff hours per week, with the time being spent mainly on administering the dam safety assurance programmes, annual dam compliance certificates and associated administration of the Scheme.

Monitoring

Compliance Monitoring

A summary of the results of compliance monitoring for the period 23 November – 31 December 2013 is provided in the Environmental Monitoring Report (see **Attachment 2**).

Air discharges

Six compliance assessments for air discharge consents, including two industrial site visits, were made during the reporting period, with five assessments confirming consent compliance and the remaining one assessment revealing consent non-compliance. The non-compliance was due to incomplete provision of self-monitoring data due to instrument failure. The consent holder has fixed the instrument as directed which was running well from the second week of December 2013.

Thirty-two air quality related environmental incidents were received during the period, 20 of which related to burning and smoke nuisance, and six related to spraydrift.

Ambient air monitoring results for PM₁₀, sulphur dioxide and carbon monoxide at Robert Street, Whāngārei, showed compliance with the National Environmental Standard for Air Quality (NES) during November 2013. Monitoring results for PM₁₀ at the Bream Bay College, Ruakaka, also showed compliance with the NES during November 2013.

Coastal

A total of 24 consented activities were monitored during the reporting period, 22 of which were fully compliant and two minor non-compliant. The monitoring included inspections of coastal structures and a number of marine construction activities, and “5 in 30-day” sampling events completed at Ashby’s Boatyard in Ōpua and the Tutukākā Marina.

The Kaipara water quality run was undertaken during December and some notable environmental incidents were resolved during the month, which included the removal of illegally placed white sand from the coastal marine area in Te Puna Inlet and the removal of an unauthorised reclamation on the Paihia waterfront.

Hazardous Substances

During the reporting period:

- A total of 360.1 kg of waste chemicals were disposed of.
- Two hazardous substances incidents were reported – one involving a waste oil tank located near a stormwater drain and the other the application of waste oil to a communal driveway to suppress dust.
- Ten enquiries regarding contaminated land were received and responded to and staff held discussions with district councils regarding the National Environmental Standard for Assessing and Managing Contaminants in Soil in relation to consent applications associated with to three potentially contaminated sites.

Land use monitoring

There were 10 monitoring events during the reporting period. Four of these were fully compliant with resource consent conditions. There were five non-compliant sites and one significantly non-compliant quarry site. The quarry consent holder quickly put steps in place to rectify the non-compliance.

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Water quality and discharge monitoring

A total of 40 consented activities were monitored during the reporting period, 32 of which were found to be fully compliant, seven non-compliant and one significantly non-compliant. The significantly non-compliant consent pertained to a discharge at the FNDC Whatuwhiwhi wastewater treatment plant which did not comply with the bacteriological conditions of its consent. FNDC has indicated that it will be applying for a change to these conditions.

During the month staff attended a Ngāwhā Peer Review Panel meeting. There were no issues raised, however an Iwi representative requested that some changes be made to the way some things are reported, which will be addressed.

Farm Dairy Effluent (FDE) Monitoring

All farms (a total of 966 farms) were monitored and reported on by Christmas 2013. Results for consented and permitted activity farms are tabled below. The significant non-compliance rate for consented farms dropped from 20% last year to 16% this year. However, there was a rise in the rate of significant non-compliance for non-consented farms (26% last year up to 29% this year). The overall rate for all farms dropped from 21% last year to 20% this year.

During the month staff attended the Northland Effluent Improvement Project Group meeting. It was decided by the group to extend the focus beyond effluent to include other issues relating to dairy farming including stock exclusion, nutrient budgeting and water use.

Consented FDE discharges

The monitoring results are compared with those for the same period last year.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last year	This Year	Last Year	This Year	Last Year
430	446	162	139	114	141
61%	61%	23%	19%	16%	20%

Non Consented FDE discharges

The monitoring results are compared with those for the same period last year.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last year	This Year	Last Year	This Year	Last Year
131	149	54	36	75	66
50%	60%	21%	14%	29%	26%

Summary tables have been added to the EMR report (see **Attachment 2**) for the main reasons for significant non-compliance.

Environmental Incidents

A summary of environmental incidents for the period 23 November – 31 December 2013 is provided in the Environmental Monitoring Report (see **Attachment 2**).

Enforcement – Resource Management Act***Abatement Notices***

There were thirty-two abatement notices issued during the reporting period. These were for:

- FDE (21)
- Discharges from industrial/trade premises (5)
- Discharge of stormwater/sediment (3)
- Discharges of waste oil to land for dust suppression (2)
- Discharge to air (1)

Infringement Notices

There were twenty-three infringement notices issued during the reporting period. These are detailed below:

- Contaminant discharge (paint) (1)
- Discharge to air (1)
- Sediment discharge (1)
- Discharge from a piggery (1)
- Farm dairy effluent infringements:
 - Discharges from ponds which resulted in contamination of water (6)
 - Non-compliance with an abatement notice (5)
 - Discharge from irrigators (1)
 - Discharge via stormwater diversion (1)
 - Discharge from a sump (1)
 - Ponding/overapplication at irrigator (1)
 - Discharge from broken pipe (1)
 - Discharge from leaking (1)
 - Discharge from a feedpad (1)
 - Discharge outside RC conditions (1)

Other Enforcement**Waitangi River (prosecution - illegal diversion and earthworks)**

Nothing new to report.

Kaimaumu Swamp (prosecution - vegetation clearance and earthworks)

The next court date (for sentencing) is 10 February 2014 in the Whāngārei District Court.

Manganui River, Okahu (prosecution - wetland clearance, earthworks and river diversion)

This matter is back in the Whāngārei District Court on the nominal date of 5 March 2014. A joint memorandum or separate memoranda on the matter are to be filed by Tuesday 26 February 2014.

Craig Roberts (prosecution - FDE)

The next court date (for appeal of conviction and sentence) is 11 February 2014 in the High Court in Whāngārei.

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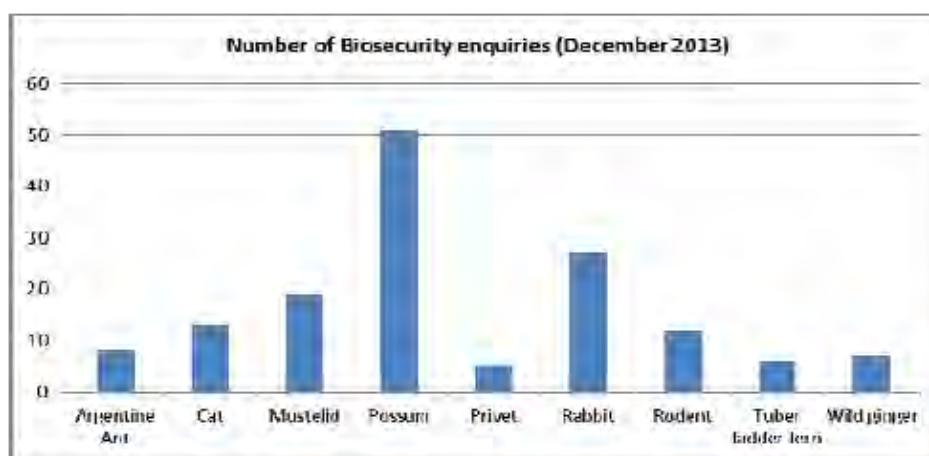
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Biosecurity***Biosecurity – Enquiries***

Biosecurity officers logged 234 enquiries in the IRIS database during December. Enquiries were logged for more than 50 different species, more than 18 different animal species and 35 different plants. Many enquiries received by the biosecurity team involve multiple species, and as each species requires its own advice, each is counted a separate enquiry for the purposes of reporting.

Subject	Number of enquiries (December 2014)
Animal	153
Disease	1
Freshwater	2
Marine	5
Plant	61
Public awareness/Education	5
Site-led/Community work	7
Total	234

The species most common for enquiries during December are shown below. The number of possum enquiries remains consistently high, and there has been an increase in enquiries logged about a variety of weeds, including tuber ladder fern which was the subject of a recent media release.

***Biosecurity Incidents***

Between 25 November and 31 December 2013, the Biosecurity team logged nine incidents, the majority of which were plant incidents regarding breaches of the boundary control rules, as well as two significant incidents regarding eradication species in the RPMS.

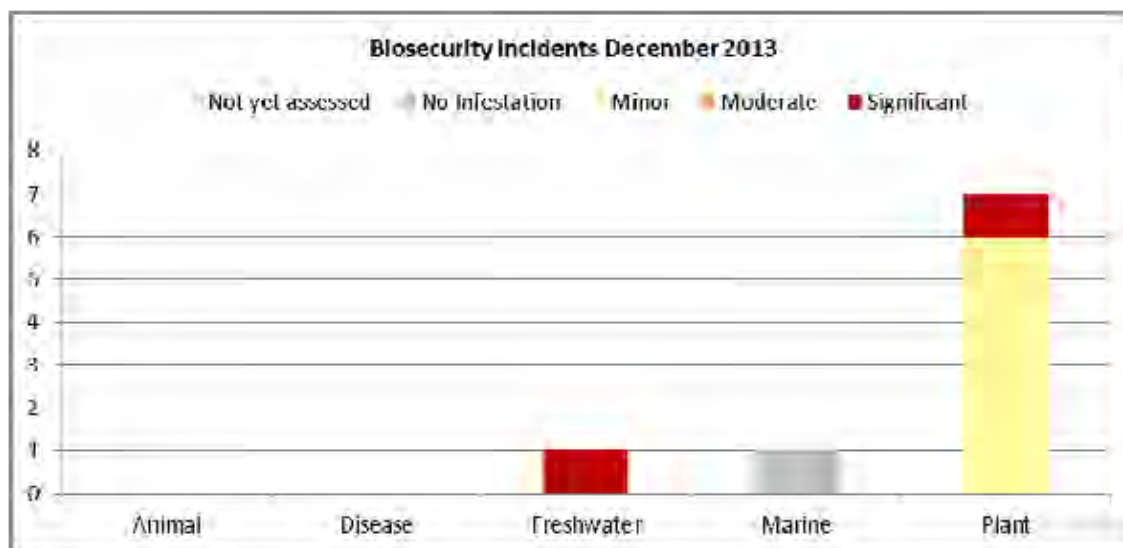


Table 1: Significant Biosecurity Incidents (December 2013)

Request date	IRIS ID	Species	Description	Notes
27/11/2013	REQ.572089	Yellow flag iris	Possible Yellow flag iris site, Rāwhiti	Site confirmed and referred to NRC management programme
09/12/2013	REQ.572208	Water hyacinth; Salvinia	Salvinia and Water Hyacinth in a garden pond, Kerikeri	Referred to Ministry for Primary Industries for control action

Marine and Freshwater

Mediterranean fanworm

On 5 December 2013 the Whāngārei Marine Charter document was officially launched at NRC with the stakeholders. This document formalises the work marine stakeholders and council have been doing to prevent fanworm establishing throughout Northland and sets a risk assessment in place for marinas and ship servicing facilities. I thanked all the stakeholders for their input and staff are now working with industry to finalise the management plans associated with the charter.

Vessel quarantine facility

Manufacture of a portable vessel quarantine facility (VQF) has been completed and testing is due to start on 23 January. The VQF is able to contain a vessel up to 16m in length and can accommodate a yacht, launch or barge in the event a marine pest is detected.

Freshwater advocacy

The NRC was again awarded \$20,000 from Ministry for Primary Industries (MPI) to run a regional didymo and aquatic pest advocacy programme during the summer of 2013/2014. With the aid of this funding, the "Check, Clean, Dry" summer programme (CCD) is now well under way with several key events occurring over the festive break and it will continue to run until April 2014. The key aim is to raise public awareness about aquatic pests and reduce pests spreading between waterways. The NRC has contracted the Mountain to Sea Conservation Trust (Whitebait Connection) to assist

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with running the CCD programme this summer. The programme will educate a range of people to clean aquatic gear between waterways and encourage reports of aquatic pests to the biosecurity team. This year the programme has an increased focus on the Kai Iwi lakes as part of the pest management action funding recently approved by council.



Photos: (1) Check Clean Dry team member Nicki Wakefield (Whitebait Connection) and students with a sign designed by Kaihu Valley school as part of the CCD programme; (2) the sign in place at Lake Waikere.

Community Pest Control Areas (CPCAs)

Annual possum monitoring

During December a contractor completed the monitoring of ten CPCAs with three more areas are still pending. The results of monitoring show that seven of the ten have met target levels, meaning possum populations are very low in these CPCAs. However two areas in the mid-North were slightly over and one at Ngāwhā was still showing high numbers of possums. These three CPCAs will require reworking and staff are discussing options with the community leaders involved in the programmes.

Land Management

Environment Fund and Farm Water Quality Improvement Plans (FWQIP)

Twelve projects were approved during December amounting to \$55,324 of funding, bringing the year to date total land management fund allocation to \$564,413. Concerns were raised over funding the fencing of farm drains in another project. Currently the funding of drains is approved on a case by case basis depending on the water quality benefits of doing so, and only if this action is determined to be a top priority in the FWQIP.

Farm Water Quality Improvement Plans as of 13 January 2014

Status of FWQIP	Far North	Kaipara	Whāngārei	Total
Completed	63	7	72	142
In Progress	28	13	27	68
Total FWQIPs	91	20	99	210

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CoastCare

Safe Beach Driving information events and patrols were held over the holiday period at Ahipara, Ruakaka and Tokerau Beach. These were supported by the Department of Conservation (DOC), District Councils, Northland Police, Ministry of Primary Industry (MPI) and local CoastCare groups. The purpose of running these events is to promote safer and more environmentally aware beach driving and increase awareness that road rules apply on the beach. For the Far North events, focus was put on new speed limits in place on Tokerau Beach and Te Oneroa-a-Tōhe (Ninety Mile Beach).

The summer edition of Northland CoastCare News was printed and distributed. The newsletter provides updates on CoastCare activities and information on upcoming events. Hard copies are at all NRC offices and it can also be downloaded from the NRC [website](#).

Flyger Road Properties Tenders

Tender 13/14, the installation of a stock water reticulation system, has been awarded to Arnold Franks Limited, the only tender received. Work is expected to be completed by the end of January 2014. The reticulation system, which includes new waterlines, pumps, storage and 25 troughs, came in under estimate.

Tender 13/16 stock exclusion fencing for the Flyger Road properties has closed and three tender proposals were received. Prices for fencing came in rather high, due largely to the steep contour of several locations meaning a lot of the posts/lines would have to be driven/dug by hand. Staff are currently evaluating the original fencing proposal to determine where efficiencies can be gained, whilst still maintaining water quality benefits.

Soil Conservation – Poplar and Willow Nursery, Flyger Road

Poplar and willow plantings have established very successfully. Once the installation of the stock water reticulation system (Tender 13/14) is completed for the NRC Flyger Road farm property, work to install the internal nursery irrigation lines will begin.

Poplar and Willow Supply 2014

The 2014 bulk poplar pole supply contract has been secured for 2014. Cambridge Nursery will supply 4,000 3-m poles over two deliveries during June and July 2014. The 3m poplar pole price for 2014 is \$7.50 plus GST, up from last year's \$7.25. This price increase is below what was expected following levies introduced by the Poplar and Willow Trust.

Integrated Kaipara Harbour Management Group

A field day was held on the Hikurangi Swamp dairy farm belonging to Edwin, Ben and Sharon Smith on 7 December, the theme of the field day was 'Farming in the Face of Change, Farming, Floods and Kiwi'. Overall attendance for the day was lower than anticipated, although Ngati Hau representatives from three of the marae further up the catchment and Fonterra, Dairy NZ and Department of Conservation stakeholders were in attendance.

The next field day will be at Avoca lime quarry on Lovell Rd, Ruatangata on 19 February; the focus of the day will be wetland restoration.

Estuary Monitoring with Te Uri O Hau

Mikaera Miru, from Environs, is keen to train kaitiaki from the four tupuna marae in the use of the Nga Waihotanga Iho Estuary Monitoring toolkit, so that they can work with school students in the future to carry out monitoring on the harbour. The toolkit was developed by NIWA with iwi input and links to the high school curriculum. An initial training day was held in mid-December and a second day is proposed in early February.

5.3 RIVER MANAGEMENT**Awanui**

The Awanui River maintenance works were commenced. Cleaning of the lower Whangatane spillway is complete, cleaning of the inside bends of the lower Awanui River and maintenance of scheme floodgates is underway.

The preliminary design for the proposed scheme upgrade is being progressed. The design approach has been adjusted, resulting in a project delay of approximately three months. The catchment model is currently being reduced in extent and size to speed up model run times for simulation of scheme options. Critical parts of the model have been retained to assess scheme effects, and staff are ensuring that the model is representative of channel conditions.

Kaeo-Whangaroa Rivers

Revised flood modelling of the Stage 1 flood scheme configuration was completed. Once the scheme has been constructed, the flood maps for Kaeo will be amended to reflect the scheme works. Flood level surveys will also be undertaken to assess the performance of the scheme relative to the model simulations. The need for scour protection on the spillway for extreme events will be assessed at that time.

Maintenance works in the Kaeo River and Whangaroa Streams is progressing well, with works underway in Kaeo and complete in Wainui.

Construction of the Kaeo Stage 1 flood deflection scheme works began on 2 December 2013. Progress to date includes:

- Construction of timber floodwall on existing school stopbank (50% complete)
- Construction of temporary river crossing (installed)
- Drainage works (50% complete)
- Topsoil stripping of main stopbank (completed)
- Borrow site stripping (15% complete)
- Archaeological and cultural monitoring of topsoil excavation (90% complete)



Kaeo River topsoil stripping for main stopbank

More archaeological sites were found during the topsoil stripping than was anticipated. As a result more archaeological supervision and investigation has taken place, exceeding the budgeted estimate and contingency by an estimated \$25k. The majority of the earthworks are programmed to be completed during January to

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February, and in general the works are running to programme. It is a little early to forecast what our closing expenditure will be, but based on current progress, staff estimate this may be approximately \$30k (4%) over the Council approved revised budget of \$786k.

Kerikeri-Waipapa River

The Kerikeri-Waipapa river maintenance works are scheduled to commence during February.

Following feedback given by the river liaison committee in September 2013, adjustments to the Kerikeri flood scheme spillway design have been made to divert more flow. The new design is currently being modelled for the 50 year ARI (Average Recurrence Interval) and 100 year ARI CC events, and results are expected in late January.

A large number of calls have been received from Kerikeri residents in relation to the flood maps. Following review of the issues raised by land owners, it has been recognised that in a number of urban areas, the resolution of the catchment model is not sufficient to accurately represent stormwater overland flow paths. The maps will therefore be amended by removing the overland flow paths associated with stormwater pipe overflows. River overflows will still be shown for both rural and urban areas, as per all the other priority rivers catchments, and revised flood maps released.

Waitangi River

Herbicide application by drill and injection has been completed to selected willows in the Waitangi and Waiaruhe Rivers near Puketona Junction. Machine cleaning works are scheduled for February and March.

Kaihu River longreach machine cleaning**Kaihu River**

The Kaihu River maintenance works have commenced, and at this stage the cleaning works on the lower river are progressing very well.

Whāngārei Urban Rivers

Whāngārei Urban Rivers maintenance works are scheduled to commence February.

Demolition of the Rust Avenue bridge

Rust Avenue bridged replacement continued, with demolition of the existing bridge completed. The bridge is to be replaced with a single span bridge that has a 22% larger cross sectional area, which will reduce the risk of debris blockage and flood water being diverted into the CBD via Rust Avenue. NRC, through the Whāngārei Urban Rivers targeted rate, is contributing \$294,111 towards the bridge replacement with the remainder funded from WDC and NZTA.

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A progress report update on the Kotuku dam is provided in a separate report in the agenda.

Minor River Works

The minor river works programme is approximately 25% complete, with significant projects in Pawarenga and Waimā scheduled between January-March. Currently a year end surplus of \$15,000 to \$30,000 of the \$150,000 budget is forecast. However this may be utilised in contingencies or if any flood damage related works eventuate.

River	Description of Work Programmed for Current Season	Proposed Date for Physical Works
Awanui - Bells Hill Drains	Clean Drains	Complete
Manganuiowae Stream Broadwood	Stream bank protection on corner	March 2013.
Pawarenga Streams	Clear vegetation and drains near Marae	Feb 2014.
Rotokakahi @ Pawarenga Bridge	Fence and plant river bank and provide erosion protection measures upstream of road bridge including Resource Consent. RC approved, quotes received.	Feb 2014.
Mangamuka	Rock armour bend adjacent to Church and Marae. Contractor has been given the go ahead.	Feb 2014.
Waihou/Rahiri-Rangiahua	Continue to lower berm along Rahiri Settlement Road	April 2014.
Panguru and Lower Waihou	Gravel management around bridges	April 2014.
Waitangi	Haruru Falls RC Application & remove shingle island	Complete
	Gravel extraction at Top Energy	Jan 2014.
	Willow spraying/removal - underway	Jan 2014.
Waimā	Tree removal and channel clearance at Otatara Marae Bridge (RC required if we do bund around Marae)	Feb 2014.
Whirinaki	Supply Rock for armouring near school	Complete
Awapokonui/Pakanae	Weed spray from SH14 Bridge upstream - Awaiting Quotes	March 2014.
Waimamaku	No works identified	No works.
Otiria	Spillway Resource Consent - (awaiting model result)	Ongoing
Kawakawa	No works identified	N/A
Otaika	Willow spraying/removal/mulch log clearance	Feb 2014.
Ruakaka	Mangrove removal at bridge	Jan 2014.
Waipū	Fallen tree removal at the Braigh	Complete
Contingency	Emergency/Flood Damage Response/ Project Contingencies	N/A

Natural Hazards

The coastal erosion hazard zone assessment work is progressing well, with site visits, surveying and sediment sampling complete for all 28 sites. Offshore wave hindcast data have been obtained for several sites around the Northland coast, and these will

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be transformed to the nearshore using a wave model to generate wave-climate for local sites and assessment of erosion potential.

Summer beach profile surveying has been completed for 28 sites, comprising of 45 individual beach profile surveys. Parts of the Ōmāpere and Marsden Point coasts have eroded substantial. The Ōmāpere foreshore erosion has been a consistent trend over at least several decades, and the scale of erosion is beyond the scope of soft-shore restoration. Owners of some assets will need to implement hard-shore protection works to mitigate risk to assets or consider managed retreat as occurred with the FNDC Ōmāpere information site which was relocated a number of year ago. The New Zealand Refinery Company has been working on a management strategy to address the erosion risk to its assets located at Marsden Point. NRC continues to work with local communities through its CoastCare programme to assist implement dune restoration works to mitigate coastal erosion where this is appropriate.

Hydrology***Whāngārei Harbour Project***

A project has been established to undertake event-based sediment monitoring in the Whāngārei Harbour Catchment. The monitoring will obtain data to:

1. Quantify current catchment sediment loads using relationships established between flow and suspended solids (TSS) concentrations.
2. Adjust the Catchment Land Use for Environmental Sustainability model (CLUES) to reflect Northland conditions so that sediment load limits and mitigation scenarios can be developed and assessed with reduced uncertainties, and
3. Develop relationships between turbidity and TSS concentrations so that progress towards, and the achievement of, catchment-specific objectives can be efficiently monitored.

While catchment models such as CLUES can make predictions on sediment yields and loads the results are only as good as the model inputs. For example, recent CLUES modelling of the sub-catchments of the upper harbour predicted very high yields and loads of sediment from the Hātea and Otaika sub-catchments. The predicted loads are almost an order of magnitude higher than the estimated loads derived from recent sedimentation rates in the upper Whāngārei Harbour. This is because the sediment yield coefficient is derived from the East Cape where there is high erosion.

Consequently, two existing hydrometric stations within the Whāngārei Harbour Catchment (Hātea and Otaika Rivers) will be used to monitor sediment loads and turbidity over the next two years. Initial planning and installation designs for the automatic sediment samplers and turbidity meters are near completion and installations are expected to be completed by the end of January.

Water Takes Compliance Monitoring

New resource consent conditions for the of the FNDC public water supply take on the Waiotemarama Stream (Opononi/Ōmāpere) required that an automatic water level recorder to be installed upstream of the take point within six months of the resource consent being issued. To expedite this installation NRC hydrology staff had assisted FNDC to complete this installation within the consented timeframe. Hydrology staff will also carry out a series of flow measurements to establish a flow/water level relationship for the existing weir. This will enable FNDC to report on the natural flow rates above the water take.

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Council is closely monitoring low flows in the Mangakāhia and Mangere Rivers while pasture irrigation activities continue. The flows in the Mangere River were at the low threshold flow levels, at which point irrigation is required to be reduced.

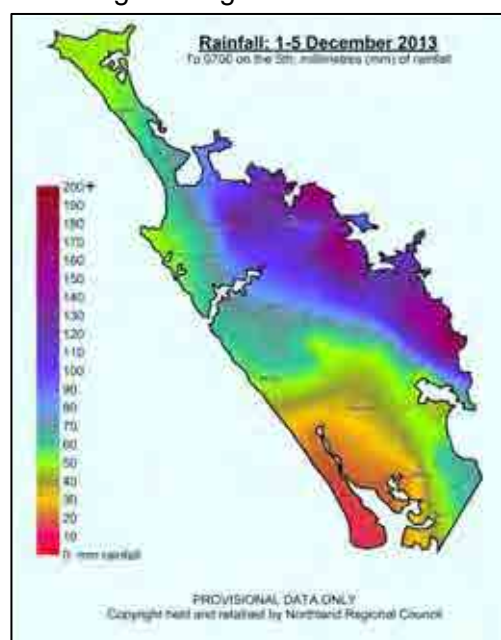
Stream flows at the public water supply takes in the South Hokianga and the Kaihu River are also being closely monitored by NRC, FNDC and KDC.

Rainfall, Ground Water and River Flows

As a result of a very dry October and a long period of settled, dry weather during mid to late November concerns were raised by the primary industry sectors that Northland may potentially be heading towards similar weather conditions as experienced during last summer. For the greater part of the region there were during December frequent rainfall events which had eased these concerns. Heavy rain during the first week of December brought relief to soils which were drier than normal for this time of year.

The MetService issued a series of watches and warnings throughout December:

- On 3 December a severe weather warning was issued resulting in significant rainfall amounts along the eastern areas of Northland. Western and southern areas remained sheltered from this event. Rainfall amounts varied from 19 - 25 mm in the Poutō Peninsular and Ruāwai to 77 - 130mm along northern and eastern areas from Kaitiāia to Whāngārei.
- A series of severe thunderstorm watches and warnings were issued between 15 and 17 December. No flooding issues were reported from these events.
- On 28 December a severe weather watch was issued followed closely by a severe thunderstorm watch on 29 December. In the early hours on 29 December a band of severe thunderstorms passed over the eastern areas from the Bay of Islands to the southern regional boundary. Recorded rainfall intensities varied from 40 to 50mm over two hours with Marsden Point recording 68mm in one hour.
- Groundwater levels in the northern aquifers Aupōuri, Taipā, and Russell are near or above their average January levels. In the surrounding Whāngārei area groundwater levels are near average while the water levels in the aquifers at Kaikohe, Tara, Mangawhai and Ruāwai are below average.
- River flows were well above average in the northern and eastern areas but below average in areas south of Whāngārei and Dargaville. Most Northland river flows are approaching their mean annual low flows which normally occur during January and February every year.



Weather patterns in early to mid January were unsettled with a mixture of fine, hot days interrupted with showery and moderate rainfall events. The average recorded rainfall amount for the region over the first two weeks of January was approximately 15mm. The average January rainfall for Northland is 100mm.

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Generally soil moisture deficits recorded at the main Northland centres are below average for this time of year. Kerikeri and Whāngārei were only slightly below whereas drier conditions prevailed at Kaitiāia, Kaikohe and Dargaville.

NIWA's seasonal outlook for Northland for January 2014 to March 2014 indicates:

- Temperatures are equally likely (50% chance) to be in the near average or above average range.
- Rainfall totals and soil moisture levels are equally likely (40% chance) to be in the near average or above average range
- River flows are most likely (45%) to be in the near normal range.

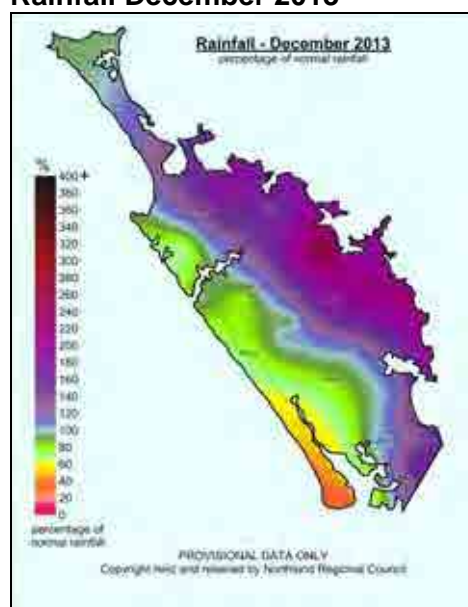
The full probability breakdown is:

	Temperature	Rainfall	Soil Moisture	River Flows
Above Average	50%	40%	40%	25%
Near Average	30%	40%	30%	45%
Below Average	20%	20%	40%	30%

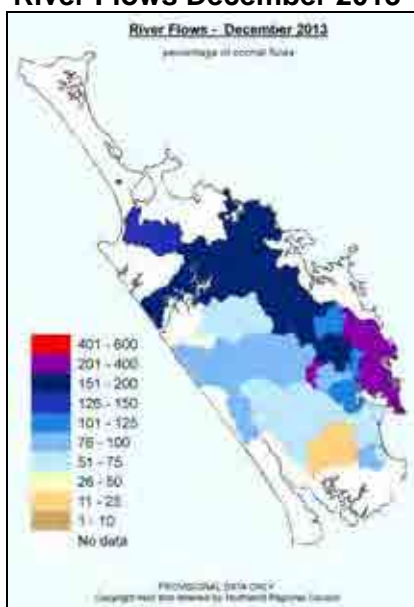
Other outcomes cannot be excluded. For the next three months there is the likelihood that climatic conditions for Northland will be a series of dry periods, higher than normal temperatures but separated by rain events.

Updated information on rainfall, soil moisture deficits has been forwarded to the Regional Support Trust, Northland (RST) who continues to monitoring the situation and liaises with the primary industry sectors to evaluate potential impacts.

Rainfall December 2013



River Flows December 2013



5.4 ECONOMIC DEVELOPMENT

Council has previously asked about the role Northland Inc. plays in Callaghan Innovations study grants.

This programme is run centrally from Callaghan Innovation head office. There are a number of recipients of student interns and there are also other student capability grants where students can work on longer term projects, usually one year, aligned to their studies at Masters or PhD level. The second category involves a larger

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contribution from the company. Northland Inc is working to build its relationship and align its contracts and KPIs with Callaghan Innovation requirements in order to extend the opportunities for funding in Northland.

Callaghan Innovation's Acting Group Manager - Grants Ross Baker recently visited Northland to discuss business. Over \$350,000 has been invested in R&D in Northland so far this financial year, and around 25 businesses are in the pipeline for R&D funding.

5.5 HAZARD MANAGEMENT

Civil Defence Emergency Management

MetService warnings and activations

Recent weather data is provided in the "Hydrology" section of this report. No civil defence activation was required.

The watch issued on 27 and 28 December was viewed by 2,830 users on Facebook. Facebook "likes" have increased to 587, up from 400 in October.

CDEM and Coordinating Executive Group

The Northland CDEM Group and Coordinating Executive Group both met on Tuesday 3 December 2013. The CDEM Group re-appointed Mr Colin Kitchen (FNDC representative) as Chairperson and Mr John Williamson as deputy chairperson.

The CEG re-appointed Mr Tony Phipps as chairperson with Mr John Burt (KDC) as the deputy chairperson.

The minutes of the CDEM group meeting are included in this agenda as a separate item.

Tsunami readiness and response

The National Tsunami Road show was held in Whāngārei on 3 December with approximately 50 people attending from across the CDEM sector and key stakeholders. The workshop was useful in providing detailed information about the new GNS report and Review of Tsunami Hazard in New Zealand which was commissioned by MCDEM.

The Northland CDEM Group work programme for the coming year includes reviewing and updating inundation mapping for the Northland coastline with new maps being incorporated into Community Response Plans, Visitor Action Plans and into Lifelines Utility Group readiness and response arrangements and protocols

Youth and Emergency Services Programme

The Youth in Emergency Services (YES) was a programme that was piloted in Rotorua in early 2013. It has been designed to strengthen the connection between young people and their communities by way of a hands-on introduction to the work of the emergency services in their area. The YES pilot was aimed at creating opportunities for young people to contribute to more resilient and positive communities. The Ministry of Youth Development together with the Ministry of CDEM announced in mid-2013 that further programmes were to be conducted nationally in 6 locations, including Kaikohe. Funding of \$10,000 has been made available by the Ministry of Youth Development to assist with the coordination and facilitation of the programme in Kaikohe.

The pilot consisted of a 40 hour emergency service orientation involving hands-on emergency service skills, facilitated by each of the participating emergency services.

A Working Group comprising representatives from the various agencies has been formed in Northland to provide advice and governance over the structure, design and delivery of the programme. The group is chaired by the FNDC Civil Defence Coordinator and the Northland CDEM Group Resilience Officer has been coopted as the Coordinator of the programme. It is anticipated that the programme will be delivered in mid-2014

Community Response Plans

The review of existing Community Response Plans continues to be a very high priority project for the Northland CDEM Group. Funding has been made available from the national resilience funding to assist with the on-going reviews and to develop an enhanced written plan. A schedule of proposed plan reviews has been agreed and good progress is being made to develop a new plan format similar to the "Community Information Guides" as used by the Country Rural Fire Authority in Victoria, Australia which was designed to address high risk bushfire communities. The format was designed for internet and smart phone viewing. An initial pilot has been trialled with the Mangawhai Community Response Plan. The new plan is in its final draft. The template is intended for use as a model for all Northland Community Response Plans. The new plan template is visually easier to read, contains a number of graphics and is constructed around the "Get ready Get Thru" messaging and branding.

Community Resilience for Vulnerable Groups

The resilience fund is also supporting the Vulnerable Groups project. Progress has been made on the three main objectives - a stocktake of all agencies in Northland who work with vulnerable groups, development of an information/communications pack on how they can be better prepared, and lastly, workshops (possibly more than one) to facilitate the engagement and readiness arrangements. A database of agencies/organisations involved with vulnerable people has been established with a focus upon the larger organisations together with a brief survey to gather relevant information. Work has also commenced on a tailor made communications pack and on developing the content for the workshops.

Kaipara Capability and Capacity

The national resilience fund is also being used to support the enhancement of readiness and response arrangements in the Kaipara District area. There are a number of key elements to the project involving facilities, personnel, training and community support and engagement, including welfare arrangements. Installation of a backup power system (emergency generator) and emergency services band radio communications into the emergency operations centre of the Kaipara District council is complete. The new format for the Community Response Plans has also been piloted at Mangawhai. To manage the additional workload associated with these projects the KDC CDEM officer has increased his hours from 0.4 to 0.6 FTE.

Professional Development

Coordinated Incident Management (CIMS) Level 4 courses are scheduled for this year, similar to previous years. However there may be an interruption to the scheduled courses as the outcome of the CIMS review is factored into the training material. Four courses have been scheduled.

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Arrangements are being put in place to provide a week-long block of training on the Emergency Management Information System (EMIS), focusing on Super Users, Welfare and Emergency Services. It is intended that the training be delivered by the North Island EMIS trainer in Northland.

Welfare Forum

MCDEM have flagged a number of changes to the manner in which welfare services are to be planned for and delivered. The changes are to be incorporated in the reviewed National Plan, due for release in early 2015. In the interim a two day forum to review welfare arrangements is to be held in Auckland on 19/20 March. It is intended that representatives from the Northland region attend this forum.

Monitoring and Evaluation

MCDEM have advised that they will be undertaking a second round on monitoring and evaluation of the CDEM arrangements in Northland. This follows the initial assessments conducted in late 2009. The capability assessment is due to commence in late July with a final report to be produced by October. MCDEM have indicated that the process will be simplified with a report that contains fewer recommendations; however they have indicated that a score will be allocated. MCDEM have indicated that they expect that the Northland score should be a minimum of 72% up from 62.9% in the 2009 assessment.

5.6 TRANSPORT

Regional Transport Management***Dust on Unsealed Roads***

The compilation of the Regional Dust from Unsealed Roads Mitigation Strategy is well advanced. Staff are however still awaiting infrastructural and statistical information from the various project partners which is important for the successful completion of this strategy.

“R” Funding

No further feedback has been received on this matter from the office of the Minister of Transport.

Financial Assistance Rate Review

In December 2013 NZTA released its discussion document entitled “Funding Assistance Rates (FAR) Review – Options Discussion Document. Based on feedback received from previous discussion documents, this document provides five FAR “Options” for land transport related activities. NZTA anticipate that in the event of a successful conclusion, these staged implementation of the new FAR option will commence at the start of the 2015-2018 National Land Transport Programme.

A full report on this matter is on the agenda for this council meeting and the February 2014 Regional Transport Committee meeting.

Staff are in the process of calculating the financial impact each proposed option will have on NZTA subsidies received by council.

Government Policy Statement

The Government Policy Statement which provides the national picture as to how the available funding should be directed is planned for release in June 2014.

Early funding signals are contained in a recently released NZTA document entitled "The NZ Transport Agency's Early Planning and Investment Signals – November 2013" in which it states that *"At the start of the 2015-2018 National Land Transport Programme, 80% of the National Land Transport Fund will be committed to existing and pre-approved programmes and projects"* and that *"The 20% balance of the National Land Transport Fund funding in the 2015-2018 National Land Transport Programme will be available for investment in transport improvement activities on a contestable basis. Funding will be directed to highest priority activities assessed under the Agency's Investment and Revenue Framework that ensures investment gives effect to the Government Policy Statement"*. Staff are working on the financial impact, but there is little chance of Northland receiving additional funding to the detriment of other regions.

Regional Land Transport Plan – 2015-2018

NRC staff have commenced work on the Northland Regional Land Transport Plan (RLTP) for the 2015-2018 funding period.

This work is in the early stages and is indicative only as the timing and content of the RLTP is dependent on the release of the Government Policy State government's planned national expenditure for the 2015-2018 funding period and NZTA national guidelines.

From the above and early indications it would appear that there is little chance of combined consultation on the RLTP and the council's Long Term Plan. Based on the information received, the following dates that must be met have been provided by NZTA:-

- 31 April 2015 – Regional Land Transport Plan 2015-2018 submitted to NZTA:
- 30 June 2015 - Signing off of the National Land Transport Programme 2015-2018 by NZTA.
- 31 July 2015 – Regional councils to publish their approved RLTP's

A paper on this matter will be tabled at the February 2014 Regional Transport Committee meeting.

Regional Public Transport Plan

Work has commenced on the review the Regional Public Transport Plan for Northland.

A Regional Public Transport Plan is a statutory requirement for all approved authorities receiving national subsidies for public passenger transport services.

This Plan covers the public transport of the region as required under the Land Transport Management Act 2003 and must meet the requirements the requirements of the Passenger Transport Operating Model as contained in the same Act.

The review of the Plan must be completed and made public by no later than 1 July 2015.

Hokianga Transport

At the request of the Opononi/Ōmāpere Ratepayers and Residents Association, staff attended a meeting on 19 December 2013. There is concern about the lack of transport between Opononi/Ōmāpere to Kaikohe for both residents and visitors. Staff have made initial enquiries with InterCity and will be following up on what other rural areas have trialled and/or implemented – for example services operated by

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Community Trusts seem to be becoming more popular, and seem to offer a more sustainable solution for rural communities. Subsidies from NZTA for any rural services are highly unlikely given the government's direction to focus funding on reducing congestion in major urban areas.

Passenger Transport Administration***Total Mobility (December 2013)***

Total Mobility figures are reported one month in arrears, as the information is not available in time to meet the agenda deadline.

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
December 2013	1018	\$13,835	\$16,666	-\$2,831	\$83,183	\$100,000	- \$16,817

An application was received from Whāngārei Passenger Services to become a Total Mobility Service Provider, utilising their specialist hoist fleet. The application was considered at the Total Mobility Working Group meeting held on 29 November 2013. The Whāngārei scheme is only open to approved taxi organisations as service providers, however if there was a need for an additional provider, then any applications must be considered.

The Group agreed that given the decline in uptake of the scheme, believed to be a result of the economic times, there was not necessarily a need for a third provider. Statistics provided by the two current operators showed a decline in the number of wheelchair hoist trips made, so much so that each company only has one van available for use, when previously there were two. The proposed zone fare system could also mean clients would pay slightly more than they are paying at present under the metered system. There were also concerns that there were no security cameras on board, as taxis are required to have. One of the working group members is still doing some investigating into whether there is a need for another provider – once this is completed the working group will again be asked to vote.

City Link Whāngārei (December 2013)

(figures include Gold Card and exclude GST)

(budgeted revenue calculated on proposed fare increase which was not implemented)

December 2013	Month Actual	Budget	Variance	December 2012
Passenger numbers	23,724	26,040	-2,316	21,492
Farebox revenue (GST excl)	49,471	\$57,707	-8,236	47,319

Farebox revenue excludes ticket sales at NRC as these have not be reconciled at time of completing this report.

SuperGold Card Scheme (October 2013)

Month Actual	Monthly Budget	Variance	Average 2012/13
4715	4,613	102	4,790

SuperGold Card Scheme

At the Regional Transport Officer's meeting, the Ministry of Transport confirmed that the moratorium on any new services entering the Scheme has been formally extended until 30 June 2015. The government has directed the Ministry to undertake a target review of the scheme, "considering options for cost efficient sustainable funding, excluding eligibility and entitlement considerations".

The review will "specifically consider whether new contracted services identified as integral to Regional Public Transport Plans should enter the scheme". For Northland, this is again confirmation that the Ministry will not consider allowing BusAbout Kaitiāia, nor any other new services which should commence, to join the scheme until this review is completed. This also means CityLink Whāngārei must operate within its existing funding allocation, and not amend the current off peak service in a manner that will increase, or encourage an increase in, SuperGold card usage.

CityLink Whāngārei

Christmas traffic and road works caused unavoidable delays across most services during December, however improved traffic management by contractors at the road works sites and the CityLink drivers swapping runs within their duties meant the spare bus was only used a few times. The drivers are to be commended for the way they go about their duties at this time of year.

Historically, patronage at this time of year does decline, and with most schools finishing in early December, passenger numbers have again confirmed this trend. However, there was an increase in passengers of 2,232 when compared to last year.

An electronic stored value card for CityLink will be introduced in early February. This will replace the paper based ten trip concession ticket currently in use. The cards will use the ticketing machines and equipment on board the fleet already, provided by Snapper. Snapper will be providing two staff members to assist with the "swap-out" of the paper concession tickets to the electronic card, and are also providing resource to update all the bus stop location GPS waypoints. This is important to NRC in that more accurate passenger travel data will be available to us, exact arrival and departure times from the main terminus can be ascertained, loading times should be quicker and cash amounts carried on board the buses will be greatly reduced.

Quotes have been received for the installation of security cameras at or near Rose Street. These will be evaluated and adjusted if need-be to ensure the systems are fit for purpose. Installation will take place as soon as possible.

The security guard will return to Rose Street at the end of January. He continued to discourage some of the negative activity at Rose St during the holiday period (even though he was not contracted during this time) and his diligence is greatly appreciated.

Road Safety Update

The national road toll for 2013 was 254 road deaths. This was lowest annual road toll since 1950 - a period of 63 years.

- The total number of deaths nationally on the roads for each of the last five years was –
 - 2012 – 308
 - 2011 – 284
 - 2010 – 375
 - 2009 – 384

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The official holiday period began at 4pm on Tuesday 24 December 2013 and ended at 6am on Friday 3 January 2014. During this period there were seven crashes that resulted in seven fatalities. Six of the seven fatalities occurred on the open road.

The Northland road toll for 2013 was 21 (compared to 18 in 2012). This included –

- ten deaths in the Far North
- eight deaths in the Whāngārei district and
- three in the Kaipara district

There are no reported road deaths so far for 2014 for Northland.

Navigation, Safety & Maritime Operations***Oil Spill Preparedness and Response***

Staff dealt with three oil spill incidents during this period. All the incidents were relatively minor and the oil slicks dispersed naturally.

The harbourmaster attended a national On Scene Commander meeting in Auckland as part of on-going assistance to the national oil pollution response team.

Planning is underway for a national and Tier 2 exercise in May this year.

Port and Harbour Safety

One hot work permit was issued during this period.

Nine ships were piloted safely in and out of the Bay of Islands. The Russell-Paihia Classic Swim event held on 7 December with 2,000 participants, coincided with two cruise ships in the bay. Close coordination between all parties involved resulted in a successful day. Good weather has been a feature of the cruise season so far.

The harbourmaster provided evidence for an environment court hearing in respect of a mussel farm application at Stephenson Island.

Maritime Incidents, Enforcement and Safety

Staff dealt with 26 maritime incidents during this period. One offender speeding on a jet ski was issued with an infringement notice. A serious collision between a commercial barge and a small recreational vessel, and a further incident involving a recreational vessel that ran aground at Tāpeka Point at high speed, both resulted in injuries to occupants. These incidents were referred to Maritime New Zealand for investigation. The latter vessel was salvaged on the harbourmaster's instructions.

An excavator stuck in the inter-tidal zone during coastal works for an external organisation had the potential for oil pollution, but was salvaged by the contractor's insurers after staff involvement. A moored car ferry broke loose from its mooring and ran aground off Ōpua. The vessel's mooring arrangement and position is being reconsidered by staff.

Staff are also dealing with a few abandoned vessels around the region. An abatement notice has been issued to a repeat offender who remains at anchor in contravention of coastal plan rules. Another vessel owner in Kerikeri is on final notice of his vessel being removed and disposed of.

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Harbour patrols by maritime staff were carried out in Whangaroa, Bay of Islands, Whangaruru, Whāngārei and Mangawhai. Emphasis was placed on diving safety this season. A number of dive flags acquired through funding from Maritime New Zealand were handed out during the patrols. The media team also organised an online dive flag competition. Early results indicate that the campaign has improved compliance. Summer safety messages were published in a media release.

(On 12th January an incident occurred involving a collision between a dinghy and an inbound yacht at Opuā that unfortunately resulted in a fatality. Police are investigating with assistance from Maritime NZ and the harbourmaster.)

Aids to Navigation

Lights were reported extinguished on Shag Rock, Bay of Islands and on the Ripiripi port hand buoy in Houhora. New lights were installed. Annual service of the Fraser Rock beacon on Tāpeka Point was completed. Refurbishment of Kerikeri beacons is almost complete, with one beacon left requiring maintenance

New graphics panels were installed on navigation signs at Waitangi, Whananaki, Pahi, Ruāwai, Langs Beach, Ruakaka, Marsden Cove, One Tree Point, Onerahi, Parua Bay and Whangaruru. The changes were made to ensure that information is kept up to date and relevant to the area and as part of planned signage renewal works.

Moorings

Work on updating 2,900 IRIS records with information on mooring construction and licence lengths for vessels is progressing well. This information is crucial to the issue of an actual licence document to all mooring holders which will clearly spell out the licence requirements and restrictions.

In a similar vein the input of location co-ordinates for all moorings from inspection reports to update GIS mapping is in progress. The planned installation of side scan (structure) sonar to the vessel Karetu and the updated position information will enable us to accurately map mooring areas, locate mooring blocks and conduct site inspections/audits in the future.

Work on automating the mooring inspection reports has begun – an electronic form to be used by the mooring contractors integrating with council systems. This should considerably reduce the workload for both contractors and NRC staff.

Other

Skipper assistance was provided to other departments for site visits for marine pollution, water quality and fanworm monitoring.

5.7 COMMUNITY REPRESENTATION AND ENGAGEMENT

Local Government Act Amendment Bill (No. 3)

A draft submission on the Amendment Bill is on the agenda for this meeting, for Council's consideration.

2013 Local Body Elections

The Electoral Officer's final report on the 2013 local body elections is attached for the council's information.

5.8 SUPPORT SERVICES

Public Communications

Media and Publications

Northland's media was monitored for items of interest to the council. Media releases were sent to appropriate media concerning the following:

- Whāngārei flood detention dam draws closer
- District councils' input sought on Northland Inc board
- More time for public input on regional moorings rethink
- Kaeo flood risk reduction works begin
- NRC offices to close for Christmas, New Year
- Lifejackets, dive flag and speed reminder for boaties
- Visitors to iconic lakes warned to 'check, clean, dry'
- Advocate and Northern Farming Lifestyles: December and January (final column by Bob Cathcart)
- Pest watch January and February

Publications completed during December

- Reprint of Backyard Burning brochure

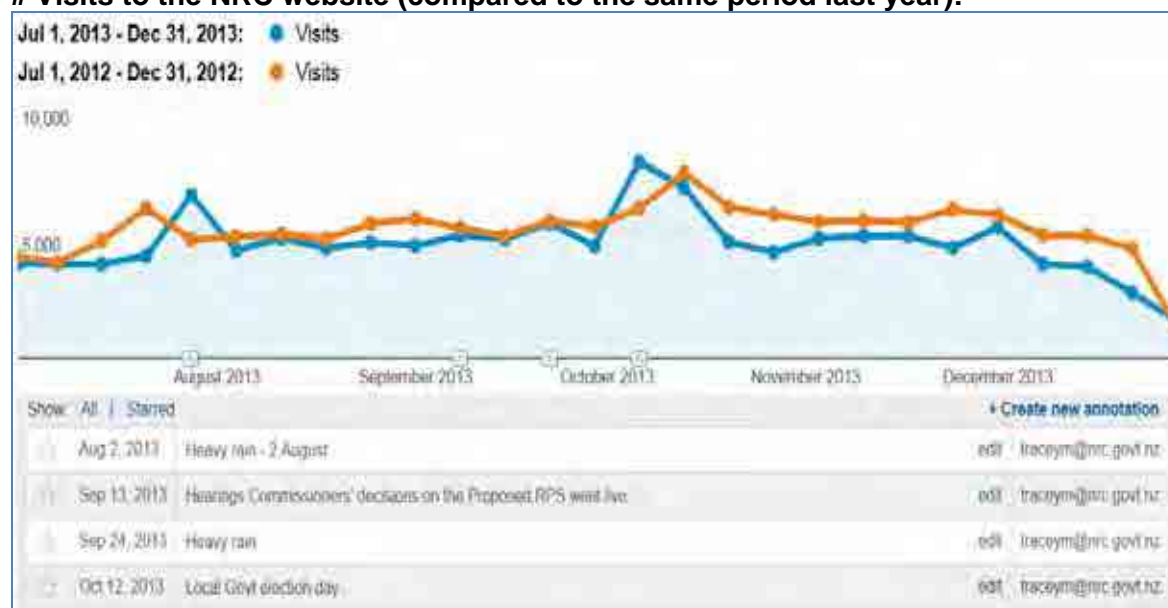
Online Channels

Highlights

- Moorings Buy & Sell Listing – Improvements have been made to the online Mooring Buy and Sell functionality to make the process more efficient for the maritime team to check, approve and publish listings. A new search function also enables people to search for a listing to buy/rent based on criteria such as location and vessel size. This new search functionality replaces the previous situation where visitors had to scroll through a list of around 80 moorings to find one that matched their requirements.

Website monthly usage – www.nrc.govt.nz

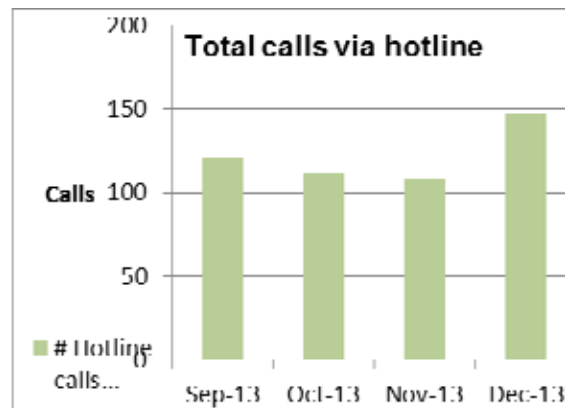
Visits to the NRC website (compared to the same period last year):



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Key Performance Indicators	Sept-13	Oct-13	Nov-13	Dec-13
WEB				
PDF documents downloaded (Transactions)	2,877	3,214	2,395	1,636
\$ Print value of documents downloaded	\$29,984	\$30,648	\$22,235	\$9,685
E-payments made	4	7	25	26
GIS Service - Number of unique visitors	308	368	818	579
GIS Service - Number of visits	520	645	1,242	882
# subscription customers (cumulative)	826	861	873	884
SOCIAL MEDIA (cumulative)				
# Twitter followers	585	596	607	616
# NRC Facebook fans	339	347	357	362
# CDEM Facebook fans	476	487	543	587
# CoastCare Facebook fans	105	107	108	112

Customer Services**Events**

Public events currently registered with the Events Co-ordinator (where the council has a role) as at 13 January 2014 are:

Event	Date	Department represented	NRC Role	Description
JANUARY				
Doubtless Bay catchment working group, Taipā Bay Resort	29 Jan	Planning & Policy	Organiser	Group meeting
Local Government Reform - Ruakaka Recreation Centre, Takutai Place	30 Jan	CEO	Organiser	Public meeting to inform community of LGC proposal & submission
Local Government Reform - Marina Room, Oceans Resort Hotel, 4 Marina Road, Tutukākā	31 Jan	CEO	Organiser	"
NZ Dairy Industry Awards Sponsors Entrant Event	22 Jan	Community/Land	Sponsor	Information about the award process and opportunity for sponsors to meet entrants

Continued...

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FEBRUARY				
Paparoa Show	1 Feb	Biosecurity, Land, Community	Exhibitor	Displays on pest plants, check clean, dry campaign and land management activities. Information LGR will also be available.
Local Government Reform - Parua Bay Community Centre, 1347 Whāngārei Heads Road	3 Feb	CEO	Organiser	Public meeting to inform community of LGC proposal & submission
Local Government Reform – Business after 5, Council Chambers	5 Feb	CEO	Facilitator	Northland Chamber of Commerce event hosted by NRC to inform business community about local government reform
Estuary Monitoring with Te Uri O Hau	7 Feb	Land	Supporter	Training kaitiaki of Te Uri O Hau.
Local Government Reform - Council Chamber, Northland Regional Council, 36 Water Street,	10 Feb	CEO	Organiser	Public meeting to inform community of LGC proposal & submission
Local Government Reform - Kerikeri Business Association (PalmCo, Wiroa Rd)	11 Feb	CEO, Chairman	Guest	KBA-hosted event to inform Kerikeri service clubs about local government reform
Kai Iwi Lakes Community Day	15 Feb	Biosecurity, Biodiversity, Community	Partner	A community event including a workshop on aquatic pests, presentation on dune lakes and snorkelling activities.
Field Day - Avoca lime quarry on Lovell Rd, Ruatangata	19 Feb	Land	Supporter	Educative event on wetland restoration
Kaitāia A & P Show	22 Feb	Biosecurity & Land	Exhibitor	Display on pests, weeds and any other topical issues for the area.
Northland Field Days	27 Feb- 1 Mar	Community, Land, Biosecurity, Coastal	Exhibitor	Large 3 day event, themed, covers many aspects of what we do rurally
World Wetland Day (Kaitāia)	27-28 Feb	Biosecurity, Land, EnviroSchools	Exhibitor	Assist with display items and promotional material.
MARCH				
NZ Dairy Industry Awards Dinner	26-Mar	Land	Sponsor	Award dinner where the winners of the NZ Dairy Awards are announced.

Environmental Education***Northland Regional Council School Visits***

School visiting this month focussed on monitoring water quality using the NIWA Stream Health Monitoring and Assessment kit with students in a Kaipara Harbour catchment waterway in the Tangihua Ranges.

EnviroSchools**EnviroSchools Green-Gold and Bronze celebrations held**

The final EnviroSchools celebrations for 2013 took place in December. On 6 and 11 December, Whāngārei Heads and Oturu schools respectively celebrated becoming Green-Gold EnviroSchools at events embracing their school communities. The emotionally-charged ceremonies included the presentation of a Green-Gold sign,

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raising of the Green-Gold flag, speeches and performances, and the sharing of green and gold cupcakes. Both celebrations recognised the schools for their strong connections to the environment and their local communities. We can be proud that these schools are effecting change for a sustainable world.

On 19 December, Comrie Park Kindergarten, in Matarau, celebrated becoming the first Northland EnviroSchools kindergarten to achieve EnviroSchools Bronze. The kindergarten was recognised for integrating the EnviroSchools kaupapa, (principles), into its teaching and learning, implementing sustainable practices and being a leading-light in its local community and beyond.

The EnviroSchools holistic reflection process provides a structure and set of tools for acknowledging progress and celebrating action. The Bronze to Silver to Green-Gold framework is also a way to inspire and engage the wider community.

EnviroSchools national manager visits Northland

On 18 and 19 December, the national manager – EnviroSchools from The EnviroSchools Foundation worked with members of the Northland team. Matters covered included: the reflection framework, operating at full capacity, the Northland EnviroSchools in the Early Years agreement and outcomes harvesting.

EnviroSchools national report produced

In December, The EnviroSchools Foundation distributed its national report entitled 'Pūrongo 2012-2013 Celebrating Progress'. The report features regional participation and partners in its two main networks: EnviroSchools and Te Aho Tū Roa (Māori medium). EnviroSchools Northland photos and activities are highlighted throughout the document.

Northland Seaweed 2014 planning meeting held

Seaweed is an annual, national celebration of the sea run by the New Zealand Association for Environmental Education (NZAAE). This year it runs from 1 – 10 March with the theme: 'Our fragile, finite taonga – be alert to the fragility of the marine environment and its treasures. Kia mataara! Tiakina te au o te moana, he kōpīpī tōna'.

On 17 December, the Department of Conservation, Mountains to Sea Conservation Trust and Kiwi North joined council staff in a planning meeting to co-ordinate the organisations and events for Seaweed in Northland. To date, event ideas for throughout Northland include: community snorkelling and kayaking days, whale rescue training, CoastCare beach days, hull assessments, beach clean-ups, marine pest hunt and 'end of the line' in-school sessions.

Facilitation of EnviroSchools communities

In addition to the above actions, EnviroSchools facilitators have worked in the following school communities during December: Hōreke, Onerahi, Oromahoe, Oruaiti, Otaika, Oturu, Peria, Ruakaka, Te Kura o Hato Hohepa Te Kamura, Whananaki and Whāngārei Heads.

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**Local Government Official Information and Meetings Act
Requests during December:**

Name	Parent
Office of the Ombudsman LGOIMA Complaint from Williams D relating to the Rockpoint Report	CEO's office
Ngati Hau Trust Board Resource Management LGOIMA request for copy of revised work plan from De Grey Mining Ltd for gold drilling Puhipuhi	Chairman
Green Party of Aotearoa NZ LGOIMA Request for information on contribution or support to Economic Development Agency or businesses	Finance & IT

Human Resources***Staff matters*****Terminations**

Bob Cathcart, Land Management Specialist, finished his fixed term employment with the council on 20 December 2013.

Appointments

Amelia de Beer, casual, was appointed on a fixed term basis to the position of Canteen/Catering Officer until 27 June 2014 at which time the position will be reviewed.

Jack Hamilton, student, commenced 12 weeks summer employment on 2 December 2013 and is based in Biosecurity.

Matthew Goodwin-Brown, scholarship student, also commenced 12 weeks summer employment on 2 December 2013 and is based in Maritime.

Vacancies

The positions of River Engineering Technician and EDRMS Programme Manager were advertised internally and externally during the month with applications closing on 5 December 2013. Interviews for River Engineering Technician were held on 11 and 12 December 2013 and EDRMS Programme Manager interviews held on 13 December 2013. Offers of employment have been made with the respective start dates being 28 January 2014 and 17 February 2014.

Applications are being sought for the position of independent member of the Audit and Risk Committee as well as nominations for directors of Northland Inc. Limited. Internal and external advertisements close on 16 January 2014.

Employment Relations

Consultation on further changes to both the Collective Employment Agreement and the Individual Employment Agreement is currently underway. Changes are in relation to police criminal checks and medical terminations.

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Staff establishment

STATUS	Dec 2013	Jan 2013	Nov 2013
Full Time Permanent	131	132	131
Part Time (FTE)	10.6	11.8	10.6
Fixed Term (incl Part Time FTE)	7.9	6.4	8.1
Students/TFG and Temps	7	7.4	5
Vacancies	7	3	7
TOTAL FTE	163.5	160.6	161.7

Training

Course	Venue	Dates	Employees
Regional Transit Officers' Meeting	Palmerston North	05-06.12.13	C Powell, S Selkirk
4WD Training	Whāngārei	13.12.13	W Bowden, M Grant, M Rowlands

Staff turnover

Staff turnover as at the end of December 2013 for the past 12 months was 7.7%.

Health and Safety***Accidents reported***

1. A pilot jumped off the cruise ship manrope to the Waikare and hit the safety grab rail, hurting his lower back. Rail has been painted yellow. This action provides a sufficient visual aid that will minimise further incidents. Staff will also attend a new safety briefing. The injury was not serious harm.
2. A staff member has reported excessive pain to hands, arms and shoulders as a result of computer use. They have been referred to Company Medic as a number of other initiatives have been tried.

Incidents reported

The show trailer door completely came off just out of Taipā. No injuries occurred. The trailer is being repaired and actions taken to prevent a reoccurrence.

Motor vehicle incidents

A head on collision between an NRC ute and a Department of Conservation vehicle on Jackson Road, Puketi Forest. Both vehicles were damaged but there were no reported injuries. A report of the accident has been provided.

H&S issues, inspections and visits

Chemical storage at Dargaville: the report supplied by Tech-ops has since proved inaccurate and a new report has been scheduled for early 2014.

Workplace inspections are ongoing. Defensive Driver, 4WD and trailer training is also on going as is First Aid training (Comprehensive and Refresher courses).

Dangerous Goods endorsement for staff carrying chemicals has been completed.

The Cancer Society has upgraded sunscreen safety to 50SPF and this is available to staff along with 30SPF.

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Currently a review of Transport Management Plans (TMP's) is required for all staff who work within five meters of the road edge. Staff in this situation are required to be trained in traffic control and the use of traffic safety equipment: reference CoPTTM 2013 V4. There is also a need for further training for certain staff to STMS level (Site Traffic Management Supervisor) to legally manage multiple sites. A review of all equipment required will also be needed to be done to ensure there is enough available.

A new era in health and safety began on 16 December 2013 with the Worksafe NZ Act 2013, which will replace the HSE Act 1992, coming into effect. New H&S training will be implemented in 2014 which will include all SPM's, PM's and H&S representatives.

FINANCE AND IT***Fraud declaration***

Fraud is an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage. I am not aware of any fraud nor am I investigating any incidence or suspected incidence of fraud at this time.

Finance

Council's financial report to 25 November 2013 was distributed to councillors only due to the month end cut-off date falling past the council agenda deadline. **Attached** is a copy of this report which was emailed to Councillors prior to the Christmas recess. The net operating surplus for the five months to November 2013 is \$2.711M against a budgeted surplus of \$1.793M, resulting in an overall favourable variance for the year to date of \$918K before the transfers to or from the Special Reserves. This variance arises from expenditure for the five months being behind budget of \$304K or 3% and revenue being ahead of budget by \$614K or 5%.

Due to the Christmas holiday period and council not usually reporting on financials until February, the December 2013 finance report will be reviewed by me. January 2014 reporting will be presented in February's Audit & Risk Committee Meeting which is being held on 18 February.

Compliance with decision making processes:

The activities detailed in this report are provided for in the council's 2012-2022 Long Term Plan, and as such are in accordance with the council's decision making process and sections 76 to 82 of the Local Government Act 2002.

Recommendation:

That the Chief Executive Officer's report dated 17 January 2013 be received.

ATTACHMENTS

1. Detailed information – Consents decisions and progress on notified applications in process, objections and appeals.
2. Environmental Monitoring for the period 23 November – 31 December 2013
3. Financial Report to 25 November 2013
4. Electoral Officer's Report on 2013 Local Body Elections

ATTACHMENT 1

CONSENTS DECISIONS AND PROGRESS ON NOTIFIED APPLICATIONS IN PROCESS, OBJECTIONS AND APPEALS

The Consents/Monitoring Senior Programme Manager's report on resource consent decisions issued under delegated authority since 1 December 2013 is circulated to councillors under separate cover.

Progress on notified applications, objections, and appeals is as set out in the following tables:

NOTIFIED APPLICATIONS

Progress on Applications Previously Notified

Applicant	Proposal	Progress
Far North Holdings Limited APP.008385.30.01	Various consents associated with a proposed pile berth extension of the Ōpua Marina	Forty submissions received, 23 in opposition, 13 in support, three neutral and one partial support/oppose submission. Fifteen submitters wish to be heard at a hearing with six submitters not indicating whether they wish to be heard or not. Processing timeframes have been extended at the applicant's request. Discussions with the applicant indicate that it will have determined the way forward for its application by the end of December 2013.
Kaipara District Council APP.009888.01.01 (<i>"Boar Hill"</i>) APP.009889.01.01 (<i>"Cattlemount"</i> and <i>"Cattlemount Spring"</i>) APP.007582.01.02 (<i>Piroa Stream</i>)	To authorise existing water takes for the public water supply of Maungaturoto. In addition, new consents are also being sought for a proposed stream flow monitoring weir	Boar Hill/Cattlemount: Four submissions received on each set of applications, one in opposition, one in support and two neutral. Two submitters wish to be heard. Piroa: Five submissions received, one in opposition wishing to be heard, and four has been in support not wishing to be heard. Agreement reached with the applicant on draft conditions. Applicant has recently withdrawn application APP.003815.01.03 (Brynderwyn Stream take). As a result of discussions with heard submitters, all but one is agreeable to withdrawing their wish to be heard. Council staff having issues with getting response from Department of Conservation who are outstanding heard submitter. Also need to discuss applications with Te Uri o Hau who are a "neutral" submitter to ensure informed of progress to date. .

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Applicant	Proposal	Progress
Far North District Council APP.004007.01.03	East Coast Bays Wastewater Treatment Plant (Taipā) replacement discharge consents	Fifty-four submissions received, 24 wishing to be heard and 30 not wishing to be heard. Most of those oppose the current operation of WWTP. The applicant has allocated budget for an upgrade to the existing WWTP and has undertaken an investigation into potential upgrade options. The applicant is proposing to reopen discussions with submitters in late November 2013 on a way forward with this application. It is very likely though that a formal hearing will be required. Depending on the results of discussions with submitters, the Council will discuss tentative dates for a hearing with the applicant in February 2014.
Li Liangren Family Trust APP.024253.01.01	Earthworks and stormwater consents for 118 lot subdivision at Tinopai	Six submissions received (one late) with five being in opposition and one neutral. Four submitters wish to be heard. Joint applications for subdivision with the Kaipara District Council (KDC) as lead authority. Hearing delayed pending receipt of further information sought by KDC. Hearing date delayed at request of applicant for it to carry out further investigation of a number of ecological matters. The deadline for provision of this information is currently under discussion with the applicant.
B C Taylor APP.015366.01.02	Use of a coastal structure (building) for accommodation and community hall at Whakapirau	Nine submissions received, two in support and seven in opposition. Six submitters wish to be heard. Issues between the applicant and the Kaipara District Council (KDC) associated with the designation of the land have been resolved. The applicant is still resolving issues over ownership of the building with the KDC and has been granted an extension of time under section 37 to enable this. Although the applicant had been hopeful that this would be concluded by the end of November 2013, this had not occurred by the end of 2013.

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Applicant	Proposal	Progress
Millpara Avocados Limited APP.014520.01.02 APP.014520.02.01	Increase in existing groundwater take for avocado irrigation purposes, Paparore, Far North	Twelve submissions received within time, with one submitter wishing to be heard. Nine are in opposition, one in support and two neutral. One further (late) submission in opposition received. With the approval of the applicant, the council has placed the application on hold to determine the additional information requirements required to assess the adverse effects on other groundwater users that were raised in submissions. As a result of the council's assessment of possible options regarding additional information, the applicant has requested that the council proceed with processing the application to take water from its existing bore while leaving the other application to take water from a new bore on hold until the reassessment of the Aupouri groundwater resource being undertaken by council is complete. The Council has circulated this proposal along with draft conditions to submitters with a request to respond by 25 November 2013. Both heard submitters have indicated that they agree with proposed approach to processing these two consents. Decision to be issued for existing take in early new year.
Whaingaroa Fisheries Company Limited APP.008120.01.01	Marine farm (fish and shellfish) at Owhanga Bay, Whangaroa Harbour	A total of 310 submissions received (two late) all in opposition, with 107 submitters wishing to be heard. Some have requested independent commissioners under section 100A to hear the proposal. A hearing date of 17 March 2014 has been set and the 4 November 2013 deadline for provision of information sought from the applicant under section 92 has been extended until 14 February 2014.
New Zealand Refining Company Limited APP.008319.16.01	Proposed stormwater basin overflow spillway and discharge of treated stormwater	One submission received, not wishing to be heard and in support of the application. Decision issued under delegated authority on 4 December 2013.
Robinia Investments Limited APP.036304.01.01	Beach replenishment and groyne at Clendon Cove, Bay of Islands	No submission received. Decision issued under delegated authority on 16 December 2013.
New Zealand Transport Agency APP.030711.01.01	State Highway 1 realignment at Akerama, Hukerenui	Five submissions received, with one in opposition and wishing to be heard. Discussions are being held between the applicant and this submitter toward resolving the outstanding issues. A Cultural Impact Assessment is being sought on the impact of iwi.

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APPEALS/OBJECTIONS

Applicant	Proposal	Progress
Poutō Farms Limited APP.021258.01.01	Flood protection works at Kaihū River	Objection to decision to return application documents as incomplete, but the applicant is still seeking stay of hearing, pending receipt of flood model data to enable completion of application detail.
Mangawhai Harbour Restoration Society APP.026844.01.01	Removal of 87 hectares of mangroves from Mangawhai Harbour and channel dredging	Appeal lodged by the applicant. Thirteen section 274 parties. Environment Court assisted mediation was held on 14 September 2011. There was no resolution and the appeal hearing commenced 30 April 2012. An interim decision has been issued by the Court declining the consent sought for dredging and indicating that consent might be forthcoming for three, possibly four, mangrove removal sites subject to satisfactory responses from the parties on conditions, mapping in one area and a jurisdictional question posed by the Court. Upon provision of these responses, the Court then directed the applicant to make a number of amendments to conditions. This has been done and the Court issued its final decision on 3 December 2014.
Westpac Mussels Distributors Limited APP.029371.01.01	94.05 ha marine farm (mussels, mussel spat catching, and oyster depuration and growing) west of Stephenson Island, near Whangaroa Harbour	Appeals lodged by Yachting New Zealand and Whangaroa Maritime Recreational Park Steering Group (WMRPSG). A number of section 274 parties have attached to the WMRPSG appeal. Environment Court hearing commenced on 9 December 2013.
J K Upperton APP.008867.01.02	Earthworks in the Riparian Management Zone relating to a construction of a proposed dwelling and access	Appeal lodged by A Hamilton relating to notification decision, significance of site to Maori and cultural values and effects on kai moana. A mediation conference convened by the Environment Court on 12 December 2013 was unsuccessful and a hearing date will now be set by the Court.
Whāngārei District Council, Parks Division APP.030692.01.01	Proposed boatramp and reclamation at Pātāua North estuary	Appeal lodged by Te Waiariki Ngati Korora, Ngati Taka Pari Hapu. The Environment Court has directed a full report on progress be provided to it by the parties by 7 February 2014.

ATTACHMENT 2

Environmental Monitoring for the period 23 November – 31 December 2013

ABBREVIATIONS KEY

WDC	Whāngārei District Council	FNDC	Far North District Council	KDC	Kaipara District Council	DOC	Department of Conservation
NPC	Northland Port Corporation	NZRC	NZ Refining Company	NRC	Northland Regional Council	FNHL	Far North Holdings Ltd
CH	Consent Holder	STS	Sewage Treatment System	POD	Point of Discharge	PA	Permitted Activity
ESCP	Erosion and Sediment Control Plan	RAQP	Regional Air Quality Plan	RWSPN	Regional Water and Soil Plan for Northland		
RC	Resource Consent	CMA	Coastal Marine Area	RCPN	Regional Coastal Plan for Northland		

DISCHARGES TO AIR – No significant non-compliant events were recorded during the period 23 November – 31 December 2013.

COASTAL ACTIVITIES – No significant non-compliant events were recorded during the period 23 November – 31 December 2013.

WATER TAKES – No significant non-compliant events were recorded during the period 23 November – 31 December 2013.

LAND USE ACTIVITIES

Date	Consent Reference No.	Name	Description	Notes	Environmental Impact
28/11/2013	REG.008963.01	Fulton Hogan Northland	Quarry @ Flyger Road, Mata	<ul style="list-style-type: none"> Multiple areas of the quarry were in non-compliance with RC conditions. Sediment and control measures of a very poor standard and non-existent in some areas. Formal enforcement action taken. 	Moderate

DISCHARGES TO WATER OR LAND

Date	Consent Reference No.	Name	Description	Notes	Environmental Impact
27/11/2013	REG.007203.01	FNDC - Whatuwhiwhi STS	Discharge treated municipal sewage @ Whatuwhiwhi Sewage	<ul style="list-style-type: none"> The median faecal coliform levels in the 	Minor

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			Treatment System	final discharge did not comply with the RC limit.	
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FARM DAIRY EFFLUENT DISCHARGES – CONSENTED**Routine inspections of consented farms**

Date	Consent Reference No.	Name	Description	Notes	Environmental Impact
31/10/2013	REG.008749.01	McLaren B S	FDE 1422 @ Poyner Road, Ararua	<ul style="list-style-type: none"> Required upgrade not completed. Changed to all year milking. Maintenance inadequate. 	Unknown
01/11/2013	REG.010550.01	Mataira D R C (Arona Farms Ltd)	FDE 3351 @ Mangakahia Road, Pakotai	<ul style="list-style-type: none"> Maintenance required. Water quality test results outside RC limits. 	Moderate
04/11/2013	REG.009353.01	Ballard L J & H P	FDE 1218 @ Linton Road, Marohemo	<ul style="list-style-type: none"> Excessive overland flow from effluent irrigation to water. 	Moderate
04/11/2013	REG.010584.01	Ballantyne & Rix Limited	FDE 1216 @ Batley Road, Marohemo	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Significant
04/11/2013	REG.009454.01	Haddrell Transport Ltd	FDE @ 1236 Ford Road, Marohemo	<ul style="list-style-type: none"> Pipe between ponds 2 and 3 had disconnected. 	Unknown
05/11/2013	REG.008767.01	Rural Skyline Ltd	FDE 1441 @ Porter Road, Ararua	<ul style="list-style-type: none"> Effluent from entry/exit race had been piled on bank above water. 	Unknown
05/11/2013	REG.009458.01	Fenwick W D & S L	FDE 1430 @ Ararua Road, Ararua	<ul style="list-style-type: none"> Untreated effluent discharged to wrong system due to blocked pipe. Water quality test results markedly outside RC limits. 	Moderate
06/11/2013	REG.009710.01	Parker A J & E A	FDE 1527 @ Swamp Road, Mareretu	<ul style="list-style-type: none"> Effluent from irrigator caused excessive ponding and overland flow. 	Unknown
06/11/2013	REG.009156.01	Thornton P T & D M	FDE 1526 @ Golden Stairs Road, Taipuha	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Significant
06/11/2013	REG.001819.01	Clements Family Trust	FDE 1501 @ Station Road, Paparoa	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Moderate
06/12/2013	REG.014498.01	Massey S M	FDE 3520 @ Wharekohe Road, Poroti	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Moderate

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08/11/2013	REG.010496.01	Baker J N & A	FDE 8684 @ Arapohue Road, Dargaville	<ul style="list-style-type: none"> • Unauthorised discharges from feed area on race and effluent irrigated over water. 	Unknown
12/10/2013	REG.010489.01	Philip Bayly Family Trust	FDE 7489 @ Wallace Road, Paiaaka	<ul style="list-style-type: none"> • Washdown discharged to stormwater diversion bypass onto road and into drain. 	Minor
12/11/2013	REG.012458.01	Brown P L Farms Ltd	FDE 3436 @ Mangakahia Road, Titoki	<ul style="list-style-type: none"> • Treated effluent discharged to water when should have been irrigated. • Water quality test results outside RC limits. 	Moderate
12/12/2013	REG.009006.01	Bennett M G	FDE 7300 @ Russell Road, Whangaruru	<ul style="list-style-type: none"> • Inadequate management. • Effluent entered pond 1, largely bypassed pond 2 and had overflowed halfway down pond 3. 	Unknown
14/11/2013	REG.012456.01	Brown P L Sharemilking Ltd	FDE 3409 @ McCardle Road, Titoki	<ul style="list-style-type: none"> • Effluent from transfer trench was likely to discharge to water. • Agreed remedial works not done. 	None
14/11/2013	REG.011300.01	Douglas D B Ltd	FDE 3412 @ McCardle Road, Titoki	<ul style="list-style-type: none"> • Effluent from yard bypassed pond 1. 	None
15/11/2013	REG.011771.01	Donagh Farm Trust	FDE 1914 @ Crutcher Road, Waiotira	<ul style="list-style-type: none"> • Pond upgrade not completed. 	Unknown
18/11/2013	REG.008835.01	Munn D R	FDE 8259 @ Middleton Road, Waihue	<ul style="list-style-type: none"> • Water quality test results outside RC limits. 	Minor
18/11/2013	REG.007615.03	Nedak Farms Ltd	FDE 8244 Waihue Road, Waihue	<ul style="list-style-type: none"> • Effluent discharged to water when required to irrigate to land. 	Unknown
19/11/2013	REG.009475.01	West Coast Dairy Investments Ltd	FDE 8330 @ Frith Road, Mamaranui	<ul style="list-style-type: none"> • Effluent discharged to water when required to irrigate to land. • Dead cow in water. 	Moderate
20/11/2013	REG.010846.01	M S & J K Bracey	FDE 8376 @ State Highway 12, Dargaville	<ul style="list-style-type: none"> • Effluent from a sump overflowed to a drain. 	Unknown
25/11/2013	REG.013118.01	Taylor S F & L K	FDE 8613 @ Pukehuia Road, Omana	<ul style="list-style-type: none"> • Effluent discharged to water when conditions were suitable for land application. 	Moderate

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				<ul style="list-style-type: none"> Water quality test results outside RC limits. 	
25/11/2013	REG.011104.01	CJR Farms Ltd	FDE 8588 @ Girls High School Road, Omana	<ul style="list-style-type: none"> Effluent discharged to water when conditions were suitable for land application. Water quality test results outside RC limits. 	Moderate
25/11/2013	REG.012092.01	Hudson K A & G C	FDE 3728 @ Bercich Road, Maungakamea	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Moderate
26/11/2013	REG.012480.01	Draffin N J	FDE 3503 @ Mangakahia Road, Poroti	<ul style="list-style-type: none"> Effluent discharged from underpass system when conditions were suitable for land application. Water quality test results outside RC limits. 	Moderate
26/11/2013	REG.011695.01	Neeley B W R	FDE 3515 @ Whatitiri Road, Poroti	<ul style="list-style-type: none"> Dead pig in pond. Water quality test results outside RC limits. 	Minor
27/11/2013	REG.008753.01	Skelton P N & S J W	FDE 1935 @ Waiotira Road, Waiotira	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Moderate
27/11/2013	REG.009223.01	McCullough Homestead Ltd	FDE 1930 @ Waiotira Road, Tauraroa	<ul style="list-style-type: none"> Water quality test results outside RC limits. 	Minor
28/11/2013	REG.011196.01	Attwood Farms Ltd	FDE 2515 @ Maungakamea Road, Purewa	<ul style="list-style-type: none"> Untreated effluent from sump overflow discharged to land. 	Unknown
28/11/2013	REG.008808.01	Jones D A & E D	FDE 2525 @ Ormandy Road, Mangapai	<ul style="list-style-type: none"> Effluent discharged to water when conditions were suitable for land application. Water quality outside RC limits. 	Moderate
31/10/2013	REG.008749.01	McLaren B S	FDE 1422 @ Poyner Road, Ararua	<ul style="list-style-type: none"> Required upgrade not completed. Changed to all year milking. Maintenance inadequate. 	Unknown

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Reasons for Significant Non-Compliance:	Jul	Aug	Sep	Oct	Nov	Dec	Total
Water quality test results outside consent limits	0	3	7	9	9	1	29
Untreated effluent discharged to water (e.g. feedpad; underpass; entry/exit race; stormwater bypass)	0	20	9	9	0	0	38
Discharge from irrigator to water	0	0	0	0	1	0	1
Excessive ponding; overland flow; discharge from irrigator into setback distances	0	3	2	2	2	0	9
Inadequate management (e.g. broken pipes, sump overflow)	0	2	3	7	4	1	17
High risk of adverse environmental effects (but no discharge to water at time of inspection)	0	0	3	0	3	0	6
Required upgrade not completed by due date	0	2	0	2	2	0	6
Discharge to water when should be irrigating	0	0	0	0	8	0	8
Total	0	30	24	29	29	2	114

FARM DAIRY EFFLUENT DISCHARGES – NON-CONSENTED**Routine inspections of permitted activity (non-consented) farms**

Date	Consent Reference No.	Name	Description	Notes	Environmental Impact
04/11/2013	REG.804060.01	Taylor G R N & S J	FDE 9013 @ State Highway 12, Paparoa	• Effluent discharged to water without consent.	Moderate
08/08/2013	REG.804118.01	Ridgeview Farms Ltd	FDE 8662 @ Bee Bush Road, Dargaville	• Effluent leaked through pond embankment to water.	Unknown
11/11/2013	REG.800934.01	Fox G O & J	FDE 8392 @ State Highway 12, Aranga	• Effluent leaked through pond embankment to water.	Minor
13/11/2013	REG.800924.01	Hayes R P	FDE 8344 @ State Highway 12, Mamaranui	• Untreated effluent discharged down stormwater diversion at washdown.	Unknown
14/11/2013	REG.801092.01	AAF Farms Ltd	FDE 3240 @ Puketitoti Road, Titoki	• Effluent from irrigator discharged to water.	Moderate
15/11/2013	REG.804424.01	Henderson M C & L J	FDE 1901 @ Millbrook Road,	• Effluent from feedpad not contained.	None

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			Taipuha	<ul style="list-style-type: none"> Agreed works not completed. 	
20/11/2013	REG.800978.01	Beatty M A & J D	FDE 8555 @ State Highway 14, Tangiteroria	<ul style="list-style-type: none"> Effluent flowed over pond embankment to water. 	Significant
21/11/2013	REG.800966.01	Sharemilk Ltd	FDE 8503 @ Settlement West Road, Tangowahine	<ul style="list-style-type: none"> Untreated effluent from a leaking pipe discharged to water. 	Unknown
22/11/2013	REG.801116.01	Kohatu Ltd	FDE 3864 @ Mangakahia Road, Maungatapere	<ul style="list-style-type: none"> No contingency storage. 	Unknown
22/11/2013	REG.804326.01	Johnstone L	FDE 3821 @ State Highway 14, Whāngārei	<ul style="list-style-type: none"> Effluent from storage pond leaked into the ground. 	Unknown
25/11/2013	REG.800997.01	Thornton M D & K R	FDE 8611 @ Pukehuia Road, Pukehuia	<ul style="list-style-type: none"> Effluent discharged through a pond embankment to water. 	Unknown

Reason for Significant Non-Compliance:

	Jul	Aug	Sep	Oct	Nov	Dec	Total
Untreated effluent discharged to water (e.g. feedpad; underpass; entry/exit race; discharge via stormwater bypass)	1	9	6	3	1	0	20
Unauthorised discharge of treated effluent to water	0	5	3	7	6	0	21
Discharge from irrigator to water	0	0	2	1	1	0	4
Excessive ponding; overland flow; discharge from irrigator into setback distances	0	6	9	2	0	0	17
No (or inadequate) contingency storage	0	2	0	1	1	0	4
Inadequate management (e.g. broken or blocked pipes; sump overflow; irrigator/pump maintenance)	0	1	1	4	0	0	6
High risk of adverse environmental effects (but no discharge to water at time of inspection)	0	1	1	0	1	0	3
Total	1	24	22	18	10	0	75

SOE MONITORING – AIR, LAKES AND WATER

Classification	Date	Project	Notes
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Air Quality	5/12/2013	Whāngārei Airshed - Ambient Air Monitoring	<ul style="list-style-type: none"> Continuous ambient air monitoring results for PM₁₀, carbon monoxide and sulphur dioxide at the Robert Street site, Whāngārei, indicated compliance with the National Environmental Standard in November 2013.
	20/12/2013	Marsden Point Airshed - Ambient Air Monitoring.	<ul style="list-style-type: none"> Continuous ambient air monitoring results for PM₁₀ at Bream Bay College, Ruakaka, indicated compliance with the National Environmental Standard in November 2013.
Groundwater	14/11/2013	Mangawhai - Nitrate Investigation	<ul style="list-style-type: none"> Routine groundwater monitoring at Mangawhai.
	26/11/2013	Maungakaramaea Project - Nitrate Investigation	<ul style="list-style-type: none"> Routine groundwater monitoring at Maungakaramaea.
	26/11/2013	Whatitiri - Nitrate Investigation	<ul style="list-style-type: none"> Routine groundwater monitoring at Whatitiri.
Local Water Quality Monitoring Network (LWQMN)	18/11/2013	Aupōuri Lakes	<ul style="list-style-type: none"> Routine monthly water quality monitoring of Lakes Carrot, Heather, Ngatu, Ngakapua North, Ngakapua South, Rotorua, Rotokawau, Waiparera, Waihopo, Waipara, Morehurehu, Te Kahika and Waiporohita.
Regional Water Quality Monitoring Network (RWQMN)	20/11/2013	RWQMN – Eastern	<ul style="list-style-type: none"> Routine monthly water quality monitoring of Waitangi, Waipapa, Kerikeri, Waiharakeke, Waiotu, Ngunguru, Hātea and Whakapara Rivers, and the Mangahuru Stream.
	20/11/2013	RWQMN – Southern	<ul style="list-style-type: none"> Routine monthly water quality monitoring of the Ruakaka, Hakaru, Manganui, Waipao, Mangere, and Otaika Rivers, and two sites on the Waiarohia Stream.
	20/11/2013	RWQMN – Northern	<ul style="list-style-type: none"> Routine monthly water quality monitoring of Mangamuka, Victoria, Awanui, Kaeo and Oruru Rivers.
	18/12/2013	RWQMN – Western	<ul style="list-style-type: none"> Routine monthly water quality monitoring of Kaihu, Waipoua, Waimamaku, Punakitere, Utakura, Mangakahia and Opouteke Rivers. Water clarity was good in all rivers except for the Utakura and Punakitere.
Summer Recreational Bathing Water Quality Surveys	25/11/2013	Recreational Bathing Programme – Week 1	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. One freshwater and three coastal sites returned unsuitable for swimming results.
	2/12/2013	Recreational Bathing Programme – Week 2	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. Two freshwater sites and one coastal site returned unsuitable for swimming results.
	9/12/2013	Recreational Bathing Programme – Week 3	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. One freshwater and two coastal sites returned unsuitable for swimming results.

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	16/12/2013	Recreational Bathing Programme – Week 4	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. Three freshwater sites returned unsuitable for swimming results.
	23/12/2013	Recreational Bathing Programme – Week 5	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. No sites returned unsuitable for swimming results.
	30/12/2013	Recreational Bathing Programme – Week 6	<ul style="list-style-type: none"> A total of 47 coastal and 12 freshwater sites sampled. Eight freshwater and 12 coastal sites returned unsuitable for swimming results.

ENVIRONMENTAL INCIDENTS

Date	Reference No.	Description	Notes	Environmental Impact
3/12/2013	REQ.572154	Smoke nuisance @ Limeburners St, Morningside	<ul style="list-style-type: none"> Incident investigation confirmed open burning of waste material in the Whāngārei Airshed. Person responsible had been warned both verbally and in writing in the past. Formal enforcement action taken. 	Significant
9/12/2013	REQ.572216	Smoke nuisance @ Kiripaka Rd, Whāngārei	<ul style="list-style-type: none"> Incident investigation confirmed smoke nuisance beyond the property boundary. Warning letter sent to the person responsible advising the rules on burning under the RAQP. 	Moderate
16/12/2013	REQ.572272	Burning tyres @ Hukerenui Rd, Hikurangi	<ul style="list-style-type: none"> Incident investigation confirmed burning of tyres mixed with vegetation. Warning letter to the person responsible advising the rules on burning under the RAQP. 	Moderate
17/12/2013	REQ.572286	Water discolouration in Punakitere River @ Hokianga Harbour	<ul style="list-style-type: none"> Very dirty river in lower reaches following localised storm. Contamination source not found. 	Moderate
19/12/2013	REQ.572306	Oil on driveway @ Totara Park Ln, Glenbervie	<ul style="list-style-type: none"> Waste oil had been applied to the road outside the offender's property and also on his driveway. Offender was advised that this was not allowed. Formal enforcement action taken. 	Moderate

MARITIME INCIDENTS

Date	Reference No.	Area	Description	Notes
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24/11/2013	REQ.572071	Bay of Islands Harbour	Vessel reported out of fuel.	<ul style="list-style-type: none"> • Referred to other agency.
25/11/2013	REQ.572057	Kerikeri Inlet	Diesel on the water.	<ul style="list-style-type: none"> • Spill left to disperse naturally.
26/11/2013	REQ.572076	Whāngārei Harbour	Excavator stuck in inter-tidal zone at Kiteone Road wetland, Parua Bay.	<ul style="list-style-type: none"> • Recovered from CMA by contractor.
26/11/2013	REQ.572065	Whāngārei Harbour	Log reported as hazard to navigation.	<ul style="list-style-type: none"> • Log removed by contractor.
1/12/2013	REQ.572128	Whāngārei Harbour	Dead cow in the CMA.	<ul style="list-style-type: none"> • Dead animal was removed by nearby farm owner.
1/12/2013	REQ.572169	Whāngārei Harbour	Vessel aground.	<ul style="list-style-type: none"> • Vessel was refloated and moved to safety by its owners.
2/12/2013	REQ.572137	Bay of Islands Harbour	Vessels touching on moorings.	<ul style="list-style-type: none"> • Vessels moorings have been separated.
2/12/2013	REQ.572133	Bay of Islands Harbour	Fuel spill on water.	<ul style="list-style-type: none"> • Source could not be identified. • Slick dispersed naturally.
2/12/2013	REQ.572139	Kerikeri Inlet	Debris from removal of old moorings left beside ramp.	<ul style="list-style-type: none"> • Debris removed by contractors.
2/12/2013	REQ.572161	Bay of Islands Harbour	Light reported extinguished.	<ul style="list-style-type: none"> • New light unit installed.
4/12/2013	REQ.572174	Whāngārei Harbour	Oil spill at Marsden Cove Marina.	<ul style="list-style-type: none"> • Slick dispersed naturally.
4/12/2013	REQ.572177	Whāngārei Harbour	Abandoned vessel on the beach in Parua Bay.	<ul style="list-style-type: none"> • Notice to be placed on vessel. • Procedure for abandoned vessels to be followed.
5/12/2013	REQ.572183	Taipa/Mangōnui Harbour	Abandoned yacht on mooring.	<ul style="list-style-type: none"> • Owner has satisfied Maritime staff of vessel's maintenance.
5/12/2013	REQ.572189	Bay of Islands Harbour	Collision between two vessels as a result of a deliberate manoeuvre.	<ul style="list-style-type: none"> • Incident referred to Maritime New Zealand due to alleged deliberate use of a commercial vessel to cause harm.
9/12/2013	REQ.572215	Bay of Islands Harbour	Mooring failure.	<ul style="list-style-type: none"> • Vessels secured and safely moored.
9/12/2013	REQ.572376	Whangaroa Coast	Yacht impeding access from inlet.	<ul style="list-style-type: none"> • Plans for vessel removal and relocation to be discussed with owner.
9/12/2013	REQ.572210	Bay of Islands Harbour	Pilot injured during pilot transfer.	<ul style="list-style-type: none"> • Rail to be painted yellow. • Briefing to be given as a reminder to pilots.
9/12/2013	REQ.572214	Houhora Harbour	Ripiripi light reported extinguished.	<ul style="list-style-type: none"> • Light unit replaced.
16/12/2013	REQ.572274	Whāngārei Harbour	Close quarters incident involving a launch and a rowing skiff.	<ul style="list-style-type: none"> • Verbal advice given to skipper of launch. • No further action required.

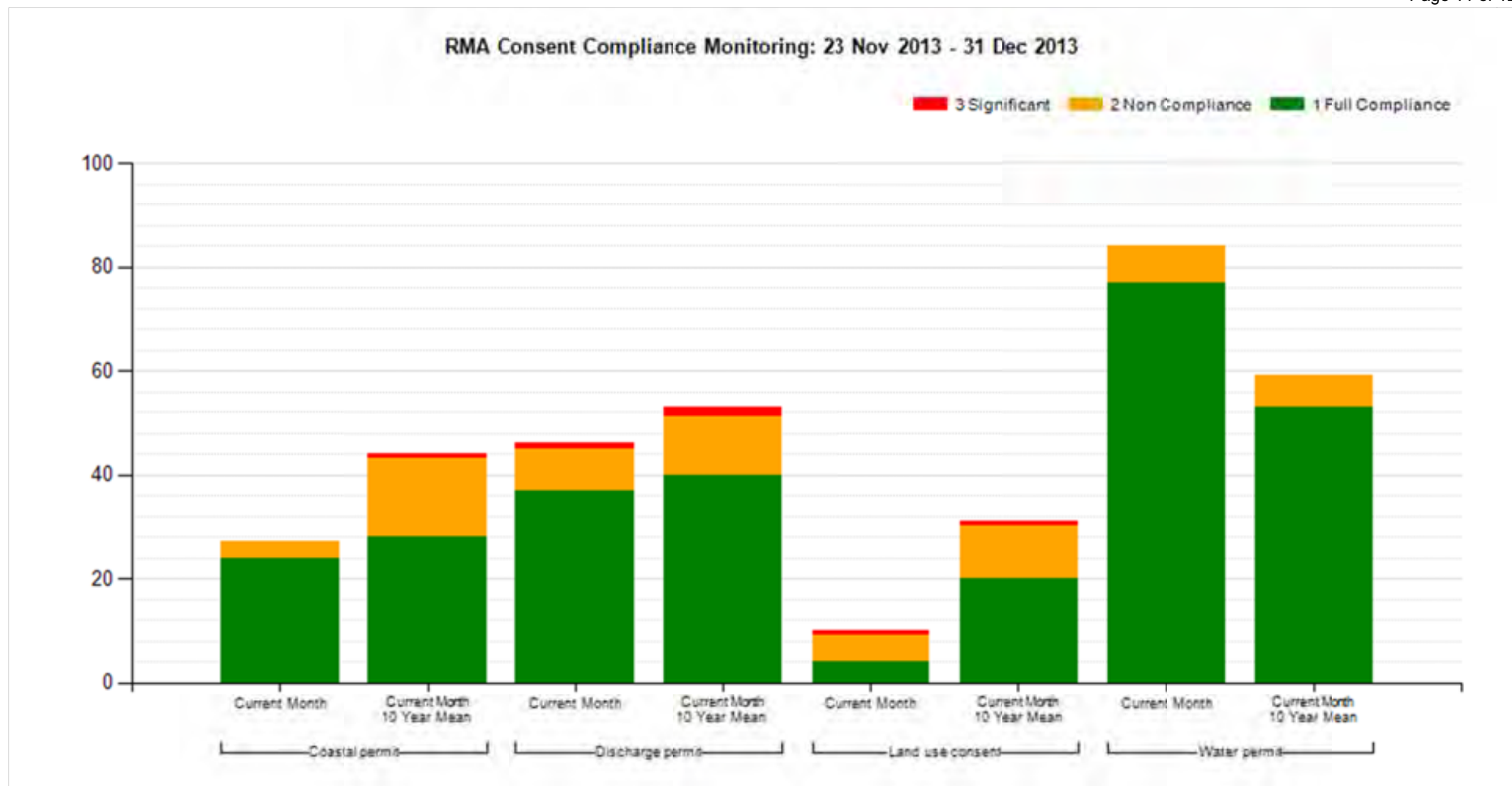
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19/12/2013	REQ.572299	Taipa/Mangōnui Harbour	Jet skis causing a nuisance at Taipa River.	<ul style="list-style-type: none"> • No action taken due to delay in incident notification to council. • Incident reporter was requested to call the environmental hotline immediately should future offences be observed.
19/12/2013	REQ.572297	Whāngārei Harbour	Vessel aground on Snake Bank.	<ul style="list-style-type: none"> • Vessel floated off at high water with no reports of damage or injury.
20/12/2013	REQ.572328	Whangaroa Harbour	Moorings too close together.	<ul style="list-style-type: none"> • No evidence that proximity of moorings is an issue.
23/12/2013	REQ.572335	Bay of Islands Harbour	Vessel aground at Tapeka Point.	<ul style="list-style-type: none"> • Vessel salvaged.
25/12/2013	REQ.572052	Bream Bay Coast	Excess speed in 5 knot area.	<ul style="list-style-type: none"> • Formal enforcement action taken.
27/12/2013	REQ.572359	Whangaroa Coast	Vessel exceeding 5 knots within 200metres of shore.	<ul style="list-style-type: none"> • Incident could not be investigated as no staff were available.
28/12/2013	REQ.572386	Whāngārei East Coast	Vessel requiring a tow from Great Barrier Island to Auckland.	<ul style="list-style-type: none"> • Incident passed to other agency.
29/12/2013	REQ.572401	Bay of Islands Harbour	Car ferry mooring failure.	<ul style="list-style-type: none"> • Car ferry was recovered by the owners.
30/12/2013	REQ.572394	Bay of Islands Harbour	Vessel anchored in mooring area.	<ul style="list-style-type: none"> • Vessel removed by owner.

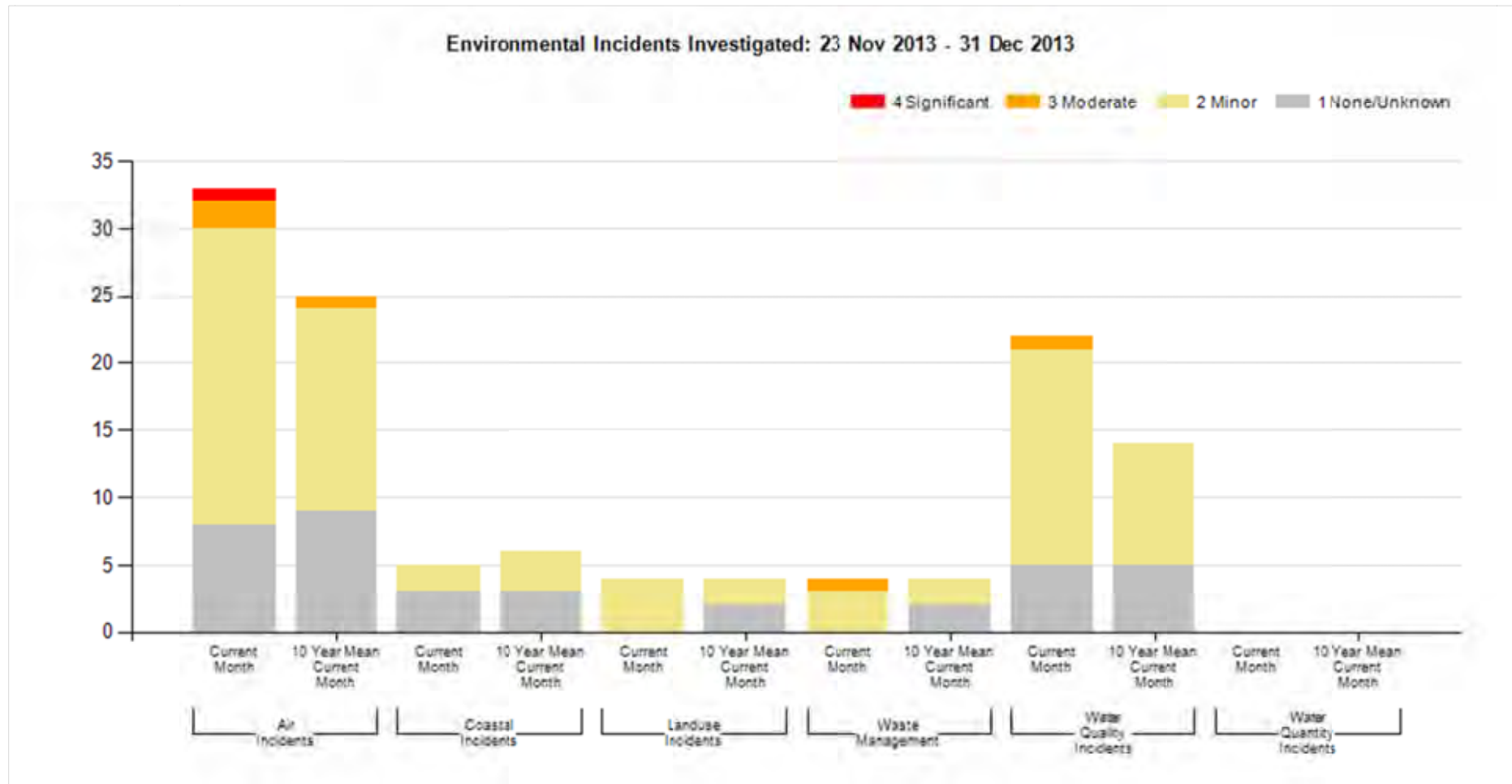
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ISSUE: Financial Report to 25 November 2013**ID:** A601036**To:** Councillors by email**From:** Angela Hobden, Financial Accountant**Date:** 4 December 2013

Summary The purpose of this report is to present the **Detailed Council Cost of Services Statement** and the **Cost of Service Statements by Activity** for the five months ended 25 November 2013 for councillors' information. It concludes with the recommendation that this report be received.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual/Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Report:**Overview**

This report presents the operating results for council for the five months ended 25 November 2013.

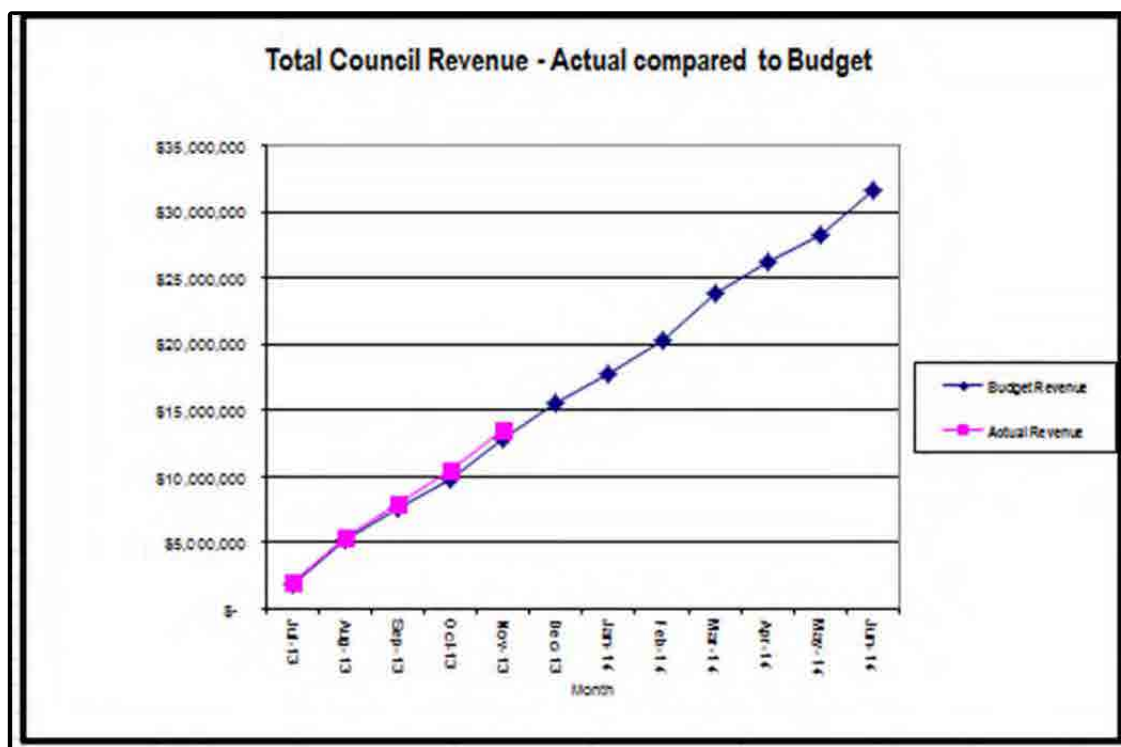
For the total council Financial Results refer to **Attachment A**, for the Financial Dashboard refer to **Attachment B**, and for the Balance Sheet refer to **Attachment C**.

Operating Results:

The Council Detailed report for the year to date (YTD) shows a net operating surplus of \$2.711M against a budgeted net surplus of \$1.793 M, resulting in an overall favourable variance for the year to date of \$ 918K before the transfers to or from Special Reserves. This variance arises from the total expenditure for the five months being behind budget by \$304K or 3%, and the total revenue being ahead of budget by \$614K or 5%.

Revenue:

Year to date revenue is \$13.492M which is \$ 614K or 5% above budget. This is illustrated by the following line graph.



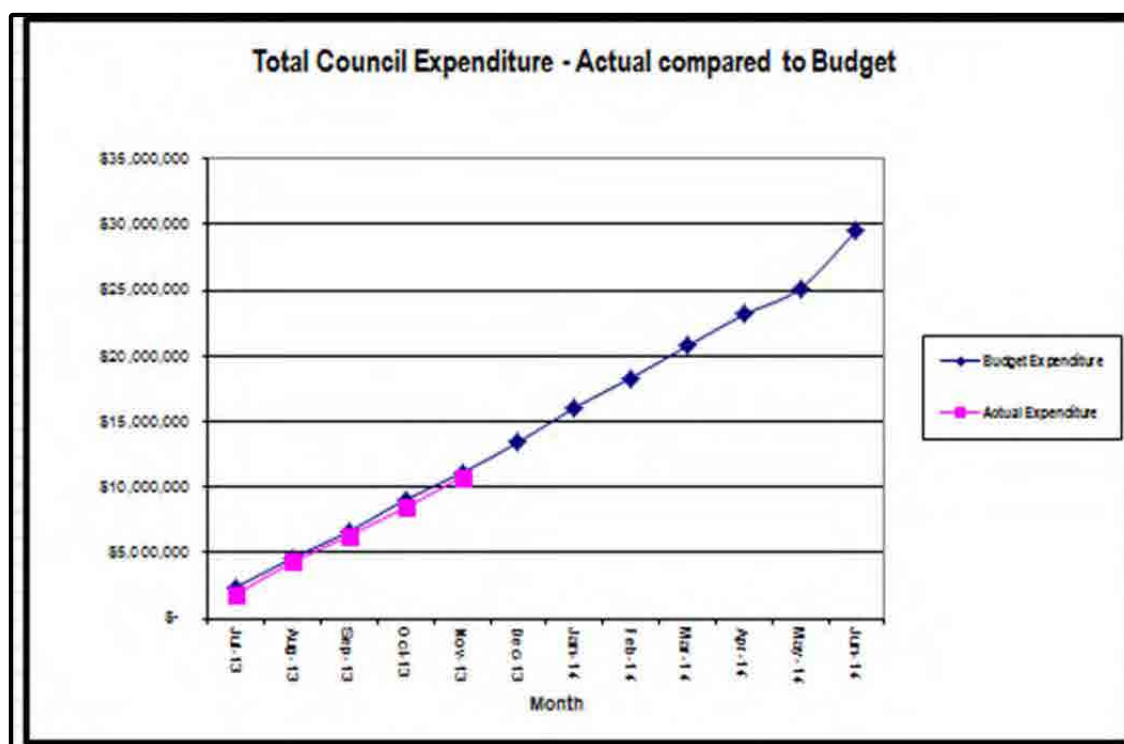
The material differences that make up the \$614K year to date favourable revenue variance are:

- **Grants and Subsidies- has a favourable variance/is greater than budget by YTD \$93K or 18%**
 - This includes the Ministry of Primary Industries for the Oyster Shell project of \$140K. This subsidy will be spent on the Oyster Shell Project in the future.
 - There is also subsidy received of \$38K received for a Kaeo home that is offset by matching expenditure.
 - Regional transport management subsidies are behind budget by \$64K as summer campaigns for rest stops and share the road have not yet commenced. There is also less use of the Total Mobility service as explained in the report to Council on 10th December. Bus maintenance subsidies from the Whangarei District Council have not yet been received.
 - Passenger transport administration is also behind budget by \$16K as the local authority share of costs is less than anticipated.
- **Investment Interest Income – has a favourable variance/ is greater than budget by YTD \$32K or 6%**
 - The higher interest rate investments that council made during August and September are having an effect so that our average weighted interest rate is now 5.06% against a budget of 5%.
- **Investment Property Income – has a favourable variance/is greater than budget by YTD \$98K or 8%**
 - Rental income from these properties is higher than budget as a result of the settlement of rentals. This occurred after budgets had been set.

- **Dividend Income – has a favourable variance/is greater than budget by YTD \$55K or 5%**
 - Northland Port Corporation dividends received so far this year were higher than budgeted by 0.25 cents per share.
- **Community Investment Fund Income- has a favourable variance/is greater than budget by YTD \$276K or 98%**
 - The average return from these investments is 10.27% (excluding the \$101K foreign exchange currency gain included in this total) compared to our budgeted average of 6.54%.
- **User Fees and Sundry – is on budget**

Expenditure

Year to date expenditure is \$10.781M which is \$304K or 3% less than budget before transfers to or from Reserves, as shown in the following line graph.



The material differences that make up the year to date favourable expenditure variance of \$304K are:

- **Resource Management Group** has an underspend of \$331K or 6% for the year to date. This variance is split over a number of cost centres within the resource management activity as follows:
- **Consents Applications – has a favourable variance/is under budget by \$190K or 41%**
 - Consultant expenditure is underspent by \$44K due to a lower level of consent applications being received. The salaries expenditure YTD is lower than budget by \$134K due to the continued staff vacancy and internal secondment. Legal fees this month are over budget by \$13.5K as

these relate to a prosecution. These may be recovered from the offender in due course.

- **State of the Environment Monitoring –has a favourable variance/is less than budget by \$127K or 20%**
Predominantly driven by:
 - Labour charges are \$95k less than budget due to the reallocation of time for staff between State of the Environment and Compliance Monitoring.
 - Consultant expenditure is less than budget by \$32K and commercial testing is \$16K underspent. The variance is driven by timing and is expected to be on target by year end.
- **Compliance Monitoring, Environmental Incidents response – has an unfavourable variance/is more than budget by \$38K or 3%**
 - Predominantly this is due to legal fees being \$51K ahead of budget because of the number and difficulty of prosecutions. Some of this expenditure will be recoverable.
 - Contractor expenses for dairy farm effluent inspection and monitoring are also ahead of budget by \$29K. This should be on track by year end.
 - Labour charges are \$28K ahead of budget due to use of staff time from the state of the environment monitoring team.
 - However this is partly offset by less expenditure on contract staff \$27K for other monitoring as there have been fewer complaints in relation to noise and air pollution received than anticipated and less air quality testing has been needed than expected by \$13K.
- **Planning and Policy – variance YTD not material**
While the variance is immaterial it should be noted that:
 - Council decided to fund some of the RPS from the Forest Income Equalisation Reserve and council will have the option at the end of the year whether to use the Reserve or any surplus for this.
- **River Management Group – variance YTD not material**
- **Economic Development Group –unfavourable variance/is over budget by \$335K or 33%**
 - The majority of this over expenditure \$275K relates to the early payment of the two Grants to Northland Inc. Limited approved by council at the Audit and Risk Committee Meeting on the 26 November 2013.
 - Consultant expenditure was over budget by \$14K which relates to expenditure for the Oyster Shell Project. This is offset by additional subsidies as mentioned in the revenue section.
 - Additional unbudgeted costs of \$11K for oyster project vehicle running and Investment Management advice also contribute to this variance.
 - Labour charges make up the balance of the variance. These are being recouped from underspends in state of the environment monitoring.
- **Hazard Management Group – favourable variance/is under budget by \$148K or 22%**
 - **Civil Defence and Emergency** has an underspend of \$28K or 12% due to reduced labour costs resulting from internal secondments and \$8K from consultancy costs not occurring as anticipated. Training of \$3K has also not yet occurred.

- **Natural Hazard Management** has an underspend of \$117K or 30% due to an underspend in consultants originally programmed to occur evenly throughout the year. Work has started to come on stream with the contract for coastal hazard assessments let in October. Work is due to continue through until June 2014.
- **Transport Group – favourable variance/is under budget by \$176K or 10%**
 - **Harbour Safety and Navigation** has an underspend of \$50K or 7% of which \$30K relates to a planned promotion which will now be carried out over summer. Vessel maintenance is \$10K under budget this month which is not unusual due to the maintenance cycle and lesser costs of operating the vessel in the Bay of Islands because it is closer to base. Expenditure on buoys and beacons is also behind budget by \$21K.
 - **Passenger Transport Administration** has an underspend of \$81K or 9% due to the contract for the CityLink services being negotiated at a better (lower) price than anticipated.
 - **Regional Transport Management** has an underspend of \$46K or 26% due to an underspend in advertising associated with the vehicles on beaches campaign which was delayed but has now been commenced, and charges for this should flow into December. The Coffee Brake campaign is also about to start after delays with getting cafes organised.
- **Community Representation and Engagement – unfavourable variance/ is over budget by \$45K or 4%**
 - **Community Representation and Engagement** has an overspend of \$52K partly due to the increase in members remuneration \$15K, committee fees \$4K following the determination by the Remuneration Authority.
 - Local Government reform costs of \$19K and additional printing costs of \$6K also contribute to the overspend.
 - There was also a \$5K contribution to Volunteering Whangarei which was unbudgeted.
- **Support Services and Commercial Investments – favourable variance/ is under budget by \$19K or 12%**
 - Information and Management activities are underspent on budget with savings in several areas such as electricity, cleaning, building repairs and renewing our legislation library.
- **Transfers from/ (to) Special Reserves**

For the first time this financial year we are showing the Reserve transfers during the year instead of at the end. For Reserves such as the Rivers the balance of the rating income less the operating expenditure is transferred to the appropriate Reserve. For instance, the Awanui River Reserve shows a YTD transfer of \$84K to the reserve against a budgeted \$18K. This shows that work has not occurred as early as anticipated so there is more of a rating surplus to transfer to the reserve than anticipated. The transfers are designed so that income, less expenditure and less/or plus the transfer take the balance of operating expenditure to that activity to zero.

The Forest Income Equalisation Reserve transfer is for forestry costs and also the election costs. At this stage we have not shown a transfer for the Regional Policy Statement costs from this reserve as council may decide to take them from operating surpluses.

The transfer from the Investment and Growth Reserve is to cover the early payment of the grants to Northland Inc.

- **Capital Expenditure**

Capital expenditure for the year to date is \$1.716M against a budget of \$2.583M. Expenditure on harbour navigation systems, the biosecurity floating dock, monitoring equipment and information systems are behind budget but expected to catch up during the year. River Management is expected to be on track by year end and another property was purchased in November. Support is slightly ahead of budget having put new shelving in several areas.

Capex Reporting				
Year to Date Report to 25 November 2013				
Activity	YEAR TO DATE			Revised Budget
	YTD Actual	YTD Budget	YTD Variance	
Monitoring	38,852.95	54,507.00	15,654.05	118,669.00
Biosecurity	5,625.96	55,000.00	49,374.04	55,000.00
Emergency Management	999.64	1,250.00	250.36	1,250.00
Land and Biodiversity	5,360.50	4,511.50	-849.00	29,511.50
Harbour Safety and Navigation	50,420.44	165,951.00	115,530.56	242,451.00
Oil Pollution Response	2,050.40	5,000.00	2,949.60	5,000.00
River Management	1,260,297.15	1,723,982.00	463,684.85	4,012,237.00
Commercial Investments	0.00	58,353.00	58,353.00	222,501.00
Information Systems	172,716.88	332,225.00	159,508.12	717,772.00
Community Representation and Engagement	0.00	18,927.00	18,927.00	18,927.00
Support	180,361.80	162,900.00	-17,461.80	565,991.00
GRAND TOTAL FOR COUNCIL	1,716,686	2,582,607	865,921	5,989,310

Balance Sheet

As noted in the last two months, other investments, cash and cash equivalents have a variance against budget which results from the timing of maturities.

Legal compliance and significance assessment:

The activities detailed in this report are provided for in the council's Long Term Plan 2012-22 and 2013/2014 Annual Plan, and as such are in accordance with the council's decision making process and sections 76-82 of the local Government Act 2002.

In relation to section 79 of the Local Government Act 2002, this issue is considered to be of low significance under council policy because it is part of normal day to day operations of council, and it does not require a council decision but is for information purposes only.

Recommendation:

1. That the report Financial Report to 25 November 2013 by Angela Hobden, Financial Accountant, dated 4 December 2013, be received.

Council Detailed Report

Year to Date Report to 25 November 2013

					Full Year Revised Budget
Total Council	YTD Actual	YTD Budget	Variance	%	
Revenue					
Rates	7,357,142	7,296,740	60,402	1%	17,512,172
User Fees and Sundry	1,738,098	1,738,393	(294)	0%	4,355,314
Grants and Subsidies	614,494	521,447	93,048	18%	1,115,385
Investment Interest Income	605,645	574,008	31,636	6%	2,199,106
Investment Property Income	1,403,225	1,305,226	98,000	8%	3,636,608
Forestry Income	-	-	-	-	-
Dividend Income	1,217,860	1,162,503	55,357	5%	2,103,577
Community Investment Fund Income	556,084	280,148	275,937	98%	672,355
Total Revenue	13,492,549	12,878,464	614,085	5%	31,594,518
Expenditure					
Resource Management					
Biosecurity	1,055,502	1,071,269	15,767	1%	2,590,658
Consents advice and information	355,826	348,057	(7,770)	-2%	843,191
Consents applications	274,989	465,453	190,464	41%	1,098,190
Land and Biodiversity	798,964	817,370	18,405	2%	2,298,565
Compliance Monitoring, Environmental incidents response	1,236,032	1,197,814	(38,217)	-3%	2,900,438
State of the environment monitoring	502,821	629,377	126,556	20%	1,652,430
Planning and policy	907,291	932,978	25,687	3%	2,614,141
Total Resource Management	5,131,424	5,462,317	330,893	6%	13,997,613
River Management					
River Management	859,574	867,336	7,762	1%	3,448,353
Total River Management	859,574	867,336	7,762	1%	3,448,353
Economic Development					
Economic development activities	1,003,038	672,555	(330,483)	-49%	1,403,194
Economic development projects	344,789	340,431	(4,358)	-1%	1,491,145
Total Economic Development	1,347,827	1,012,986	(334,841)	-33%	2,894,339
Hazard Management					
Civil defence and emergency	201,034	228,976	27,942	12%	546,520
Natural hazard management	267,955	384,732	116,777	30%	930,474
Oil pollution response	45,222	48,297	3,075	6%	127,312
Total Hazard Management	514,212	662,006	147,794	22%	1,604,306
Transport					
Harbour safety and navigation	667,870	718,111	50,241	7%	1,692,030
Passenger transport administration	844,318	925,214	80,896	9%	2,316,329
Regional transport management	130,558	176,927	46,369	26%	424,180
Total Transport	1,642,746	1,820,252	176,360	10%	4,432,539
Community Representation and Engagement					
Environmental education	195,049	202,718	7,669	4%	505,237

Council Detailed Report

Year to Date Report to 25 November 2013

					Full Year Revised Budget
Total Council	YTD Actual	YTD Budget	Variance	%	
Community Representation and Engagement	942,358	890,129	(52,229)	-6%	1,890,389
Total Community Representation and Engagement	1,137,407	1,092,847	(44,560)	-4%	2,395,627
Support Services and Commercial Investments					
Commercial	148,408	167,504	19,096	11%	364,403
Communications	418,293	424,758	6,464	2%	1,079,431
Finance and Information Technology (IT)	1,298,088	1,309,669	11,581	1%	3,904,591
Information Management and Administration	406,566	458,185	51,619	11%	820,854
Human Resources	110,328	125,383	15,055	12%	314,501
Internal Transfers	(2,233,509)	(2,317,994)	(84,485)	4%	(5,708,111)
Total Support Services and Commercial Investments	148,175	167,504	19,330	12%	775,669
Total Expenditure	10,781,366	11,085,248	303,883	3%	29,548,446
Net (Cost)/Surplus of Services	2,711,183	1,793,216	917,967	51%	2,046,072
Other Gains					
Forestry Revaluation	-	-	-	-	147,447
Emissions Trading Scheme	-	-	-	-	30,686
Total Gains	-	-	-	-	178,133
Net (Cost)/Surplus of Service before transfer from/(to) Special Reserves	2,711,183	1,793,216	917,967	51%	2,224,205
Transfers from/(to) Special Reserves					
Transfers from/(to) Land Management	-	-	-	-	-
Transfers from/(to) Awanui River	(84,220)	(18,833)	65,387	-347%	211,774
Transfers from/(to) Kaihu River	(21,868)	(24,259)	(2,391)	10%	2,295
Transfers from/(to) Kaeo River Reserve	(174,888)	(175,103)	(215)	0%	(191,373)
Transfers from/(to) Whangarei Urban River Reserve	(195,588)	(283,207)	(87,619)	31%	29,596
Transfers from/(to) Priority Rivers Reserve	-	-	-	-	(20,553)
Transfers from/(to) Waipapa/Kerikeri River Reserve	(59,718)	(20,761)	38,957	-188%	107,166
Transfers from/(to) Infrastructure Facilities Reserve	-	-	-	-	(132,895)
Transfers from/(to) Recreational Facilities Reserve	(337,248)	(438,188)	(100,940)	23%	(829,323)
Transfers from/(to) Investment Fund Reserve	-	-	-	-	-
Transfers from/(to) Forest Income Equalisation Reserve	155,634	121,371	(34,263)	-28%	596,848
Transfers from/(to) Hatea River Reserve	478	(22,288)	(22,766)	102%	(48,540)
Transfers from/(to) Environment Fund Reserve	-	-	-	-	3,139
Transfers from/(to) Investment and Growth Reserve	219,784	219,852	69	0%	(1,820,739)
Transfers from/(to) Approved Carry Forwards General Reserve	-	5,166	5,166	100%	398,000
Transfers from/(to) Community Investment Reserve	-	-	-	-	(245,114)
Net (Cost)/Surplus of Service after transfer from/(to) Special Reserves	2,213,547	1,156,967	1,056,580	91%	284,486

Council Detailed Report

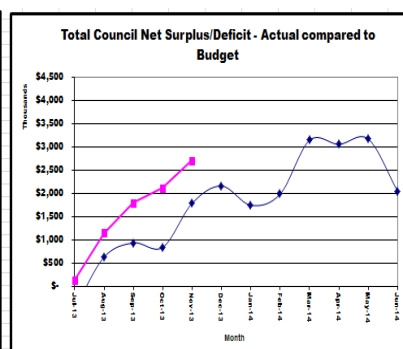
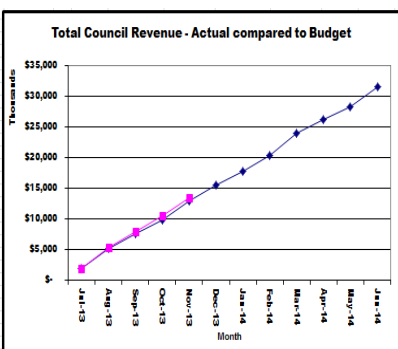
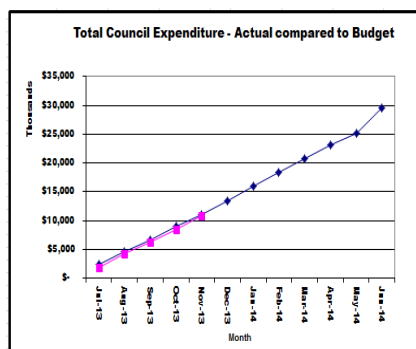
<i>Year to Date Report to 25 November 2013</i>					
					<i>Full Year Revised Budget</i>
<i>Total Council</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>Variance</i>	<i>%</i>	
<i>Note 1: Total Expenditure by Type</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>Variance</i>	<i>%</i>	<i>Full Year Revised Budget</i>
Expenditure					
Labour Costs	4,561,058	4,613,651	52,592	1%	10,924,560
Operations	5,521,678	5,776,873	255,195	4%	16,955,745
Member Expenses	226,777	223,151	(3,626)	-2%	535,562
Depreciation	471,662	471,578	(84)	0%	1,131,791
Support Overheads	2,233,700	2,317,990	84,290	4%	5,708,899
Internal Recharges	(2,233,509)	(2,317,994)	(84,485)	4%	(5,708,111)
Total Expenditure	10,781,366	11,085,248	303,883	3%	29,548,446

Northland Regional Council FINANCIAL DASHBOARD

Year to Date Report to 25 November 2013

SUMMARY OPERATING RESULTS

	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 13,492	\$ 12,878	\$ 614
Expenditure	\$ 10,781	\$ 11,085	\$ 304
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 2,711	\$ 1,793	\$ 918



KEY: Budget A actual

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY

	FAV / UNFAV		FAV / UNFAV
= negative (unfavourable) variance over 10%			
= negative (unfavourable) variance under 10%			
= positive (favourable) variance			
Resource Management		Transport	
River Management		Community Representation and Engagement	
Economic Development		Support Services and Commercial	
Hazard Management			

YTD CAPITAL EXPENDITURE BY COUNCIL ACTIVITY

	\$000's	Brief Description of Major Items Purchased
Monitoring	\$ 39	Analysis Equip \$32K Instruments \$6K telemetry GPS \$1K
Biosecurity	\$ 6	Optical equipment\$5K, Floating Dock \$1K
Emergency Management	\$ 1	42" TV and bracket
Land & Biodiversity	\$ 5	Geovane & brushcutter
River Management	\$ 1,260	Kotuku St properties and Public Works Act land
Harbour Safety & Navigation	\$ 50	Beacons \$25K, Salvage Pump \$1K, Vessel electronics \$24K
Oil Pollution response	\$ 2	Canvas Cover, load straps & signwriting
Information Systems	\$ 174	IRIS \$66K, Hardware \$3K, Generator \$93k,T1 Packs \$8K,Sware \$4
Support Services and Commercial	\$ 180	4 new vehicles, signwriting & aerals, shelving
TOTAL CAPITAL EXPENDITURE YEAR TO DATE	\$ 1,717	

INVESTMENT PORTFOLIO YEAR TO DATE PERFORMANCE

At 25 November 2013 the investment portfolio has made a return of \$3.783M against a budgeted return of \$3.321M.

Consolidated Statement of Financial Position

	Council As at 25-Nov-2013 \$	Annual Plan 30-Jun-14 \$	Council 30-Jun-13 \$
EQUITY			
Retained earnings	115,204,294	107,269,799	112,990,747
Other reserves	8,923,222	18,143,888	8,425,585
Total equity attributable to Northland Regional Council	<u>124,127,516</u>	<u>125,413,687</u>	<u>121,416,333</u>
Non-controlling interest in subsidiary companies			
TOTAL EQUITY	<u>124,127,516</u>	<u>125,413,687</u>	<u>121,416,333</u>
ASSETS			
Current assets			
Cash and cash equivalents	18,317,922	7,000,725	15,889,952
Trade and other receivables	5,276,597	4,893,100	4,896,707
Inventories	3,127,987	3,165,500	3,127,987
Other Investments	232,705	11,190,362	9,222,258
Total current assets	<u>26,955,210</u>	<u>26,249,687</u>	<u>33,136,903</u>
Non-Current Assets			
Other receivables	5,395,453	5,256,299	5,395,453
Investment property	48,296,001	47,674,256	48,296,001
Investments in subsidiaries and associates	8,581,513	7,840,467	8,581,513
Other investments	15,215,912	14,247,205	9,859,589
Property, plant and equipment	19,697,981	27,226,723	20,186,617
Intangible assets	1,077,458	1,443,845	1,110,168
Biological assets	1,731,775	1,798,149	1,731,775
Capital projects in progress	1,798,715	-	56,420
Total non-current assets	<u>101,794,807</u>	<u>105,486,945</u>	<u>95,217,537</u>
Total Assets	<u>128,750,018</u>	<u>131,736,632</u>	<u>128,354,440</u>
LIABILITIES			
Current liabilities			
Trade and other payables	2,834,829	4,617,350	5,114,869
Employee benefit liabilities	1,751,625	1,656,126	1,787,191
Total current liabilities	<u>4,586,454</u>	<u>6,273,475</u>	<u>6,902,059</u>
Non-Current Liabilities			
Employee benefit liabilities	36,048	49,470	36,048
Total non-current liabilities	<u>36,048</u>	<u>49,470</u>	<u>36,048</u>
Total Liabilities	<u>4,622,502</u>	<u>6,322,945</u>	<u>6,938,107</u>
NET ASSETS	<u>124,127,516</u>	<u>125,413,687</u>	<u>121,416,333</u>

ITEM: 6.1

Page 1 of 1

**ISSUE: Audit and Risk Committee Minutes –
26 November 2013****ID:** A610255**To:** Council Meeting, 28 January 2014**From:** Chris Taylor, Council Secretary**Date:** 14 January 2014

Summary The purpose of this report is to receive the minutes of the Audit and Finance Committee meeting held on 26 November 2013. It concludes with the recommendation that the minutes be received.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Report:The minutes are **attached**.**Legal compliance:**

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the Audit and Finance Committee meeting held on 26 November 2013 be received.

NORTHLAND REGIONAL COUNCIL AUDIT AND RISK COMMITTEE

Minutes of the meeting of the Audit and Risk Committee
held in the Council Chambers, 36 Water Street, Whāngārei,
on Tuesday 26 November 2013 commencing at 1 pm

Present:

Cr David Sinclair (Chairman)
Cr Paul Dimery (Deputy Chairman)
Cr Bill Shepherd
Cr Graeme Ramsey
Cr Dover Samuels
Cr Craig Brown
Cr Joe Carr
Cr Dennis Bowman

In Attendance:**Full Meeting**

Malcolm Nicolson, Chief Executive Officer
GM - Planning and Policy (interim GM Finance)
Finance Manager
Growth and Infrastructure Manager
Land/Rivers SPM
Council Secretary

Part Meeting

Northland Inc. Limited Chief Executive Officer
Northland Inc. Limited Chairman
FNDC Revenue and Collections Manager

The Chairman declared the meeting open at 1.04 pm.

Apologies (Item 1.0)**Moved (Samuels/Bowman)**

That the apology from Councillor Bain for non-attendance be received.

Carried**Declarations of Conflicts of Interest (Item 2.0)**

It was advised that councillors should make declarations item-by-item as the meeting progressed. There were no declarations of conflict at this point.

Supplementary/Tabled Items for the Audit and Risk Committee Meeting – 26 November 2013 (Item 3.0A)

ID: A597607

Report from General Manager - Planning and Policy Kathryn Ross.

Moved (Shepherd/Dimery)

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987, the supplementary/tabled items:

- Tabled Item 3.2A: Directors of Northland Inc. Limited Delegations and Appointment Process
- Tabled Item 3.4A: Northland Inc. Limited Quarter 3 2013/14 Funding Request
- Supplementary Item 3.5A: Kaeo Stage 1 Flood Works Budget Update
- Tabled Item 3.13: Community Investment Fund – Growth Asset Exposure Increased to 50% of the Funds Value
- Tabled Item 4.2: Offer to Purchase Council Property

be received.

Carried

Receipt of Minutes of the Audit and Finance Committee Meeting – 30 July 2013 (Item 3.1)

ID: A594840

Report from Finance Manager Simon Crabb.

Moved (Brown/Samuels)

That the minutes of the Audit and Finance Committee meeting held on 30 July 2013 be received.

Carried

Terms of Reference for the Audit and Risk Committee and Portfolios (Item 3.2) and Directors of Northland Inc. Limited Delegations and Appointment Process (Tabled Item 3.2A)

ID: A595723 and A597666

Reports from Council Secretary Chris Taylor and General Manager - Planning and Policy Kathryn Ross.

Moved (Brown/Shepherd)

That the report "Terms of Reference for the Audit and Risk Committee and Portfolios" by Chris Taylor, Council Secretary, and Kathryn Ross, General Manager – Planning and Policy, dated 13 November, be received.

Carried

ID:A599868

Audit and Risk Committee Meeting
26 November 2013

It was further moved (Dimery/Brown)

That the CEO be authorised to revise the wording of the Audit and Risk Committee Terms of Reference, in line with the discussion at the 26 November 2013 Audit and Risk Committee meeting, to be submitted to full council for approval.

Carried**Matters arising**

Councillor Samuels requested a copy of the rating policies relating to the purchase of Māori land (as included in the Long Term/Annual Plans).

*Secretarial Note:**Revisions suggested at the meeting included:*

- *Re-wording the Objective of the Committee to reflect that the Audit and Risk Committee comprised of all councillors.*
- *Item 6e. to provide clarity that auditors report directly to the Audit and Risk Committee.*

It was further moved (Carr/Ramsey)

That the Audit and Risk Committee appoints NRC Chairman Shepherd as the council's shareholder representative for Northland Port Corporation and delegates all necessary authority to him to represent the council's interests including but not limited to exercising the council's vote at Annual General Meetings, nominating directors for appointment and giving effect to council's shareholder resolutions.

Carried**It was further moved (Samuels/Brown)**

That the Economic Development Portfolio – Working Party (consisting of Councillors Sinclair, Brown and Carr) provides recommendations to the Audit and Risk Committee regarding the delegation of council [committee] roles and functions to the Working Party.

Carried**It was further moved (Samuels/Brown)**

That Councillor Dimery, as the Risk Portfolio holder, having co-opted up to two additional councillors, shall form a working party which consults with council officers to provide recommendations to the Audit and Risk Committee regarding the delegation of committee roles and functions to the Risk Portfolio holder.

Carried

It was further moved (Carr/Ramsey)

That the report "Directors of Northland Inc. Limited Delegations and Appointment Process" by Malcolm Nicolson, Chief Executive Officer, dated 21 November 2013, be received.

Carried

It was further moved (Shepherd/Ramsey)

That the Audit and Risk Committee recommend to council that the terms of reference for the committee be amended to clarify that the committee can delegate the appointment of directors to Northland Inc. Limited to an adhoc subcommittee or working group and that the subcommittee or working group may contain members that are representatives of Northland's territorial local authorities.

Carried

(Councillor Brown voted against the motion)

It was further moved (Ramsey/Carr)

1. That the Audit and Risk Committee delegates authority to an adhoc subcommittee comprised of the Chairman of the Committee, the Chairman of council, the Mayors of the Far North and Whāngārei District Councils and the Chairman of Kaipara District Council to establish the process for and make the appointment of two additional directors to Northland Inc. Limited.
2. That the Chairman of the council writes to the Mayors of the Far North and Whāngārei District Councils and the Chairman of Kaipara District Council inviting them to join the adhoc subcommittee and participate in an early meeting to agree the process for appointment and a meeting with the current Northland Inc. Limited on the skills and experience required.

Carried

(Councillor Brown voted against the motion)

Far North District Council Collection of Regional Council Rates and Rate Arrears – Quarterly Update to 30 September 2013 (Item 3.3)

ID: A595172

Report from Finance Manager Simon Crabb.

Moved (Brown/Samuels)

That the report "Far North District Council Collection of Regional Council Rates and Rate Arrears – Quarterly Update to 30 September 2013", from Simon Crabb, Finance Manager, dated 12 November 2013, be received.

Carried

Matters arising from Item 3.3

FNDC Revenue and Collections Manager, Cheryl Gavin-Young, was in attendance and provided a verbal overview of the "Revenue and Collections Quarterly Report" included in the agenda.

Cheryl undertook to provide Councillor Samuels with FNDC's submission on the review of the Te Ture Whenua Māori Act 1993.

Northland Inc. Limited Quarterly Reporting Against Statement of Intent (SOI) and Financials (Item 3.4) and Northland Inc. Limited Quarter 3 2013/14 Funding Request (Tabled Item 3.4a)

ID: A593977 and A598159

Reports from General Manager - Planning and Policy Kathryn Ross and Finance Manager Simon Crabb.

Moved (Carr/Shepherd)

That the report "Northland Inc. Limited Quarterly Reporting Against Statement of Intent (SOI) and Financials", from Kathryn Ross, General Manager - Planning and Policy, and Simon Crabb, Finance Manager, dated 4 November 2013, be received.

Carried

It was further moved (Ramsey/Brown)

That the report "Northland Inc. Limited Quarter 3 2013/14 Funding Request" by Kathryn Ross, General Manager - Planning and Policy, dated 22 November 2013, be received.

Carried

It was further moved (Brown/Shepherd)

That Northland Inc. Limited is paid \$250,000 plus GST from the Northland Regional Council Investment and Growth Reserve for Quarter 3 operations against an invoice raised as soon as practical.

Carried

It was further moved (Brown/Shepherd)

That Northland Inc. Limited is paid \$25,000 plus GST for Quarter 3 from rates revenue against an invoice raised.

Carried

Kaeo Stage 1 Flood Works Budget Update (Item 3.5 was replaced by Supplementary Item 3.5A)**ID: A595062****Report from River Management Engineer Neville Wilson.****Moved (Brown/Samuels)**

That the report "Kaeo Stage 1 Flood Works Budget Update" by Neville Wilson, River Management Engineer, dated 11 November 2013, be received.

Carried**It was further moved (Brown/Ramsey)**

That approval is given to revise the 2013/14 Kaeo operational budget to incorporate the \$144,195 revenue from the Ministry of Education.

Carried**It was further moved (Brown/Samuels)**

That approval is given to advance a further \$88,891 of unbudgeted capital expenditure, beyond the \$697,185 budgeted for in the Long Term Plan, should contingency sums (\$66,000) be required to be spent during the works and to cover the increased forecast capital expenditure estimate (\$22,891).

Carried**Independent Member of Audit and Risk Committee (Item 3.6)****ID: A595353****Report from Human Resources Manager Judy Macdonald.****Moved (Shepherd/Samuels)**

1. That the report "Independent Member of Audit and Risk Committee" by Judy Macdonald, Human Resources Manager, dated 14 November 2013, be received.
2. That the proposed advert and person specification be agreed to and finalised, and the applicable recruitment procedures followed to canvas applicants.
3. That a sub-committee including the Chair, Deputy Chair of council and Chair of Audit and Risk be formed to agree a short list and to conduct the interviews.
4. Once interviews are conducted the sub-committee will make a recommendation for appointment back to the Audit and Risk Committee who would then make a recommendation to the whole of council.

Carried**(Councillor Brown voted against the motion)**

ID:A599868**Audit and Risk Committee Meeting
26 November 2013**

Matters arising from Item 3.6

It was confirmed that the Human Resources Manager would be providing a recommendation regarding remuneration and the responsibilities of the independent member to the sub-committee.

ACC Workplace Safety Management Practices Audit (Item 3.7)

ID: A595355

Report from Human Resource Manager Judy Macdonald.

Moved (Brown/Ramsey)

1. That the report "ACC Workplace Safety Management Practice Audit" by Judy Macdonald, Human Resources Manager, dated 14 November 2013, be received.
2. That the Audit and Risk Committee approve that no further action be taken at this time.

Carried**Matters arising from Item 3.7**

Chief Executive Officer, Malcolm Nicolson, undertook to advise councillors in the event that the outcome of the Health and Safety Reform Bill was such that councillors had the same obligations as directors. Malcolm also undertook to seek advice as to whether councillors could insure against such liability.

Financial Report to 29 October 2013

ID: A593516

Report from Financial Accountant Angela Hobden.

Moved (Samuels/Dimery)

That the report "Financial Report to 29 October 2013" by Angela Hobden, Financial Accountant, dated 12 November 2013, be received.

Carried**Council Bank Accounts - Cheque Signatory Delegations (Item 3.9)**

ID: A591022

Report from Financial Systems Administrator Kym Ace.

Moved (Carr/Ramsey)

1. That the report "Council Bank Accounts – Cheque Signatory Delegations", from Kym Ace, Financial Systems Administrator, dated 22 October 2013, be received.
2. **Manual signing:**
That any two of the following signatories be authorised to countersign cheques for payments drawn on the council's bank account numbers:

- i. 12-3115-0057000-00 Current Account operated at the ASB Bank Limited, Walton Street, Whāngārei Branch, and any other accounts, which the council may operate from time to time.
- ii. Call and term deposit accounts with the ASB and other registered trading banks in New Zealand.

Approved signatories:

Malcolm Charles Nicolson	Chief Executive Officer
Anthony Glenn Phipps	Deputy CEO/Operations Director
Kathryn Jane Ross	General Manager - Planning and Policy
Simon John Crabb	Finance Manager
Angela Elizabeth Hobden	Financial Accountant
Steven Goddard	Management Accountant

3. That any two of the following signatories are authorised to operate the Bank of New Zealand bank account number 02-0492-00340027-00 at the Bank of New Zealand Limited, Bank Street, Whāngārei.

Approved signatories:

Malcolm Charles Nicolson	Chief Executive Officer
Anthony Glenn Phipps	Deputy CEO/Operations Director
Kathryn Jane Ross	General Manager - Planning and Policy
Simon John Crabb	Finance Manager
Angela Elizabeth Hobden	Financial Accountant
Steven Goddard	Management Accountant

4. That vouchers or documents authorising manual or electronic transactions be authorised by any two of the above approved signatories.
5. That electronic transactions may be prepared and uploaded by the Finance Systems Administrator and/or Accounts Officer (being the upload of creditor and payroll payment files) but these must be authorised by any two of the above approved signatories.
6. That these delegations, when approved, be notified to the ASB Bank Limited and the Bank of New Zealand Limited for implementation.

Carried

Investment Update for the Community Investment Fund – Financial Report to 30 October 2013 (Item 3.10)

ID: A595711

Report from Financial Systems Administrator Kym Ace.

Moved (Brown/Shepherd)

1. That the “Investment Update for the Community Investment Fund – Financial Report to 30 October 2013” from the Financial Systems Administrator, Kym Ace, dated 13 November 2013, be received.

ID:A599868

Audit and Risk Committee Meeting
26 November 2013

2. That council approves the current SIPO breach of counter party credit limit capped of 20% of investments invested with one issue by allowing the current investments with Tower Limited (23.64%) being a Tower Capital \$400,000 bond with a coupon rate of 8.5% (maturing 15 April 2014) to continue to be held until further advice is received or the bond matures.

Carried

Risk Management Framework (Item 3.11)

ID: A594873

Report from Land/Rivers Senior Programme Manager Bruce Howse, and General Manager - Planning and Policy Kathryn Ross.

Moved (Shepherd/Dimery)

1. That the report "Risk Management Framework", from Bruce Howse, Land/Rivers Senior Programme Manager, dated 8 November 2013, be received.
2. That the committee approves the current Risk Management Framework with the Alternative Consequence Table, as presented at the 26 November 2013 Audit and Risk Committee meeting, and including the register.
3. That the committee develops a strategy for potential local government reorganisation and the management of risk associated with it.
4. That the committee review the register again in 2014/15 or once the final decision (including any poll) on local government reorganisation in Northland is made (whichever is the sooner).
5. That the committee consider whether an independent review should occur as part of the next review process.

Carried

Legislative Compliance – First Quarter 2013/14 (Item 3.12)

ID: A594192

Report from Policy Advisor Vibeke Wright.

Moved (Ramsey/Carr)

That the report "Legislative Compliance – First Quarter 2013/14" by Vibeke Wright, Policy Advisor, dated 6 November 2013, be received.

Carried

Community Investment Fund – Growth Asset Exposure Increased to 50% of the Funds Value (Tabled Item 3.13)

ID: A597807

Report from Finance Manager Simon Crabb.

Moved (Brown/Shepherd)

1. That the report “Community Investment Fund – Growth Asset Exposure Increased to 50% of the Funds Value” by Simon Crabb, Finance Manager, dated 21 November 2013, be received.
2. That the asset class benchmark allocation in the CIF Statement of Investment Policy and Objectives (CIF-SIPO) change to 50% income assets and 50% growth assets.
3. That two bonds (as detailed in Item 3.13 of the 26 November 2013 Audit and Risk Committee meeting agenda) from the Community Investment Fund income portfolio be transferred to council’s general funds in exchange for their market value in cash.
4. That staff invest an initial \$800K of the Community Investment Fund in the AMP Global Multi Asset Fund.
5. That staff invest up to a further \$200K of the Community Investment Fund in the AMP Global Multi Asset Fund as fixed interest bond/s mature, or are sold at market.

Carried

4.0 Business with the Public Excluded

Moved (Ramsey/Shepherd)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matter to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reason\Grounds
4.1	Minutes of Confidential Meeting held 30 July 2013	Is stated in the minutes of that meeting.

4.2 Offer to Purchase Council
(tabled) Property

The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to allow the council to carry on, without prejudice or disadvantage, negotiations, including commercial and industrial negotiations (section 7(2)(i)).

Carried

Conclusion

The meeting concluded at 3.17 pm.

ITEM: 6.2

Page 1 of 1

**ISSUE: Environmental Management Committee Minutes –
2 December 2013****ID:** A606441**To:** Council Meeting, 28 January 2014**From:** Peternel McLean, Committee Secretary**Date:** 19 December 2013**Summary** The purpose of this report is to receive the minutes of the Environmental Management Committee meeting held on 2 December 2013.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Report:The minutes are **attached**.

Council should note that resolution (2) to item 2 in the minutes is included in a separate report in this agenda (Committee Terms of Reference).

Legal compliance:

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the Environmental Management Committee meeting held on 2 December 2013 be received.

**NORTHLAND REGIONAL COUNCIL
ENVIRONMENTAL MANAGEMENT COMMITTEE**

Minutes of the Environmental Management Committee Meeting
held in the Council Chambers,
Northland Regional Council, 36 Water Street, Whāngārei, on
Monday 2 December 2013, commencing at 9.30 am

Present:**Northland Regional Council**

Cr Joe Carr (Chairman)
Cr Craig Brown (Deputy Chairman)
Cr Paul Dimery
Cr Dennis Bowman

Whāngārei District Council

Cr Tricia Cutforth

Far North District Council

Cr Ann Court

Kaipara District Council

Commissioner Richard Booth

Department of Conservation

Mr Chris Jenkins (deputising for Ms Sue Reed-Thomas)

Environmental Interest Groups

Dr Greg Blunden

Farming Community

Mr Alan Clarkson

Forest Industry

Mr Geoff Gover

Māori Interests

Mr Keir Volkerling

In Attendance:**NRC Staff:**

Ms Helen Moodie (DairyNZ)
Chief Executive Officer (from 9.48 am)
Operations Director
General Manager – Policy and Planning
Consents/Monitoring Senior Programme Manager
Biosecurity Senior Programme Manager
Land/Rivers Senior Programme Manager
Water Resources/Hydrology Programme Manager
Policy Programme Manager
Environmental Monitoring Programme Manager
Consents Programme Manager
Policy Specialist - Water
Committee Secretary
Groundwater Management Specialist
Policy Analyst
Economist
Environmental Monitoring Officer - SOE

The Chairman declared the meeting open at 9.30 am.

Welcome

The Chairman welcomed committee members to the meeting, and provided the opportunity for personal introductions from members. Acknowledgement was given to Mr Chris Jenkins, Regional Director of Services for the Department of Conservation (deputising at this meeting for Ms Sue Reed-Thomas), for his valued input over the previous term of the committee.

Apologies

Moved (Brown/Blunden)

That the apology from Cr Bill Shepherd for non-attendance be received.

Carried

Declaration of Conflict of Interest

There were no declarations of conflict made at any time during the meeting.

Further Appointments to the Environmental Management Committee (Item 1.0)

Report from Peternel McLean, Committee Secretary, dated 20 November 2013.
A597391

Moved (Brown/Carr)

1. That the report Further Appointments to the Environmental Management Committee from Peternel McLean, Committee Secretary, dated 20 November 2013, be received.
2. That the committee resolve to appoint the following additional members to the Environmental Management Committee:

Far North District Council
Whāngārei District Council
Kaipara District Council
Department of Conservation
Māori Interests
Environmental Interest Groups
Farming Community
Forest Industry

Cr Ann Court
Cr Tricia Cutforth
Commissioner Richard Booth
Ms Sue Reed-Thomas
Mr Keir Volkerling
Dr Greg Blunden
Mr Alan Clarkson
Mr Geoff Gover

Carried

Terms of Reference for Environmental Management Committee (Item 2.0)

**Report from Peternel McLean, Committee Secretary, dated 19 November 2013.
A597094**

Moved (Jenkins/Clarkson)

1. That the report Terms of Reference for Environmental Management Committee from Peternel McLean, Committee Secretary, dated 19 November 2013, be received.
2. That the committee recommends to council the following amendments to the Terms of Reference:
 - a preamble added under "Functions" stating the main purpose of the committee is to provide an advisory service and to make recommendations to council on environmental matters; and
 - an additional function to be inserted; being to coordinate with other agencies on matters concerning environmental management in Northland.

Carried

Receipt of Minutes of the Environmental Management Committee meeting held on 24 September 2013 (Item 3.0)

**Report from Peternel McLean, Committee Secretary, dated 19 November 2013.
A597092**

Moved (Clarkson/Jenkins)

That the minutes of the Environmental Management Committee meeting held on 24 September 2013 be received.

Carried

Proposed Changes to the National Policy Statement for Freshwater Management (Item 4.0)

**Report from Justin Murfitt – Programme Manager Resource Policy, dated 12 November 2013.
A595432**

Moved (Blunden/Gover)

1. That the report Proposed changes to the National Policy Statement for Freshwater Management by Justin Murfitt – Programme Manager Resource Policy, dated 12 November 2013, be received.
2. That staff assess the proposed changes to the National Policy Statement for Freshwater Management and associated national objectives framework and report back to the committee (or council) as the need for and content of a submission.

3. That a report be brought to a future committee meeting providing time series trend data for Northland lakes.

Carried

Waioira Northland Water Progress – November 2013 (Item 5.0)
Report from Natalie Glover, Policy Specialist - Water, dated 19 November 2013.
A596880

Moved (Brown/Clarkson)

1. That the report Waioira Northland Water progress by Natalie Glover, Policy Specialist – Water, dated 19 November 2013, be received.
2. That the unconfirmed minutes of the Whāngārei Harbour Catchment Group meeting, dated 17 October 2013, be received.

Carried

Water Allocation – Dairy Farm Water Takes (Item 6.0)
Report from Susie Osbaldiston, Groundwater Management Specialist, dated 11 November 2013.
A595375

Moved (Brown/Cutforth)

1. That the report Update on Dairy Water Takes by Susie Osbaldiston, dated 11 November 2013, be received.
2. That further detail on the delivery of the key message be included in a Water Allocation Workshop proposed for the committee next year.

Carried

Community Wastewater Treatment Plant Discharges – Current Compliance Status (updated) (Item 7.0)
Report from Tess Dacre, Monitoring Programme Manager – Water and Wastes, dated 19 November 2013.
A581222

Moved (Brown/Jenkins)

That the report Community Wastewater Treatment Plant Discharges – Current Compliance Status (updated) from Tess Dacre, Monitoring Programme Manager – Water and Wastes, dated 19 November 2013, be received.

Carried

Northland – Potential for Primary Industry Growth (Item 8.0)
Report from Dean Evans, Land Programme Manager, dated 21 November 2013.
A597688

Moved (Clarkson/Cutforth)

1. That the report Northland - Potential for Primary Industry Growth by Dean Evans, Land Programme Manager, dated 21 November 2013, be received.
2. That an informal email working group (Cr Cutforth, Mr Volkerling, Mr Booth, Mr Clarkson, Dr Blunden) propose priorities for consideration and subsequent presentation at the proposed meeting with Ministry of Primary Industry staff on Tuesday 12 December in Whāngārei.

Carried

**Environment Fund – Land Management and Biosecurity
Projects Funding Update (Item 9.0)**

Report from Bruce Howse, Land/Rivers Senior Programme Manager, and Don McKenzie, Biosecurity Senior Programme Manager, dated 25 November 2013.
A594947

Moved (Carr/Brown)

1. That the report Environment Fund – Land Management and Biosecurity Projects Funding Update by Bruce Howse, Land/Rivers Senior Programme Manager, and Don McKenzie, Biosecurity Senior Programme Manager, dated 25 November 2013, be received.

Carried

Matters arising from Item 9.0 (1):

Following discussion regarding the funding of pest control work at Kai Iwi lakes, Recommendation (2) wording was adjusted and a further motion put, as follows:

It was further moved (Carr/Brown)

1. That \$230,505 of funding is transferred from the land management reserve to fund the additional expenditure of \$114,545 for land management fund applications and \$80,960 (***\$115,960 less \$35,000 for pest control work related to Kai Iwi lakes***) for biosecurity fund applications.
2. That a report detailing the funding requested for pest control and related work at Kai Iwi lakes be brought to the next Environmental Management Committee meeting.

Carried

Matters arising from Item 9.0 (2):

A report to cover the appointment of a councillor to the Environment Fund grant approval process will be brought to the next Environmental Management Committee meeting.

CoastCare Update (Item 10.0)

**Report from Laura Shaft, CoastCare Co-ordinator, dated 18 November 2013.
A597013**

Laura Shaft provided a presentation to accompany her paper which highlighted how NRC staff supported local community groups by providing advice and materials (funded through the Environment Fund). Promotion of activities is through newsletters and Facebook, and activities include community planting days.

Moved (Jenkins/Blunden)

That the report CoastCare Update by Laura Shaft, CoastCare Co-ordinator, dated 18 November 2013, be received.

Carried

Recreational Swimming Water Quality Programme (Item 11.0)

**Report from Jean-Charles Perquin, Environmental Monitoring Officer – State of the Environment and Compliance, dated 24 September 2013.
A561430**

Mr C Jenkins left during the course of this item (12.06 pm).

Moved (Court/Blunden)

1. That the report Recreational Swimming Water Quality Programme dated 24 September 2013, prepared by Jean-Charles Perquin, Environmental Monitoring Officer – State of the Environment and Compliance, be received.
2. That the recreational swimming water quality programme continue to be supported by council as a valuable programme for informing the community about water quality at popular swimming sites.

Carried

Matters arising from Item 11.0 (1):

Considerable discussion took place on the nature and location of water quality sampling in the programme, the potential for identifying sources of pollution, and the practicality of including pathogen testing. The committee were advised that testing was carried out in line with national guidelines, and that these needed to be reviewed.

It was further moved (Court/Blunden)

3. That a report be brought to the next Environmental Management Committee to consider the best way forward for investigating and where possible improving water quality at problem sites in Northland.

Carried

Matters arising from Item 11.0 (2):

Following a request from Cr Court, the Chairman requested it be minuted that officers were to ensure agenda items were brought to the committee in a timely fashion, rather than being seen as "fait accompli" actions.

River Management Update (Item 12.0)

Report from Joseph Camuso, Rivers Programme Manager, dated 11 November 2013.

A594954

Moved (Brown/Bowman)

1. That the report River Management Update by Joseph Camuso, Rivers Programme Manager, dated 11 November 2013, be received.
2. That the draft minutes of the Kerikeri-Waipapa River Liaison Committee held on 20 September 2013 be received.

Carried

Kaeo Stage 1 Flood Works Update (Item 13.0)

Report from Joseph Camuso, Rivers Programme Manager, dated 8 November 2013.

A590207

Moved (Brown/Bowman)

That the report Kaeo Stage 1 Flood Works Update by Joseph Camuso, Rivers Programme Manager, dated 8 November 2013, be received.

Carried

Update on Biosecurity Responses; Appointment of Representative to the TBfree Northland Committee (Item 14.0)

Report from Don Mckenzie, Biosecurity Senior Programme Manager, dated 18 November 2013.

A596987

Moved (Brown/Blunden)

1. That the report Update on Biosecurity Responses by Don Mckenzie, Biosecurity Senior Programme Manager, dated 18 November 2013, be received.

2. That the committee recommend to council the appointment of Mr Alan Clarkson as their representative on the TBfree Northland Committee.

Carried

Climate and Water Resources – Update (Item 15.0)

Report by Dale Hansen, Water Resources/Hydrology Programme Manager, dated 20 November 2013.

A598344

Moved (Carr/Clarkson)

1. That the report Climate and Water Resources – Update by Dale Hansen, Water Resources/Hydrology Programme Manager, dated 20 November 2013, be received.
2. That the council supports the proposed response/monitoring plan.

Carried

Fifty Years of Soil Conservation in Northland (Item 16.0)

Report by Bob Cathcart, Land Management Specialist, dated 11 November 2013.

A595119

Bob Cathcart provided a presentation to accompany his paper on soil conservation practices over the period of time he has been involved with this work in Northland.

Moved (Carr/Cutforth)

That the report Fifty Years of Soil Conservation in Northland by Bob Cathcart, Land Management Specialist, dated 11 November 2013, be received.

Carried

Matters arising from Item 16.0:

The Chairman led applause for the presentation and voiced the committee's thanks and gratitude to Bob for his endeavours for improving soil conservation in the region.

2014 Calendar

Proposed dates for committee meetings in 2014 would be circulated by email to allow for committee members' feedback. Confirmed dates would be advised following the council meeting on 10 December 2013.

Conclusion

The meeting closed at 12.48 pm.

ISSUE: Regional Policy Committee – 2 December 2013**ID:** A610599**To:** Council Meeting, 28 January 2014**From:** Evania Laybourn, Committee Secretary**Date:** 14 January 2014

Summary The purpose of this report is to receive the minutes of the Regional Policy Committee meeting held on 2 December 2013. It concludes with the recommendation that the minutes be received.

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Report:The minutes are **attached**.**Legal compliance:**

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the Regional Policy Committee meeting held on 2 December 2013 be received.

**NORTHLAND REGIONAL COUNCIL
REGIONAL POLICY COMMITTEE**

Minutes of the Regional Policy Committee Meeting
held in the Council Chamber,
Northland Regional Council, 36 Water Street, Whāngārei, on
Monday 2 December 2013, commencing at 1.00 pm

Present:**Northland Regional Council**

Cr Graeme Ramsey (Chairman)
Cr Craig Brown
Cr David Sinclair
Cr Joe Carr
Cr John Bain (from 1.20 pm)

In Attendance:

General Manager – Planning and Policy
Programme Manager – Resource Management
Programme Manager – Policy Specialist, Tangata Whenua
Policy Specialist – Coastal
Policy Specialist - Water
Committee Secretary
Economist
Policy Analysts

The Chairman declared the meeting open at 1.08 pm.

Apologies (Item 1.0)**Moved (Ramsey/Sinclair)**

That the apology from Cr Bill Shepherd for non-attendance be received.

Carried**Declaration of Conflict of Interest (Item 2.0)**

It was advised that councillors should make declarations item-by-item as the meeting progressed. Cr Carr declared that he has a possible conflict as he is a submitter of the Regional Policy Statement.

Presentations (Item 3.0)

Officers gave the committee a presentation on the overview of Northland Regional Council's Resource Management Planning.

Regional Policy Committee - Terms of Reference and External Appointments (Item 4.1)

Report from Chris Taylor, Council Secretary dated 13 November 2013.

ID: A597197

Moved (Ramsey/Sinclair)

1. That the report "Regional Policy Committee - Terms of Reference and External Appointments" by Chris Taylor, Council Secretary, dated 20 November 2013, be received.
2. That the terms of reference for the Regional Policy Committee are accepted.
3. That no external appointments are made at this point but the committee will invite external representation at an appropriate point in the future.

Carried

Regional Policy Statement – Appeals (Item 4.2)

Report from Ben Lee, Policy Specialist – Coastal dated 19 November 2013.

ID: A595798

Moved (Ramsey/Sinclair)

1. That the report "Regional Policy Statement – Appeals" by Ben Lee, Policy Specialist – Coastal, dated 19 November 2013, be received.
2. That Councillors Brown and Sinclair be delegated the ability to make decisions on council's behalf for resolving appeals on the proposed Regional Policy Statement for Northland, where the decisions are consistent with and do not depart from the council decisions on the proposed Regional Policy Statement for Northland.
3. That where Councillors Brown and Sinclair consider that it would be more appropriate to make a decision for resolving appeals on the proposed Regional Policy Statement for Northland that is inconsistent with or departs from the council's decisions on the proposed Regional Policy Statement for Northland, a recommendation is to be made by Councillors Brown and Sinclair directly to council.

Carried

Meeting adjourned at 2.45 pm

Meeting reconvened at 2.58 pm

Supplementary Item for the Regional Policy Committee Meeting – 2 December 2013 (Item 4.3)

Report from Ben Lee, Policy Specialist – Coastal dated 27 November 2013

ID: A599548

Moved (Bain/Sinclair)

As permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following supplementary item be received:

- Item 4.4: Regional Plans Review

Carried

Regional Plans Review (Supplementary Item 4.4)

Report from Ben Lee, Policy Specialist – Coastal dated 27 November 2013.

ID: A596977

Moved (Bain/Sinclair)

That the report “Regional Plans Review” by Ben Lee Policy Specialist – Coastal, dated 27 November 2013, be received.

Carried

It was further moved (Ramsey/Sinclair)

That the Regional Policy Committee approve the commencement of the review of the Regional Air Quality Plan, Regional Water and Soil Plan, and Regional Coastal Plan in accordance with section 79 of the Resource Management Act 1991.

Carried

Secretarial note: the third recommendation from staff as follows;

“That the Regional Policy Committee approve the process for the review of the Regional Air Quality Plan, Regional Water and Soil Plan, and Regional Coastal Plan in accordance with section 79 of the Resource Management Act 1991 as outlined in this paper”

was not moved or seconded by committee members.

Conclusion

The meeting concluded at 3.34 pm.

ITEM: 6.4

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ISSUE: Northland Civil Defence Emergency Management Group Minutes – 3 December 2013**ID:** A606438**To:** Council Meeting, 28 January 2014**From:** Graeme MacDonald, CDEM Senior Programme Manager**Date:** 19 December 2013

Summary The purpose of this report is to present the minutes of the Northland Civil Defence Emergency Management Group meeting held on 3 December 2013. It concludes with the recommendation that the minutes be received.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Report:The minutes are **attached**.**Legal compliance:**

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the Northland Civil Defence Emergency Management Group meeting held on 3 December 2013 be received.

Northland Civil Defence Emergency Management Group

Minutes of the Northland Civil Defence Emergency Management Group Meeting
held in the Council Chamber, Northland Regional Council,
36 Water Street, Whāngārei, on
Tuesday 3 December 2013 commencing at 11 am

File A599846

Present:

Cr C Kitchen, Chair
Cr P Dimery
Cr J Williamson
Mr P Winder (left at 11.34 am)
Insp M Ruth, NZ Police
Mr A Kerrisk, NZ Fire Service

Observer:

Mr G Gallop, MCDEM

In Attendance:

Full Meeting
Mr T Phipps, NRC
Mr G MacDonald, NRC
Mr D Alderton, NRC
Ms C Nyberg, NRC
Ms K Abbott, NRC
Ms S Morgan, NRC

Also Present:

Mr D Penny, FNDC
Mr A Wells, FNDC
Mr S Weston, WDC
Ms V Randall, WDC
Mr T Andrews, KDC
Mr H Van Zyl, KDC
Sgt W Kelman, NZ Police
Ms R MacKenzie, Northland Health
Dr C Mills, Medical Officer of Health
Mr T Bullock, Northland Region Rural Fire Committee
Mr J Field, Ministry of Social Development
Ms N Butler, Ministry of Social Development
Mr B Gilbert, Ministry of Youth Development

New Triennium

The Meeting Secretary, Mr Dean Alderton, assumed the Chair for the first part of the inaugural meeting of the new triennium.

Apologies

Moved (Kitchen/Dimery)

That the apologies from Supt R Le Prou, NZ Police and Mr B Butt, NZ Fire Service for non-attendance be received.

Carried

Declaration of Conflict of Interest

There were no declarations of conflicts of interest in any items of business.

1. Appointment of Northland Civil Defence Emergency Management Group Chairperson

File A598198

Report from Graeme MacDonald, CDEM Senior Programme Manager, dated 22 November 2013.

Moved (Williamson/Winder)

1. That the report Appointment of Northland Civil Defence Emergency Management Group Chairperson, by Graeme MacDonald, CDEM Senior Programme Manager, dated 22 November 2013, be received.
2. That Cr Colin Kitchen be elected chairperson of the Northland Civil Defence Emergency Management Group.

Carried

Moved (Kitchen/Dimery)

That Cr John Williamson be elected deputy chairperson of the Northland Civil Defence Emergency Management Group.

Carried

Cr Kitchen assumed the Chair for the remainder of the meeting.

2. Confirmation of Minutes – 3 September 2013

A597752

Moved (Williamson/Ruth)

That the minutes of the Northland Civil Defence Emergency Management Group Meeting held on 3 September 2013 be confirmed.

Carried

3. Controller's Appointment

File A598204

Report from Trevor Andrews, Kaipara District Civil Defence Emergency Management Officer, dated 20 November 2013.

Moved (Winder/Williamson)

1. That the report, Controller's Appointment, from Trevor Andrews, Kaipara CDEM Officer, dated 20 November 2013, be received.
2. That Mr Stephen Soole is appointed as a Local Controller for the Kaipara District Council area in accordance with the provisions of s. 27, Civil Defence Emergency Management Act 2002.

Carried

4. Youth in Emergency Services Project Overview

File: A598227

Report from Graeme MacDonald, CDEM Senior Programme Manager, dated 20 November 2013.

Mr Blair Gilbert from Ministry of Youth Development gave a presentation on the Youth in Emergency Services Programme. The idea of the programme is to create active youth citizens who become on-going volunteers for emergency services. The programme had proved successful and the participants have also gained life and emergency skills, confidence in their own abilities, provided career and volunteer options and created community connections for them. The programme is to be rolled out in Kaikohe as the first of its kind in Northland. The programme targets 16-19 year olds and will be delivered over a period of four weeks, with a number of emergency services involved in presenting the modules.

The Chairman thanked Mr Gilbert for his presentation on behalf of the CDEM Group.

5. Development of e-Community Response Plan Template

File: A598225

Report from Graeme MacDonald, CDEM Senior Programme Manager, dated 21 November 2013.

Mr Trevor Andrews, Kaipara District CDEM Officer, provided an overview of the development of the e-Community Response Plan template. The new template will be trialled during the review of the Mangawhai Community Response Plan. The template format will raise the level of consistency of both format and branding across Northland.

The Chairman thanked Mr Andrews for his presentation on behalf of the CDEM Group.

6. Coordinating Executive Group - Chair's Report

File A598229

Report from Tony Phipps, CEG Chair and Group Controller, dated 21 November 2013.

Moved (Williamson/Kitchen)

That the report, Coordinating Executive Group – Chair's Report by Tony Phipps, CEG Chair and Group Controller, dated 21 November 2013, be received.

Carried

7. Business Continuity Project Update

File: A598241

Report from Kim Abbott, Civil Defence Emergency Management Officer, dated 21 November 2013.

Moved (Winder/Dimery)

That the report Business Continuity Project Update by Kim Abbott, Northland CDEM Officer, dated 21 November 2013, be received.

Carried

8. Draft Work Programme

File: A598256

Report from Graeme MacDonald, CDEM Senior Programme Manager, dated 22 November 2013.

Moved (Williamson/Winder)

1. That the report Draft Work Programme by Graeme MacDonald, CDEM Senior Programme Manager, dated 22 November 2013, be received.
2. That the work programme be approved.

Carried

9. Whāngārei, Far North and Kaipara District Updates

File A598264

Report from Victoria Randall, CDEM Officer, Whāngārei District; Trevor Andrews, CDEM Officer, Kaipara District; and Bill Hutchinson, CDEM Officer, Far North District, dated 3 December 2013.

Moved (Kerrisk/Williamson)

That the report Whāngārei, Far North and Kaipara District Updates by Victoria Randall, Trevor Andrews and Bill Hutchinson, CDEM Officers, dated 3 December 2013, be received.

Carried

Commissioner Peter Winder left the meeting at 11.34 am and Mr Henry Van Zyl represented the Kaipara District Council for the remainder of the meeting.

10. Welfare Advisory Group Update

File: A598270

Report from Kim Abbott, Civil Defence Emergency Management Officer, dated 21 November 2013.

Moved (Dimery/Kerrisk)

That the report Welfare Advisory Group Update by Kim Abbott, WAG Welfare Manager/Northland CDEM Officer, dated 20 November 2013, be received.

Carried

Ms Jo Field advised that she was resigning from her role of chairing the Welfare Advisory Group (WAG) due to a recent promotion, noting that it had been one of her most satisfying duties during her years of employment. The Chairman thanked Ms Field for her years of service to the Northland community. Ms Field introduced Ms Nicole Butler to the group as her replacement representing the Ministry of Social Development on the CEG.

11. Emergency Management Information System (EMIS) Update

File: A598275

Report from Victoria Randall, CDEM Officer, Whāngārei District, dated 20 November 2013.

Moved (Dimery/Williamson)

That the report Emergency Management Information System (EMIS) Update by Victoria Randall, CDEM Officer, Whāngārei District, dated 20 November 2013 be received.

Carried

The Chairman noted that EMIS was promoted as being a national system, but currently had only half the regions actively using it. The CDEM Group would write to MCDEM requesting that they take action to ensure this happens.

12. Exercise Honshu Report and Outcomes

File: A598277

Report from Victoria Randall, CDEM Officer, Whāngārei District, dated 20 November 2013.

Moved (Dimery/Williamson)

That the report Exercise Honshu Report and Outcomes by Victoria Randall, CDEM Officer, Whāngārei District, dated 20 November 2013, be received.

Carried

13. Northland Tsunami Siren Testing

File: A598278

Report from Victoria Randall, CDEM Officer, Whāngārei District and Bill Hutchinson, CDEM Officer, Far North District, dated 21 November 2013.

Moved (Dimery/Williamson)

That the report Northland Tsunami Siren Testing by Victoria Randall, CDEM Officer, Whāngārei District and Bill Hutchinson, CDEM Officer, Far North, dated 20 November 2013, be received.

Carried

14. Lifelines Utility Group Update

Report from Lisa Roberts, Project Manager, dated 20 November 2013.

Moved (Williamson/Ruth)

1. That the report Lifelines Utility Group Update by Lisa Roberts, Project Manager, dated 20 November 2013, be received.
2. That the Northland CDEM Group acknowledges the input and commitment from the various partner agencies in support of the lifelines group and the successful outcomes achieved in the recent Exercise Kermadec.

Carried

Next Meeting

The next meeting of the Northland Civil Defence Emergency Management Group is to be held at the Northland Regional Council, 36 Water Street, Whāngārei, on Tuesday 4 March 2014 commencing at 11.00 am.

Conclusion

The meeting closed at 12.17 pm.

ITEM: 6.5

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**ISSUE: Regional Transport Committee Minutes –
4 December 2013****ID:** A611233**To:** Council Meeting, 28 January 2014**From:** Chris Taylor, Council Secretary**Date:** 17 January 2014

Summary The purpose of this report is to receive the minutes of the Regional Transport Committee meeting held on 4 December 2013. It concludes with the recommendation that the minutes be received.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Report:

The minutes are **attached**.

Legal compliance:

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the Regional Transport Committee meeting held on 4 December 2013 be received.

NORTHLAND REGIONAL COUNCIL REGIONAL TRANSPORT COMMITTEE

Minutes of the meeting held in the Council Chamber,
36 Water Street, Whāngārei, on Wednesday 4 December 2013
commencing at 10.00 am

Present:

Northland Regional Council

Cr J Bain, Chairman

Cr P Dimery

Kaipara District Council

Mr P Winder

Far North District Council

Cr A Court

Whāngārei District Council

Cr G Martin

New Zealand Transport Agency

Mr S Town

In Attendance:

Full Meeting

NRC CEO – Malcolm Nicolson

NRC Transport Operations SPM – Chris Powell

NRC Growth and Infrastructure Manager – Vaughan Cooper

NRC Transport Projects Officer – Ian Crayton-Brown

WDC Roading Manager – Jeff Divine

FNDC Councillor – John Vujcich

FNDC GM Infrastructure and Asset Management – David Penny
(from 10.06 am)

KDC Roading Manager – Henri Van Zyl

NRC Council Secretary – Chris Taylor

The Chairman declared the meeting open at 10.00 am.

Apologies (Item 1.0)

There were no apologies.

Declaration of Conflicts of Interest (Item 2.0)

The Chairman invited members to make declarations item-by-item as the meeting progressed. There were no declarations of conflict at this point.

Confirmation of Minutes of the Extraordinary Regional Transport Committee Meeting – 11 November 2013 (Item 3.1)

ID: A598276

Report from Council Secretary Chris Taylor.

Moved (Winder/Martin)

That the minutes of the extraordinary Regional Transport Committee meeting held on 11 November 2013 be confirmed as a true and correct record.

Carried

Northland Regional Land Transport Programme 2013-2015 – Funding Uptake (Item 4.1)

ID: A596670

Report from Transport Operations Senior Programme Manager Chris Powell.

Moved (Martin/Dimery)

That the report, "Northland Regional Land Transport Programme 2012-2015 - Funding Uptake" by Chris Powell, Transport Operations Senior Programme Manager, dated 18 November 2013, be received.

Carried

Matters arising from Item 4.1:

It was confirmed that the NRC Summer Road and Beach Safety campaigns had commenced.

Regional Road Safety Update (Item 4.2)

ID: A597689

Report from Transport Projects Officer Ian Crayton-Brown.

Moved (Bain/Winder)

That the report "Regional Road Safety Update" by Ian Crayton-Brown, Transport Projects Officer, dated 21 November 2013, be received.

Carried

Regional Transport Committee Member be Appointed as Regional Road Safety Portfolio Holder (Item 5.1)

ID: A597577

Report from Transport Operations Senior Programme Manager Chris Powell.

Moved (Winder/Martin)

1. That the report "Regional Transport Committee Member be Appointed as Regional Road Safety Portfolio Holder" by Chris Powell, Transport Operations Senior Programme Manager, dated 14 November 2013, be received.
2. That the Regional Transport Committee approve the appointment of the Chairman John Bain, and Councillor Dimery as his "alternate", as the portfolio holder for the liaison role with Northland Road Safety Forum; and becoming a member of the Road Safety Forum and also the Road Safety Trust.

Carried

Submission on Ara Tūhono – Pūhoi to Wellsford Road of National Significance (Item 5.2)

ID: A598042

Report from Transport Operations Senior Programme Manager Chris Powell.

The NZTA representative, Stephen Town, declared a conflict of interest and abstained from voting on Item 5.1.

Moved (Winder/Martin)

1. That the report "Submission on Ara Tūhono – Pūhoi to Wellsford Road of National Significance" by Chris Powell, Transport Operations Senior Programme Manager, dated 21 November 2013, be received.
2. That the Regional Transport Committee supports the content of the Northland Regional Council submission, as amended at the 4 December 2013 Regional Transport Committee meeting, and delegates to the Chairman of the Committee the responsibility to finalise the submission prior to being forwarded to the Environmental Protection Authority as a regionally endorsed submission.

Carried

Secretarial note: The amendments suggested at the meeting were:

- *The deletion of the last sentence of Item 7: "It is therefore somewhat disappointing to see the level of information provided within the application to support the strategic context of the project and its economic benefits".*
- *The inclusion of project examples which demonstrated the New Zealand Transport Agency's attention to environmental awareness.*

Matters arising from Item 5.2:

Clarification was provided that the Environmental Protection Authority was seeking assurance that the NZTA attended to environmental awareness and had a good track record; rather than proving the economics of the proposed project.

It was confirmed that WDC would be submitting individually on the proposal. Commissioner Winder undertook to provide clarification as to whether KDC would be submitting and Councillor Court, although supporting the submission at the meeting, would be seeking formal approval from FNDC.

Acknowledgements

Appreciation was extended to the departing NZTA representative, Stephen Town, for his contribution to the Regional Transport Committee. His knowledge of the Northland region and wise counsel had made him a valued and highly respected member of the committee.

CONCLUSION

The meeting concluded at 10.37 am.

ITEM: 6.6

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ISSUE: Confirmation of Minutes – 10 December 2013**ID:** A611228**To:** Council Meeting, 28 January 2014**From:** Chris Taylor, Council Secretary**Date:** 17 January 2014

Summary The purpose of this report is to present the unconfirmed minutes of the council meeting held on 10 December 2013. It concludes with the recommendation that council confirms the minutes as a true and correct record.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Report:

The minutes are **attached**.

Legal compliance:

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

Recommendation:

That the minutes of the council meeting held on 10 December 2013 be confirmed as a true and correct record.

NORTHLAND REGIONAL COUNCIL

Minutes of the ordinary meeting of the council
held in the Banquet Room, Te Ahu Centre, Kaitiāia,
on Tuesday 10 December 2013,
commencing at 1.00 pm

Present:

Chairman, Bill Shepherd

Councillors:

John Bain

Dennis Bowman

Craig Brown

Joe Carr

Paul Dimery

Graeme Ramsey

Dover Samuels

David Sinclair

In Attendance:**Full Meeting**

Chief Executive Officer, Malcolm Nicolson

Operations Director

General Manager – Planning and Policy

Communications Officer

Council Secretary

Part Meeting

NRC appointee to the Northland Events Centre Board of Trustees

WDC Venue and Events Manager

Area Manager Harbour Master

Kaitiāia Area Manager

Maritime Programme Manager

Deputy Harbourmaster

The Chairman declared the meeting open at 1.00 pm.

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed. Councillor Bain declared he has a shareholding in the Refinery Company at this point.

Tabled Items for the council meeting – 10 December 2013 (Item 2.0A)**ID: A601608****Report from Council Secretary Chris Taylor.****Moved (Shepherd/Brown)**

That as permitted under section 46A of the Local Government Official Information and Meetings Act 1987, the tabled items:

- Item 8.8: Moorings and Marinas Strategy – Extension of Feedback Period; and
 - Item 8.9: Kai Iwi Lakes – Proposal to Carry Out Pest Control Over Summer Period;
- be received.

Carried**Chairman of the Te Hiku Community Board**

The Chairman of the Te Hiku Community Board, Lawrie Atkinson, had been invited to speak briefly to council. Lawrie expressed the desire for the FNDC and NRC to have an improved working relationship going forward and raised concern regarding the duplication of services and the cost of inspection fees. Chief Executive Officer, Malcolm Nicolson, undertook to investigate these matters further and provide Lawrie further information regarding the agreement with MPI on marine pest control programmes.

Representative on the Northland Events Centre Board of Trustees (Item 3.1)**ID: A599210****Report from Council Secretary Chris Taylor.**

The Northland Regional Council's representative on the Northland Events Centre Board of Trustees, Allastair Wells, and WDC Venue and Events Manager, John Lynch, were in attendance to provide an update on the operation of the Northland Events Centre. Key points included:

- Utilisation of the facility by a broad range of markets (268 bookings last year);
- Securing FIFA World Cup 2015 games;
- Development of the Whāngārei Fritter Festival; and
- Gratifying financial results.

Northland Regional Marine Oil Spill Contingency Plan and National Review of Response Strategy – Three Yearly Review (Item 3.2)**ID: A592174****Report from Regional Harbourmaster Jim Lyle.****Moved (Brown/Samuels)**

That the report "Northland Regional Marine Oil Spill Contingency Plan and National Review of Response Strategy – Three Yearly Review", by Jim Lyle, Regional Harbourmaster, dated 28 November 2013, be received.

Carried

Matters arising from Item 3.2:

Area Manager Harbour Master, Jim Lyle, was in attendance and provided the presentation "Oil spill preparedness and response: Northland Marine Oil Spill Response Systems" covering the following key points:

- The three tiered approach;
- Examples of recent responses;
- The regional contingency plan;
- Funding and compensation;
- The roles of the regional council and the national response team;
- Training and exercises; and
- Lessons learnt (Rena and the Poor Knights Islands).

Awanui River Scheme (Item 3.3)**ID: A600592****Report from Council Secretary Chris Taylor.**

Kaitiāia Area Manager, Peter Wiessing, was in attendance and provided the presentation "Awanui River Scheme: Overview of Scheme, maintenance works, improvement options" covering the following key points:

- The catchment area;
- Principal components of the Awanui River Scheme;
- Modelled flood levels and flows;
- Annual work undertaken (maintenance, preventative and emergency repairs), including recent examples;
- Flow improvements and prefeasibility studies; and
- Urban Kaitiāia scheme improvement investigations.

Chairman's Report to Council (Item 4.0)**ID: A599184****Report from Chairman Bill Shepherd.****Moved (Carr/Sinclair)**

That the Chairman's report dated 22 November 2013 be received.

Carried

CEO's Note: The Chairman and CEO to approach the Mayor of the Far North District Council to resolve Donald Road bridge issues.

Chief Executive's Report to Council (Item 5.0)**ID: A596600****Report from Chief Executive Officer Malcolm Nicolson.****Moved (Brown/Sinclair)**

That the Chief Executive Officer's report dated 29 November 2013 be received.

Carried

Matters arising from Item 5.0:

It was requested that, with regard to the testing for presence of heavy metals, a comprehensive report be provided to council regarding the state of waterways in the Puhipuhi/Whakapara area.

Councillor Carr reiterated the importance of an upcoming events calendar for councillors; including liaison groups relating to resource management issues. Councillor Carr requested that the meeting dates for all liaison committees established as a result of RMA consents are to be included in the calendar. All biodiversity form meetings are also to be included.

In relation to Local government reform and reorganisation (within Item 5.1 of the Chief Executive's Report to council):**Moved (Bain/Ramsey)**

That council's support for the Local Government Commission's "Draft Proposal for Reorganisation of Local Government in Northland" is contingent on the provision for statutory local boards. Therefore council requests the Local Government Commission delays the release of a final proposal until the enactment of legislation to allow for statutory local boards.

The original motion was replaced by the amendment as the substituted motion:

Moved (Brown/Samuels)

That council supports the Local Government Commission's "Draft Proposal for Reorganisation of Local Government in Northland" and in doing so, and making submissions on the proposal and the Local Government Amendment Bill (No 3), supports local boards to be put in place as soon as possible and the provision for a Māori statutory board.

Councillor Carr notified the Chairman his intention to move a further amendment to indicate that NRC would be submitting on matters other than local boards.

Lost

The meeting adjourned at 2.54 pm to allow the Chairman, Deputy Chairman and council officers to consider the appropriate wording of the recommendation. The meeting reconvened at 3.06 pm.

The original motion was withdrawn with the consent of the majority of the members present and voting (as per Standing Order 3.9.2).

Moved (Bain/Ramsey)

That the reorganisation of Northland local authorities must include local boards in place of community boards (as proposed in the Local Government Commission's draft proposal). Therefore council requests the Local Government Commission to delay the release of a final proposal until legislation allows this to be done. The NRC will present a full submission in due course.

Carried

Councillor Samuels voted against the motion.

Confirmation of Minutes – 6 November 2013 (Item 6.1)

ID: A599630

Report from Council Secretary Chris Taylor.

Moved (Bain/Ramsey)

That the minutes of the council meeting held on 6 November 2013 be confirmed as a true and correct record.

Carried

Extraordinary Regional Transport Committee Minutes – 11 November 2013 (Item 6.2)

ID: A599709

Report from Council Secretary Chris Taylor.

Moved (Bain/Dimery)

That the minutes of the extraordinary Regional Transport Committee meeting held on 11 November 2013 be received.

Carried

Confirmation of Minutes – 19 November 2013 (Item 6.3)

ID: A599645

Report from Council Secretary Chris Taylor.

Moved (Ramsey/Samuels)

That the minutes of the council meeting held on 19 November 2013 be confirmed as a true and correct record.

Carried

Northland Inc. Limited Annual Report for the Year Ended 30 June 2013 (Item 7.1)

ID: A598849

Report from Chief Executive Officer Malcolm Nicolson.

Moved (Bain/Dimery)

That the report "Northland Inc. Limited Annual Report for the Year Ended 30 June 2013" by Malcolm Nicolson, Chief Executive Officer, dated 26 November 2013, be received.

Carried

It was further moved (Carr/Sinclair)

That the Northland Regional Council, as the holder of all the shares of Northland Inc. Limited (the Company) hereby resolves by special resolution in accordance with clause 13.1 of the Constitution of the Company to adopt the Company's Annual Report for the year ended 30 June 2013 and call an Annual General Meeting of shareholders to be held on 21 January 2014.

Carried

It was further moved (Brown/Bain)

That Councillor Sinclair, Chairman of the Economic Development Portfolio – Working Party, be authorised to exercise the council's vote at the Annual General meeting of Northland Inc. Limited and make shareholder resolutions on behalf of the council (as the Northland Inc. Limited Shareholder).

Carried

Northland Inc. Limited Financial Report to 31 October 2013 (Item 7.2)

ID: A598847

Report from Finance Manager Simon Crabb.

Moved (Ramsey/Sinclair)

That the report "Northland Inc. Limited Financial Report to 31 October 2013" by Simon Crabb, Finance Manager, dated 26 November 2013, be received.

Carried

Northland Inc. Limited Constitution – Proposed Alteration for Appointing the Chairperson (Item 7.3)

ID: A599043

Report from Chief Executive Officer Malcolm Nicolson.

Moved (Carr/Sinclair)

That the report "Northland Inc. Limited Constitution - Proposed Alteration for Appointing the Chairperson" by Malcolm Nicolson, Chief Executive Officer, dated 26 November 2013 be received.

Carried

It was further moved (Brown/Dimery)

That the Northland Regional Council, as the holder of all the shares of **NORTHLAND INC LIMITED** (the **Company**) hereby resolves, by special resolution in accordance with section 32(2) of the Companies Act 1993 and clause 7.2 of the constitution of the Company to alter the constitution as follows:

By omitting clause 24 and its heading and substituting the following:

Directors to elect chairperson of the board

The directors may elect one of their number as chairperson of the board to hold office.

By omitting clause 25 and substituting the following:

The chairperson of the board holds that office until he or she dies, vacates that office, resigns or he or she is removed from office under *clause 18* or until the directors elect a chairperson in his or her place.

Carried

Councillors Ramsey and Carr voted against the motion.

Request to Approve “Contractual Arrangement” Between Northland Inc. Limited and Council – For the Sale of ex-Chairman’s Car (Item 7.4)

ID: A599381

Report from Chief Executive Officer Malcolm Nicolson.

Moved (Carr/Sinclair)

1. That the report “Request to Approve ‘Contractual Arrangement’ Between Northland Inc. Limited and Council – For the Sale of ex-Chairman’s Car”, by Malcolm Nicolson, Chief Executive Officer, dated 28 November 2013, be received.
2. That council approves both council and Northland Inc. Limited entering into a multi-year arrangement to the sale of the ex-Chairman’s 2012 Holden SV6 to Northland Inc. Limited based on a market value of \$25,000 and that the arrangement provides that Northland Inc. Limited repays \$25,000 to council over 36 months with interest at 6% per annum payable on the outstanding balance and delegates all necessary authority to give effect to this resolution to the Chief Executive Officer.

Carried

Councillor Ramsey voted against the motion.

Matters arising from Item 7.4:

It was confirmed that an independent valuation of the vehicle had been sought by council staff.

Northland Inc. Limited Request for Additional Operational Funding from Investment and Growth Reserve (Item 7.5)

ID: A599805

Report from Chief Executive Officer Malcolm Nicolson.

Moved (Bain/Brown)

That the report "Northland Inc. Limited Request for Additional Operational Funding from Investment and Growth Reserve" by Malcolm Nicolson, Chief Executive Officer, dated 28 November 2013, be received.

Carried

It was further moved (Brown/Sinclair)

That the extraordinary funding request for \$159,652 plus GST is approved and paid from the Northland Regional Council Investment and Growth Reserve against an invoice raised as soon as practical.

Carried

Councillor Carr voted against the motion.

It was further moved (Brown/Carr)

That council directs staff to review the criteria for the Investment and Growth Reserve and present it with options prior to council adopting its draft 2014/15 Annual Plan.

Carried

Meetings Calendar 2014 (Item 8.1)

ID: A589300

Report from Council Secretary Chris Taylor.

Moved (Bowman/Sinclair)

That the report, "Meetings Calendar 2014" by the Council Secretary, Chris Taylor, dated 27 November 2013, be received.

Carried

It was further moved (Bain/Dimery)

That the programme of meetings for 2014, as tabled at the 10 December 2013 council meeting, be adopted.

Carried

Matters arising from Item 8.1:

It was noted that the calendar was a "fluid document" with the flexibility to change.

Selection Committee for the Northland Sailor of the Year 2013 (Item 8.2)

ID: A595292

Report from Regional Harbourmaster Jim Lyle.

Moved (Bain/Ramsey)

1. That the report "Selection Committee for the Northland Sailor of the Year 2013" by Jim Lyle, Regional Harbourmaster, dated 15 November 2013, be received.
2. That council appoints Councillor David Sinclair as the Northland Regional Council's representative on the selection panel to choose the recipient of the Northland Sailor of the Year trophy and award for 2013.

Carried

Proposed Changes to the NPS Freshwater Management (Item 8.3)

ID: A599168

Report from Programme Manager (Resource Management) Justin Murfitt.

Moved (Bain/Bowman)

1. That the report "Proposed Changes to the NPS Freshwater Management" by Justin Murfitt, Programme Manager (Resource Management), dated 27 November 2013, be received.
2. That staff prepare a draft submission on the proposed changes to the National Policy Statement for Freshwater Management, as outlined in Item 8.3 of the 10 December 2013 council agenda.
3. That staff present the draft submission to a council meeting in January 2014 (if one is held).
4. That authority to approve the draft submission on behalf of council be delegated to the Chairman of the Council, the Chairman of the Environmental Management Committee and the Chief Executive Officer.

Carried

Māori Advisory Committee (provisionally called Te Taitokerau Regional Māori Advisory Committee) (Item 8.4)

ID: A599366

Report from Council Secretary Chris Taylor and General Manager – Planning and Policy Kathryn Ross.

Moved (Samuels/Ramsey)

1. That the report "Māori Advisory Committee (provisionally called Te Taitokerau Regional Māori Advisory Committee)" by Chris Taylor, Council Secretary, and Kathryn Ross, General Manager – Planning and Policy, dated 28 November 2013, be received.

2. That council appoints, in addition to Councillor Samuels as the Chairman, Councillors Bowman and Dimery (to geographically represent the north and south respectively) and the council Chairman, Bill Shepherd (in ex-officio capacity), to the working party preparing a brief (including budgets) for council regarding the development of a Māori liaison advisory committee.
3. That the working party's terms of reference include that it engages with Māori in Te Taitokerau and provides recommendations to council on the terms of reference (including its purpose, functions and roles) for and Māori representation on the Māori liaison advisory committee (called Te Taitokerau Regional Māori Advisory Committee).
4. That the memorandum (attached to Item 8.4 of the 10 December 2013 council meeting agenda) is used as the starting point for this engagement and the development of recommendations to council on the terms of reference (including purpose, functions and responsibilities) and Māori representation on the Te Taitokerau Regional Māori Advisory Committee.

Carried

Matters arising from Item 8.4:

Council requested that this working party meet and report back to council early in the New Year.

Councillor Ramsey further requested a paper be presented to the January 2014 council meeting detailing the options to set up an "Organisational Performance" committee.

Submission on Ara Tūhono – Pūhoi to Wellsford Road of National Significance (Item 8.5)

ID: A599451

Report from Transport Operations Senior Programme Manager Chris Powell.

Moved (Bain/Dimery)

1. That the report "Submission on Ara Tūhono – Pūhoi to Wellsford Road of National Significance" by Chris Powell, Transport Operations Senior Programme Manager, dated 28 November 2013, be received.
2. That the Northland Regional Council approve the content of the submission on Ara Tūhono – Pūhoi to Wellsford Road of National Significance, as amended at the 10 December 2013 council meeting, and approve that the submission be forwarded to the Environmental Protection Authority.
3. That council appoints NRC Growth and Infrastructure Manager, Vaughan Cooper, to speak to the submission should NRC need to be heard.

Carried

Councillor Carr voted against the motion.

Secretarial Note: The amendments raised at the meeting were as follows:

- *The deletion of the last sentence of Item 7: "It is therefore somewhat disappointing to see the level of information provided within the application to support the strategic context of the project and its economic benefits".*
- *Councillor Carr proposed amendment of Item 35 to read "As noted at the start, while the project is clearly outside the council's boundary, the benefits of the project to Northland are considerable". However, this amendment lapsed for lack of a seconder.*

Appointment of Honorary Enforcement Officers 2013 (Item 8.6)

ID: A596832

Report from Deputy Harbourmaster Chidambaram Surendran.

Moved (Brown/Samuels)

1. That the report "Appointment of Honorary Enforcement Officers 2013" by Chidambaram Surendran, Deputy Harbourmaster, dated 21 November 2013, be received.
2. That the council approves the renewal of the warrants of the persons listed below as Honorary Enforcement Officers, under section 33F(1) (g) and (h) of the Maritime Transport Act 1994 for a period until 10 December 2015:

Murray Rae	-	Houhora
Tommy Walker	-	Rangaunu
Steve Smith	-	Mangōnui / Doubtless Bay
Roly Linstrom	-	Whangaroa
Rex Mundy	-	Kerikeri
Peter Lord	-	Kerikeri
Walter Murray	-	Whangaruru
Doug Adams	-	Whananaki
Percy Ginders	-	Tutukākā / Ngunguru / Wellingtons Bay
Hamish McKenzie	-	Pataua
Blair Dempsey	-	Whāngārei
Marc Sands	-	Bream Bay
Francie Crawford	-	Mangawhai and Langs Beach
Trevor Downey	-	Mangawhai
Ron Matich	-	Kaipara
Des Subritzky	-	Kaipara and West Coast
Peter Clark	-	Lower Hokianga
Craig Joiner	-	Upper Hokianga

Carried

Councillors Carr and Ramsey abstained from voting.

Warrants of Appointment: Resource Management Act 1991 (Item 8.7)

ID: A599463

Report from Operations Director Tony Phipps.

Moved (Brown/Ramsey)

1. That the report "Warrants of Appointment: Resource Management Act 1991", from Tony Phipps, Operations Director, dated 28 November 2013, be received.
2. That pursuant to section 38 of the Resource Management Act 1991, **Michelle Grant** is authorised to exercise and carry out the functions and powers as set out in sections 22, 332, and 333 of that Act, and a warrant of authority issued.

Carried

Moorings and Marinas Strategy – Extension of Feedback Period (Tabled Item 8.8)

ID: A601007

Report from Policy Specialist – Coastal Ben Lee.

Moved (Carr/Sinclair)

1. That the report “Moorings and Marinas Strategy – Extension of Feedback Period” by Ben Lee, Policy Specialist – Coastal, dated 4 December 2013, be received.
2. That council approve the extension of the period for making submissions on the Moorings and Marinas Strategy to 28 February 2014.

Carried

Kai Iwi Lakes High Value Area Pest Management – Proposal to Carry Out High Priority Pest Management Over Summer Period (Tabled Item 8.9)

ID: A601267

Report from Operations Director Tony Phipps and Biosecurity Senior Programme Manager Don Mckenzie.

Moved (Ramsey/Carr)

1. That the report “Kai Iwi Lakes High Value Area Pest Management – Proposal to Carry Out High Priority Pest Management Over Summer Period” by Tony Phipps, Operations Director, and Don Mckenzie, Biosecurity Senior Programme Manager, dated 10 December 2013, be received.
2. That council approve the use of up to \$50,000 from the Land Management Reserve for priority pest management work as proposed in Tabled Item 8.9 of the 10 December 2013 council meeting agenda.

Carried

Business with the Public Excluded (Item 9.0)

ID: A600626

Report from Council Secretary Chris Taylor.

Moved (Bowman/Sinclair)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reason\Grounds
9.1	Confidential Minutes of the Council Meeting – 6 November 2013	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.
9.2	Confidentiality Agreement – Delegation to the Chief Executive Officer	To protect information where the making available of the information would disclose a trade secret and to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (sections 7(2)(b)(i) and 7(2)(h)).
9.3	Hewlett Street Wharf Proposal	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to allow the council to carry on, without prejudice or disadvantage, negotiations, including commercial and industrial negotiations (section 7(2)(i)).

3. That Northland Inc. Chairman, Colin Mitten, and NRC Growth and Infrastructure Manager, Vaughan Cooper, remain in attendance to speak to Item 9.3: Hewlett Street Wharf Proposal.

Carried

CONCLUSION

The meeting concluded at 5.18 pm.

ITEM: 7.1

Page 1 of 2

ISSUE: Northland Inc. Limited Financial Report to 30 November 2013**ID:** A610179**To:** Council Meeting, 28 January 2014**From:** Simon Crabb, Finance Manager**Date:** 14 January 2014

Summary The purpose of this report is to present Northland Inc. Limited's financial statements for the month ending 30 November 2013. It concludes with the recommendation that this report be received.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

Attached are the following financial reports supplied by Northland Inc. Limited:

- Brief commentary explaining the year to date financial results to 30 November 2013 (**appendix one**).
- Northland Inc. Limited - Profit and Loss Budget Performance Report to 30 November 2013 (**appendix two**).
- Northland Inc. Limited - Balance Sheet Statement as at 30 November 2013 (**appendix three**).
- Northland Inc. Limited – Cash flow for 2013-2014 (**appendix four**).

In the 2013-2014 Annual Plan council agreed to provide Northland Inc. Limited up to \$1M funding from the Investment and Growth Reserve and a further \$100K funding from rates.

At the end of November 2013 council had paid its first, second and third quarter payments totalling \$750 thousand from the Investment and Growth Reserve and \$75 thousand funded from rates. The total third quarter instalment of \$275 thousand has been recognised as Income in Advance in the Northland Inc. Balance Sheet.

The Northland Inc. Limited financial report for the year to 30 November 2013 presents a net operating deficit of \$32 thousand which is in line with the budgeted year to date deficit of \$30 thousand. The forecasted year end operating surplus is anticipated to be \$82 thousand greater (better) than budget. This favourable variance is predominantly due to the \$160 thousand received from NRC (December 2013) for the reimbursement of extraordinary costs, offset by unbudgeted wages, audit fees, and project costs.

With the introduction of the \$160 thousand (plus GST) from the NRC, the cash-flow now appears to be manageable through to the end of the financial year.

ITEM: 7.1

Page 2 of 2

Legal compliance and significance assessment:

The activities detailed in this report are part of council's routine operations and oversight of its Council Controlled Organisation. They are consistent with council decisions made during deliberations of the Long Term Plan 2012-2022, and as part of the Annual Report and receipt and modification of Northland Inc. Limited's SOI and as such are in accordance with council's decision making process and sections 76-82 of the Local Government Act 2002 and are of low significance.

Recommendation:

That the report "Northland Inc. Limited Financial Report to 30 November 2013" by Simon Crabb, Finance Manager, dated 14 January 2014, be received.



Report to NRC

Report By:

David Wilson

Dated:

13/01/2013

Subject:

Financial

Attached are the following reports;

Financial Reports

Profit & Loss Budget Performance to 30 November 2013

Report Summary; (notes also on spread sheet)

Revenue is tracking under budget by \$3,504 mainly due to reduce activity in the Tourism NZ media and trade project area, this offset against reduction in expenses in this project area.

Expenditure is over budget by \$1,575 due to;

- Wages:
 - Tourism wage actual is due to contractors rate being higher than budgeted salaries and extra cover for Paihia office.
 - Overheads are under budget by \$10,943
The surplus in the overhead areas, are mainly timing issues.
- Over budget items of note;
- Audit extra costs relating to June 2013
 - Vehicle Costs – Includes Interim CEO travel charge and ongoing repairs to owned vehicle
 - Telephone Costs – includes upgrades and new desk phones for the Whangarei office, audit of telephone account has been undertaken and savings are expected in the following months.

- Project Expenses are over budget \$3,625.
Over budget items;
Consultant – mileage for contractor was not included in the budget.
Activities – over spend in this area is offset somewhat against saving in the Investment wages area.

Overall Summary;

Revenue is tracking under budget; expenditure is tracking slightly over budget.

Profit & Loss Budget Performance Year End Forecast 2013

Report Summary; (notes also on spread sheet)

Revenue is expected to track above budget due to the reimbursement of extraordinary costs from NRC \$159,652 but is offset against expected non funding from KDC \$10,000.

Expenditure is forecasted to track over budget by \$67,333. The additional reimbursement from NRC has allowed further possible expenditure in wages; project areas and overheads.

Overall Summary;

The yearend forecast surplus of \$186,957 will bring the organisation back to positive equity.

Balance Sheet as of November 30, 2013

Notes are detailed on the report.

Recommendation

- The Profit & Loss Budget Performance to 30 November 2013 is accepted.
- The Balance Sheet as of November 30, 2013 be accepted

-

Northland Inc Ltd
Profit & Loss Budget Performance
July 2013 through November 2013

				Year End			Notes
	Jul '13 - Nov 13	YTD Budget	Variance	Forecast Est	Annual Budget	Variance	
Ordinary Income/Expense							
Income							
Project Income							
Callaghan Innovations	23,958	23,958	0	57,500	57,500	0	
Far North Holdings	27,500	27,500	0	55,000	55,000	0	
MSD	5,000	5,000	0	5,000	5,000	0	
Kaipara District Council	0	0	0	0	10,000	-10,000	1
Far North District Council	5,870	5,000	870	5,158	5,000	158	
Industry	319	0	319	73,000	73,000	0	
NRC	555,000	555,000	0	1,264,652	1,105,000	159,652	2
NZTE	71,875	71,875	0	172,500	172,500	0	
Tourism NZ	7,807	12,500	-4,693	30,000	30,000	0	3
Whangarei District Council	45,000	45,000	0	110,000	110,000	0	
Total Project Income	742,329	745,833	-3,504	1,772,810	1,623,000	149,810	
Total Income	742,329	745,833	-3,504	1,772,810	1,623,000	149,810	
Expense							
Depreciation	6,110	8,678	-2,568	14,720	20,828	-6,108	4
Wages							
Investment	9,500	9,500	-0	47,000	57,000	-10,000	5
Business Grow	72,559	75,005	-2,446	180,008	180,008	0	6
Sectors	25,345	24,782	563	25,345	24,782	563	
Tourism	112,256	98,381	13,875	258,614	236,114	22,500	7
Corporate	84,117	86,752	-2,635	247,971	238,304	9,667	8
Interim CEO	21,574	21,500	74	21,574	21,500	74	
Total Wages	325,351	315,920	9,431	780,512	757,708	22,804	
Overheads							
General Administrative							
Kiwisaver	6,342	8,706	-2,364	18,530	20,894	-2,364	9
FBT	0	0	0	9,000	9,000	0	
ACC	2,664	4,179	-1,515	2,664	4,179	-1,515	10
Accounting	0	0	0	3,675	3,675	0	
Audit Fees	3,188	0	3,188	48,188	25,000	23,188	11
Bank Charges	356	375	-19	900	900	0	
Insurance	5,585	6,500	-915	10,621	10,621	0	
IT Support	8,338	7,870	468	17,291	17,291	0	
Legal Fees	54,513	55,000	-487	56,000	55,000	1,000	12
Meeting Expenses	-250	1,250	-1,500	3,000	3,000	0	
Subscription/Publications	11,835	14,113	-2,278	14,113	14,113	0	13
Sundry	2,519	3,380	-861	8,138	8,138	0	
Telephone & Fax	10,064	8,654	1,410	19,178	19,178	0	
Travel Costs	3,405	3,439	-34	8,253	8,253	0	
Vehicle Costs	12,939	10,167	2,772	24,400	24,400	0	14
Total General Administrative	121,497	123,633	-2,136	243,951	223,642	20,309	
Leases							
Operating Leases	6,576	9,372	-2,796	21,243	21,243	0	15
Vehicle Leases	5,090	7,002	-1,912	16,804	16,804	0	
Total Leases	11,666	16,374	-4,708	38,047	38,047	0	
Marketing							
Communications	4,835	4,000	835	10,000	10,000	0	16
Total Marketing	4,835	4,000	835	10,000	10,000	0	
Office Supplies							
Postage	331	917	-586	2,200	2,200	0	
Stationery	2,470	2,709	-239	6,501	6,501	0	
Total Office Supplies	2,801	3,626	-825	8,701	8,701	0	
Premises costs							
Cleaning	2,779	2,959	-180	5,771	5,471	300	17
Electricity	3,182	4,630	-1,448	9,792	8,592	1,200	18
Rates	1,376	3,855	-2,479	7,876	7,876	0	19
Rent	24,000	24,002	-2	51,505	48,905	2,600	20
Total Premises costs	31,337	35,446	-4,109	74,944	70,844	4,100	
Total Overheads	172,136	183,079	-10,943	375,643	351,234	24,409	
Director Expenses							
Fees	20,104	20,208	-104	48,500	48,500	0	
Meeting Expenses	1,245	1,000	245	3,000	3,000	0	
Travel Costs	7,490	8,750	-1,260	21,000	21,000	0	
Total Director Expenses	28,839	29,958	-1,119	72,500	72,500	0	

Northland Inc Ltd
Profit & Loss Budget Performance
 July 2013 through November 2013

				Year End			Notes
	Jul '13 - Nov 13	YTD Budget	Variance	Forecast Est	Annual Budget	Variance	
Project Direct Costs							
Consultants	26,532	24,000	2,532	74,000	66,000	8,000	21
Activity Costs	218,543	217,450	1,093	279,928	261,700	18,228	22
Total Project Direct Costs	245,075	241,450	3,625	353,928	327,700	26,228	
Total Expense	777,510	779,085	-1,575	1,597,303	1,529,970	67,333	
Net Ordinary Income	-35,181	-33,252	-1,929	175,507	93,030	82,477	
Other Income/Expense							
Other Income							
Interest Received	2	0	2	2	0	2	
FBT contribution	3,272	3,272	0	11,448	11,448	0	23
Oyster Shell Project Income	31,613	0	31,613	31,613	0	31,613	
Total Other Income	34,886	3,272	31,614	43,063	11,448	31,615	
Other Expense							
Oyster Shell Project							
Oyster Project Expense	31,613	0	31,613	31,613	0	31,613	
Total Other Expense	31,613	0	31,613	31,613	0	31,613	
Net Other Income	3,274	3,272	2	11,450	11,448	2	
Net Income	-31,908	-29,980	-1,928	186,957	104,478	82,479	

Notes

1 Forecast	not expected income
2 Forecast	extraordinary costs recovered from NRC
3 YTD	timing
4 YTD	sale of oldest vehicle
5 Forecast	savings to offset activity costs in this area
6 YTD	timing monthly budget includes portion of bonus
7 YTD	overspend taken into account in forecast
Forecast	incorporates tracking overspend and replacement staff in this area
8 Forecast	incorporates new pa position
9 YTD	due to employees being paid on contract
10 YTD	payment to ACC actual
11 YTD	dispersment charges not budgeted
Forecast	includes extra audit fee as advised by ANZ
12 Forecast	allowed extra \$1k for legal fees over budget
13 YTD	timing
14 YTD	maintenance on older vehicles
15 YTD	purchase of equip instead of re-leasing
16 YTD	timing
17 Forecast	est increase for Paihia office
18 YTD	timing
Forecast	est increase for Paihia office
19 YTD	timing
20 Forecast	est increase for Paihia office
21 Forecast	travel component not budgeted
22 Forecast	savings in tourism offset against additional spend in investment and digital
23 YTD	offset against wages

Northland Inc Ltd
Balance Sheet
 As of November 31, 2013

	Nov,30 13	Closing Balance Jun 30,13	Movement	notes
ASSETS				
Current Assets				
Accelerator Account	472	1,358	-886	
Project Account	14	14	0	
Cheque Account	285,354	26,990	258,365	
Petty Cash	200	200	0	
Total Chequing/Savings	286,040	28,562	257,478	
Accounts Receivable				
Accounts Receivable	35,194	135,800	-100,606	1
Total Accounts Receivable	35,194	135,800	-100,606	
Other Current Assets				
Accounts Receivable -yearend adj	0	22,725	-22,725	
Prepayments	0	522	-522	
Total Other Current Assets	0	23,247	-23,247	
Total Current Assets	321,234	187,609	133,625	
Fixed Assets				
Leased Equipment at Cost	49,105	49,105	0	
Accumulated Deprec Lease Eq	-46,250	-44,455	-1,795	
Total Leased Equipment	2,855	4,650	-1,795	
Office Equipmet				
Office Equipment at Cost	71,182	71,932	-750	
Accumulated Deprec OE	-38,450	-36,191	-2,259	
Total Office Equipmet	32,732	35,741	-3,009	
Vehicles				
Vehicles at Cost	24,986	28,043	-3,057	2
Accumulated Deprec	-9,607	-7,552	-2,055	
Total Vehicles	15,379	20,491	-5,112	
Total Fixed Assets	50,966	60,882	-9,916	
TOTAL ASSETS	372,201	248,491	123,710	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
NRC Oyster Commitment	36,355	0	36,355	3
Accounts Payable	178,645	220,982	-42,336	4
Total Accounts Payable	215,000	220,982	-5,981	
Other Current Liabilities				
Accuonts Payable - Year End adj	0	75,719	-75,719	
Accruals	16,494	41,954	-25,460	4
Income in Advance	305,141	82,688	222,453	5
Current Portion of Leases	1,917	5,465	-3,548	
GST	17,599	-46,060	63,659	
Holiday Pay Accrued	38,215	58,004	-19,789	
Total Other Current Liabilities	379,366	217,770	161,595	
Total Liabilities	594,366	438,752	155,614	
Equity				
Contributed Capital	100	100	0	
Equity	-148,612	28,004	-176,616	
Retained Surplus/Deficit	-41,749	-41,749	0	
Net Income	-31,905	-176,616	144,711	
Total Equity	-222,165	-190,261	-31,905	
TOTAL LIABILITIES & EQUITY	372,201	248,491	123,709	

notes

- 1 Recievables are mainly made up of NZTES\$16.5k/Callaghan\$5.5k/TNZ \$8k balance in sundry NIF and tourism project income
- 2 Sale of oldest vehicle
- 3 Amount payable to NRC for Oyster Project
- 4 Payables are made up of, Welcon \$33k/Audit NZ \$13k, Crowe \$48k, TNZ \$30k the rest Nov invoices
- 4 Accruals are made up of Director fees , \$14k fbt liability 2013
- 5 Income in advance is made up of NIF \$25k/Far North Brox \$5k, NRC \$275k

Northland INC																													
Cash Flow 2013/14																													
	July		August		Sept		October		November		December		January		February		March		April		May		June		Jul 13 - Jun14				
	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast	actual	Forecast YTD	actual YTD	Variance YTD	Annual Budget	notes
Income																													
Corporate	293,250	293,250	5,750	5,750	5,750	5,750	293,250	293,250	287,500	287,500									287,500						885,500	885,500	-	1,173,000	
Bus Grow Income	-		16,431	16,531	27,649	27,552	-		44,084	44,083	22,042	22,042	22,042		22,042		22,042		22,042		22,042		44,084		110,206	110,208	2	264,500	
Tourism Income	31,625	28,750	25,875	24,259	27,299	31,788	61,826	54,505	31,625	33,285	7,000	7,531	53,375		2,875		21,850		69,000		17,250		10,350		185,250	180,118	(5,133)	359,950	timing
Investment Income																			40,250						-	-	-	40,250	
Sector Income													28,750												-	-	-	28,750	
Interest				1																					-	1	1	-	
extraordinary Income						3,515						183,600													-	187,115	187,115	-	sale of veh & NR
Total Income	324,875	322,000	48,056	46,541	60,698	68,605	355,076	347,755	363,209	364,868	29,042	213,173	104,167	-	24,917	-	43,892	-	418,792	-	39,292	-	54,434	-	1,180,956	1,362,942	181,986	1,866,450	
Expenses																													
Corporate																													
Salaries	12,414	12,414	12,205	12,205	19,728	19,728	42,253	45,441	22,233	19,046	31,619	35,557	19,000		19,000		19,000		24,351		19,000		19,000		140,453	144,391	3,938	259,804	gst content
Specific Costs	15,669	15,669	1,506	1,506	1,442	1,442	29,485	30,612	3,316	2,188	11,156	18,164	26,891		6,891		6,891		6,887		6,890		6,890		62,573	69,581	7,008	123,913	
Share of Overheads	7,812	8,166	10,428	9,959	5,866	5,866	14,859	14,974	9,071	9,071	9,920	11,760	6,997		6,983		8,609		6,983		7,891		21,261		57,956	59,796	1,840	116,679	
Bus Grow																													
Salaries	9,913	9,913	12,067	12,067	12,067	12,067	19,804	19,473	12,304	12,308	12,304	12,308	12,304		12,304		12,304		18,456		12,304		33,869		78,459	78,136	(323)	180,008	
Specific Costs	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917		1,917		1,917		1,917		1,912		1,917		11,502	11,502	(0)	23,000	
Share of Overheads	5,434	5,628	7,237	6,864	3,863	4,042	10,320	10,320	6,253	6,252	6,935	8,105	4,871		4,862		5,983		4,862		5,488		14,901		40,042	41,211	1,169	81,009	
																										-	-		
Tourism																													
Salaries	19,676	11,095	19,676	20,678	15,890	23,470	23,462	27,496	19,676	21,029	30,178	35,672	22,596		22,596		15,591		15,591		15,591		15,590		128,559	139,440	10,881	236,114	gst content and ov
Specific Costs	7,920	1,107	16,960	23,774	1,878	1,878	22,785	18,265	6,995	4,247	47,245	41,798	5,080		5,080		5,080		5,080		5,080		5,080		103,786	91,069	(12,717)	134,263	timing
Share of Overheads	7,130	7,386	9,498	9,007	5,070	5,305	13,542	13,543	7,493	8,205	9,814	10,636	6,394		6,380		7,852		6,380		7,201		19,556		52,548	54,082	1,534	106,312	
I & G																													
Salaries									-	-	10,550	10,550			5,665		5,665		5,665		5,667		5,668		10,550	10,550	-	57,000	
Specific Costs							49,935	49,935	0		48,685	48,685	-						0		0		-		98,620	98,620	(0)	80,500	
Share of Overheads	1,755	1,817	2,326	2,216	1,257	1,305	3,334	3,335	1,843	2,019	2,415	2,617	1,573		1,570		1,932		1,570		1,772		4,799		12,932	13,309	378	26,148	
Sector																													
Salaries	12,391	7,885	12,391	16,896																					24,782	24,781	(1)	24,782	
Specific Costs	18,055	18,055	32,775	25,433	21,725	29,067	15,539	15,169	15,189	17,021	7,590	14,283	12,991		7,590		7,590		7,590		7,590		7,581		110,873	119,028	8,155	161,805	digital & mileage
Share of Overheads	691	790	944	961	685	567	1,221	1,448	730	877	979	1,137	613		611		768		611		699		1,960		5,251	5,780	529	10,513	
total expenses	120,777	101,842	139,931	143,483	91,390	106,654	248,458	251,928	107,022	104,180	231,307	253,189	121,227	-	101,448	-	99,182	-	105,942	-	97,085	-	158,072	-	938,886	961,276	22,390	1,621,849	
GST estimate				(24,183)	29,526	20,155			27,278	16,842			25,146				2,592				48,806				56,804	12,814	(43,990)	130,736	
FBT contribution	954		954		954		954		954		954		954		954		954		954		954		954		5,724				
unbudgettd projects								48	(5,493)		10,562																		
SUB TOTAL OPERATING CASHFLOWS	205,052	220,158	(90,921)	(72,759)	(59,264)	(58,204)	107,572	95,779	229,863	249,339	(201,311)	(50,578)	(41,252)	-	(75,577)	-	(56,928)	-	313,804	-	(105,646)	-	(102,684)	-	190,990	388,852	203,585	113,865	
Prior year debtors	(75,540)	(75,540)	(52,945)	(52,945)	(5,510)	(5,510)			(551)	(551)																			
Prior year creditors	209,263	209,263	33,252	33,252			63,940	63,940	4,924	4,924	54,561	54,120	7,500		5,000		5,000		5,000		7,500		5,000						
total prior year	133,723	133,723	(19,693)	(19,693)	(5,510)	(5,510)	63,940	63,940	4,373	4,373	54,561	54,120	7,500	-	5,000	-	5,000	-	5,000	-	7,500	-	5,000	-					
TOTAL OPERATING CASHFLOWS	71,329	86,435	(90,921)	(53,066)	(53,754)	(52,694)	43,632	31,839	225,490	244,966	(255,872)	(104,698)	(48,752)	-	(80,577)	-	(61,928)	-	308,804	-	(113,146)	-	(107,684)	-					
OPENING BALANCE	28,348	28,362	99,677	114,797	8,755	61,731	(44,999)	9,037	(1,367)	40,876	224,124	285,842	(31,749)	181,144	(80,500)	132,392	(161,077)	51,815	(223,006)	(10,113)	85,798	298,691	(27,348)	185,545					
Operating surplus/(deficit)	71,329	86,435	(90,921)	(53,066)	(53,754)	(52,694)	43,632	31,839	225,490	244,966	(255,872)	(104,698)	(48,752)	(80,577)	(80,577)	(61,928)	(61,928)	308,804	308,804	(113,146)	(113,146)	(107,684)	(107,684)						
Non operating surplus/(deficit)																													

ISSUE: Draft Council Submission on the Local Government Act 2002 Amendment Bill No3**ID:** A610152**To:** Council Meeting, 28 January 2014**From:** Kathryn Ross, General Manager - Planning and Policy**Date:** 14 January 2014

Summary The purpose of this report is to present a draft submission on the Local Government Act 2002 Amendment Bill No3 for council's consideration. The Bill provides, amongst other things, for the Local Government Commission to consider the option of local boards as part of a local government reorganisation. It concludes with the recommendation that the draft submission be approved by council.

Report Type:	<input type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input checked="" type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

Council considers that the law should provide for governance structures that facilitate democracy, are representative of, and empower communities. Council supports the Local Government Commission having the power to consider the option of local boards as part of a local government reorganisation outside of Auckland. It has previously submitted to the Local Government and Environment Committee that the Local Government Act 2002 should be amended to allow this to occur. The Local Government Act 2002 Amendment Bill No3 (the Bill) provides for this, with corresponding amendments to other parts of the Act and other legislation, such as the Local Electoral Act, to facilitate their effective functioning.

In addition, the Bill also emphasises collaboration and co-operation between councils in a region including amendments to the following existing provisions:

1. The principles – making collaboration and co-operation a specific principle.
2. For the transfer of responsibilities to regional councils, facilitating shared services, and collaborative arrangements.
3. For triennial agreements – broadening their scope as follows:
 - requiring the inclusion of processes and protocols for identifying, delivering, and funding facilities and services of regional significance;
 - expressly authorising the local authorities within a region to constitute joint governance entities, and to identify matters to be included in the terms of reference for those entities (including delegations); and
 - providing for a local authority to notify the other local authorities in the region when making decisions that are, or may have consequences that are, significantly inconsistent with a triennial agreement.

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4. Requiring councils each triennium to review the cost-effectiveness of governance, funding and service delivery arrangements for good-quality local infrastructure, local public services and regulatory functions (and how different this might be from normal long term planning requirements).

The Bill also proposes:

5. Changes to council consultation and engagement processes with communities.
6. A 30 Year Infrastructure strategy – which will affect council's flood risk management assets but will have a greater impact on district councils.
7. The power to use audio/audio visual links for meetings.

Discussion:

The Bill represents a significant opportunity to improve local government representation arrangements and engagement with the involvement of communities in local government decision making. All of the above proposed changes will affect the Northland Regional Council and any council created by a reorganisation scheme. I have therefore prepared a draft submission (**attached**) on the Bill for the council's consideration covering all of these issues in consultation with the Chief Executive Officer and senior staff in the organisation, based on council's already established positions on these issues.

Given the current draft reorganisation proposal for local government in Northland, the draft focuses primarily on the issue of representation (namely the provisions for local boards and the absence of any additional tools for the Local Government Commission to address the issue of Māori representation). I highlight the key areas for council's specific consideration below.

I also recommend that council appears in support of its submission before the Committee and authorises the Chairman, Cr Samuels and the Chief Executive Officer to present the council's submission on the Bill to the hearings committee.

Specific areas for council's consideration:**A. Local Boards not subject to representation reviews**

The draft submission explicitly supports the council's position that the existence of local boards should not be subject to representation reviews and the whims of the governing body (to ensure they have the permanency and co-governance role based on two complementary and non-hierarchical decision-making parts of a council that community boards do not) and proposes strict controls on the abolition of a local board under a future reorganisation proposal.

The draft submission therefore specifically supports the non-inclusion of local boards in council representation reviews. This reflects the amount of consultation and the formality of the process and the tests that should be applied to any change of this significance and effectively means that any changes to a local board would need to go through a reorganisation process with the potential of a poll of electors at the end of the process.

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This position is not shared by the entire sector¹ and I have informally alerted Local Government New Zealand staff to the council's potential support for the Bill not containing provisions that allow local boards to be part of a council's representation review. Should the council resolve to support this aspect of the draft submission I recommend that council delegate to the Chairman and Chief Executive Officer the authority to work with the Zone 1 representative and Local Government New Zealand to ensure that the sector submission supports the council's position.

If council thinks that there is merit in representation reviews looking at aspects of local boards, such as when the council decides as part of a representation review to review its ward boundaries to look at the boundaries of a local board, then I recommend that the council forms a view on the specific aspects of local boards that should be subject to a representation review and that these be included in the submission and conveyed to the Zone 1 representative and Local Government New Zealand for inclusion in the Local Government New Zealand submission on the Bill.

I propose that the final submission also includes the community feedback council received during previous engagement to illustrate the preference for local boards over community boards that emerged in our engagement process. I have not included this in the draft as it is publically available as part of our alternative application and can be accessed at <http://www.nrc.govt.nz/lqreform>.

B. Single or dual method for electing the chairperson of a local board?

The Bill provides in proposed 48E(c)(i) that chairs for local boards can be elected from amongst the local board members and at section 48E(c)(ii) that local boards could have a chairperson elected at large in accordance with section 19EB of the Local Electoral Act. There is potential for confusion with two parallel processes available for election of local board members and chairs. There is also the possibility for confusion between the election and roles and responsibilities of local board chairs and the relevant ward governing body member. As a result, we do not support the option for local board chairs to be directly elected as proposed in section 48E(c)(ii).

Acknowledging council's previous position that the appointment/election of a chairperson by all of the elected members of council is a strength of the regional council because it facilitates collaboration and co-operation, and good governance, I have included in the draft submission that the council supports the proposed section 48E(c)(i) that chairs for local boards can be elected from amongst the local board members and does not support the provision providing for the parallel process whereby local boards could also have a chairperson elected at large.

C. Appointment of ward governing body members to local boards with full voting rights

Ward governing body members are elected to focus on regional issues. Local issues are the focus of local board members. In line with council's workshopped discussions on local boards I have highlighted in the draft submission that appointing governing body members to local boards confuses the respective roles of the elected members and can lead to governing body members becoming overly involved in local issues. It is important that governing body members act in the best interests of the region, including their ward, and do not become "parochial" in their actions. The sole purpose of their appointment to or attendance at a local board meeting should be to act as a liaison point between the local board and the governing body.

¹ Based on the early draft submission on the Bill circulated by Local Government New Zealand.

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The draft submission therefore requests that either the power to appoint governing body members to a local board is removed or the Bill is amended to provide that appointed governing body members do not have any voting rights.

D. Transition body powers

For Auckland the Local Government Commission determined the final number of local boards that share decision-making with the Auckland Council governing body, the need for subdivisions of these areas for electoral purposes, and the exact boundaries, names and number of members for each of those boards and subdivisions. This was done after extensive consultation with the communities of Auckland and led to the creation of two additional local boards than originally proposed.

The initial allocation of decision-making is of vital importance and it is essential that the local communities have input into the development of the initial allocation, in line with the council's position that local boards and their functions enable genuine community empowerment. It would be efficient for the Commission to also consult on and oversee the initial allocation of decision-making as part of a reorganisation process ensuring that any local boards provide for effective representation of communities of interest, are an appropriate size, have boundaries that relate to local service delivery, and contain sufficient capacity to support decision-making on local services .

I therefore recommend that where a new unitary authority is established with local boards, clause 36, schedule 3 of the LGA should be amended to provide the transition board with a recommendatory role only. Given the significance of the restructuring, it is appropriate for all substantive decisions to be made by the Local Government Commission and for the Commission to take further advice if it deems this necessary once it has received the transition board's recommendations.

The draft submission to the Commission also recommends that the Commission provides full information to Northland communities about local boards and their benefits before moving to a final proposal to ensure that communities can exercise an informed choice about the final proposal (should the process proceed to this stage).

E. Commencement date

The council is submitting to the Local Government Commission and requesting that they delay issuing a final reorganisation proposal for Northland until the Bill has become law. I have therefore included in the draft submission that council supports the commencement date for local boards' provisions being one month after the date on which the Act receives Royal assent. Delay to the comment of the local board provisions beyond this period may have the unintended consequence that the reorganisation process in Northland does not have the full suite of available options before the Commission and Northland communities for their consideration.

F. Māori representation

Council supports empowering Māori and believes that Māori representation in local government is an issue for Māori themselves to determine. The Local Government Commission has in its draft reorganisation proposal proposed the Northland Council must have a Māori committee (which it calls a Māori Board committee but in essence is just a regular committee of council and is not analogous to the Independent Māori Statutory Board in Auckland) and a Māori Advisory Committee on Resource Management until at least 2019.

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While going some way to meet the Local Government Act 2002 and Resource Management Act 1991 obligations and responsibilities to Māori these committees are no more than what can and is happening in local government already. The Commission's proposed committees have no more standing or permanency than any other committee of council (post 2019) and can be disestablished at a later date. Their composition, terms of reference, etc. can also be changed. The Commission's thinking and its draft proposal on Māori representation is limited by the current law. It cannot propose an Independent Māori Statutory Board, nor can it propose local Māori constituencies or wards.

Given the relationship already between the Local Government Act 2002 Amendment Bill (No 3) and proposed amendments to the Local Electoral Act 2001 for local boards, the draft submission asks the committee to consider an expansion to the scope of the Bill and to consult Māori on options that could be included in the Bill for achieving better local governance and better Māori representation, engagement and involvement in local government decision making.

The draft makes it clear that council does not purport to speak for Māori but that council supports empowering Māori and their choice in how they are represented and that it wants to ensure that the Local Government Commission has the full range of options available to it for achieving better local governance and better Māori representation, engagement and involvement in decision making in any local government reorganisation process and that council supports the full range of options considered as part of the current reorganisation proposal process.

G. Clause by clause analysis

The remainder of the submission covers a clause by clause analysis and recommendations in keeping with council's already established positions and submissions to bodies such as the Efficiency Taskforce, and previous input into Local Government New Zealand and SOLGM submissions. It covers support for better collaboration and co-operation by councils, the use of technology in meetings and consultation and engagement processes and better integration of financial and asset management planning. It does not cover aspects of the Bill that are not applicable to the council. For example it does not comment on development contributions.

Conclusion:

The Bill provides a significant opportunity to ensure that the full suite of representation models are considered as part of any reorganisation of local government. The draft submission **attached** builds on council's previous submission to the Committee requesting that local boards be made available outside of Auckland and addressed the technical issues associated with representation and their operation. If the Bill is enacted in its current form before the Local Government Commission issues a final proposal on the reorganisation of local government in Northland the Commission will have the ability to consider local boards for Northland. There is also the opportunity to promote to the Committee that the Local Government Commission should have the full range of options available to it for achieving better local governance and better Māori representation, engagement and involvement in decision making as part of a reorganisation process. The draft submission therefore supports expanding the scope of the Bill and ensuring that options empower Māori choice on their representation.

I therefore recommend that council makes a submission on the Bill in the form **attached** and appears before the Committee in support of its submission.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations and as such are provided for in the council's 2012-2022 Long Term Plan, and are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002. The submission itself and the implications of the submission being accepted are considered to be of low significance in terms of the council's significance policy and are consistent with established council policy and positions but are important in the context of local government reorganisation and the current draft proposal for Northland.

Recommendations:

1. That the report "Draft Council Submission on the Local Government Act 2002 Amendment Bill No3" by Kathryn Ross, General Manager - Planning and Policy, dated 14 January 2014, be received.
 2. That the council approves the draft submission **attached** to the report.
 3. That the council delegates to the Chief Executive Officer authority to lodge the submission with the Local Government and Environment Select Committee.
 4. That the council authorises the Chairman, Cr Samuels and the Chief Executive Officer to present the council's submission on the Bill to the Local Government and Environment Select Committee hearings.
 5. That the council authorises the Chairman and Chief Executive Officer to work with Northland's Zone 1 representative and Local Government New Zealand to ensure the council's views on the Bill are considered and incorporated into the Local Government New Zealand submission on the Bill.
-

Submission to the Local Government and Environment Select Committee on the Local Government Act 2002 Amendment Bill (No 3)

Submission from the Northland Regional Council

Dated: 4 February 2014

1. General position

The Northland Regional Council welcomes the opportunity to submit on the Local Government Act 2002 Amendment Bill (no 3) (the Bill).

The Northland Regional Council is the local authority responsible for representing the communities of Northland and sustainable regional wellbeing. We are committed to the delivery of effective processes and governance arrangements, fair and efficient decision-making and charging practices and sound asset management on behalf of Northland's ratepayers and we therefore support the intent of the Bill. In particular, we support options for achieving better local governance and better Māori representation, engagement and involvement in decision making in any local government reorganisation process.

We therefore:

- support unitary authorities outside of Auckland having local boards with shared decision making with the governing body
- support empowering Māori and ensuring the scope of the Bill and final Amendment Act provides for Māori to have their preferred representation models considered in local government representation reviews and reorganisation processes.

The Bill is particularly timely given the Local Government Commission's (LGC) current draft reorganisation proposal for local government in Northland. With this in mind, it is essential that the LGC has a full range of governance options available to it when considering its final proposal for Northland.

We wish to be heard in support of our submission. Depending on the timing of the hearings, the Northland Regional Council will be represented by its Chairman, Bill Shepherd, Cr Dover Samuels (Chair of the Te Taitokerau Regional Māori Advisory Working Group) and its Chief Executive Officer, Malcolm Nicolson.

2. Local boards

We strongly support local boards as part of a unitary authority and the proposal in the Bill to make this structure available to unitary authorities outside of Auckland. We believe where a unitary authority is established, shared decision-making between a governing body and local boards best promotes good local government. We agree with the explanatory note in the Bill that states "a reorganisation involving local boards

can provide for effective democratic governance at a community level, while achieving the benefits associated with a larger unitary council.”

The council believes - based on its discussions with Northland communities, local experiences with community boards, and its own research into the Auckland local board model - more powerful ‘local boards’ are vital to deliver genuine representation and real control to communities. Our community engagement over the past 18 months has shown that local boards are a necessary component of a unitary council structure for Northland. Without local boards a unitary council is unlikely to be acceptable to the communities of Northland, no matter what the benefits of a unitary council are. We attach the outcomes of our community consultation to support this position. (Attachment A.)

It is essential that the LGC has the power to include local boards in its final proposal on Northland local government reforms. The council will be requesting that the Local Government Commission delay issuing a final reorganisation proposal for Northland until this Bill has become law. It is essential that the LGC has access to the full suite of governance options available to it and as such, the Bill and the provisions relating to local boards need to be enacted and effective as soon as possible.

Local boards provide statutory certainty of local representation and democracy within a unitary authority. This is particularly important where the unitary authority covers a large geographic area with a diverse and dispersed population such as Northland. This permanence is a significant advantage over community boards, which rely on the grace and favour of the council for their existence, delegations and funding. We strongly believe that once established as part of an overall reorganisation process, it should not be open to the governing body to abolish one or more local boards through a representation review. Any changes of this significance should only be permissible through a reorganisation proposal.

As well, local boards are established as part of a through reorganisation process conducted by the LGC. There should be very limited circumstances, if any, in which the very existence of local board areas would need to be revisited. Experience in Auckland has shown that this new governance model takes time to mature and bed in. As a result, there should be a prohibition on the abolition on the reorganisation of the unitary authority, including its local boards, for a period of time. We recommend at least six years.

We support the obligation on the chief executive to provide advice and administrative facilities to local boards. Our discussions with Auckland Council have highlighted that appropriate advice and administrative support is a critical element to their ability to provide good local governance. The amount of administrative support required, particularly when setting up local boards, establishing local board plans and agreements and the processes for their input into governing body decision-making, was not necessarily fully appreciated when they were originally established. We recommend that the provisions relating to local board funding are strengthened to highlight the importance of funding good quality advice and support to local boards, as well as ensuring local boards are adequately funded by the governing body to undertake their decision-making responsibilities.

Our key requests to the committee on the local board aspects of reorganisation are that the committee:

- retains the provisions for local boards outside of Auckland
- ensures local boards are an option for the Northland reorganisation process

- retains the commencement date for the new sections 48A to R (pertaining to local boards) at 1 month after the date on which the Act receives Royal assent
- does not amend the Bill to allow for a council to consider the existence of local boards during a council representation review
- considers placing strict controls on when a local board can be abolished under a further reorganisation proposal - clause 13 “(i) the abolition of a local board area” or place
- strengthens the funding provisions to reflect the need to fund quality advice and support for local boards, as well as ensuring local boards are adequately funded by the governing body to undertake their decision-making responsibilities.

In addition to our general support, we also offer some suggestions in our detailed comments section to ensure that the local board model is fit for Northland's communities.

3. Māori representation

Council supports Māori empowerment and believes that Māori representation in local government is an issue for Māori themselves to determine. The LGC has proposed, in its draft reorganisation proposal, that the Northland Council must have a Māori committee (which it calls a Māori Board committee but in essence is just a regular committee of council and is not analogous to the Independent Māori Statutory Board in Auckland) and a Māori Advisory Committee on Resource Management until at least 2019.

While going some way to meet the Local Government Act 2002 and Resource Management Act 1991 obligations and responsibilities to Māori, these committees are no more than what can and is happening in local government already. For example, the Northland Regional Council has resolved to set up its own Māori Advisory Committee (provisionally called Te Taitokerau Regional Māori Advisory Committee) and is currently, via a working party, engaging with Māori in Te Taitokerau with a view to provide recommendations to council on the terms of reference for and Māori representation on the committee. The commission's proposed committees have no more standing or permanency than any other committee of council (post 2019) and can be disestablished at a later date. Their composition and terms of reference can also be changed. The Commission's thinking and its draft proposal on Māori representation is limited by the current law. It cannot propose an Independent Māori Statutory Board, nor can it propose local Māori constituencies or wards.

Since 2002, and the passage of the Local Electoral Amendment Act 2002, all councils have been able to create local Māori constituencies or wards but no local authority has done so. A number of councils, such as ourselves, have considered the option but for various reasons have not pursued it to date. (Northland Regional Council met with iwi chairs from Te Taitokerau and discussed pursuing a relationship and exploring options not driven by the current legal constraints and processes.) In addition the Local Electoral Act 2001 does not provide for Māori themselves to determine whether they wish to be represented through Māori wards on council.

Given the relationship already between the Local Government Act 2002 Amendment Bill (No 3) and proposed amendments to the Local Electoral Act 2001 for local boards, council asks the committee to consider an expansion to the scope of the Bill and to consult Māori on options that could be included for achieving better local governance

and better Māori representation, engagement and involvement in local government decision making.

We do not purport to speak for Māori but we support empowering Māori and their choice in how they are represented. It is essential that the LGC has the full range of options available to it, working with Māori, for achieving better local governance and better Māori representation, engagement and involvement in decision making in any local government reorganisation process. The scope of the Bill needs expanding to provide for this.

We support careful consideration by the committee of all representations from Māori to it on the Local Government Act 2002 Amendment Bill (No 3) and particularly support consideration of:

- additional amendments to the Local Electoral Act 2001 and the Local Government Act 2002 to give the Local Government Commission the power to consider local Māori constituencies or wards as part of a local government reorganisation proposal and provide for Māori themselves to determine whether they wish to be represented as Māori on council.
- additional amendments that would give the Local Government Commission the power to consider the establishment of an independent Māori board outside of Auckland based on section 67 of the Local Government (Auckland Law Reform) Act 2009 and sections 81 to 89 of the Local Government (Auckland Council) Act 2009 (with any necessary amendments borne out by implementation experience and evidence and the nature of and location of the reorganisation being proposed.)

Given Northland's Māori population, we would like to see the full range of options considered as part of the current reorganisation proposal process. In our submission to the Local Government Commission we will request that the commission delay its final proposal until the law can be changed to allow a wider range of options for Māori representation and involvement in local government decision-making.

4. Clause by clause analysis

Clause	Comment
Clause 2: Commencement date	<p>Clause 2 provides that different provisions of the Bill come into force on different dates. Unless otherwise specified, provisions come into force on the day after royal assent. The provisions pertaining to local boards come into force 1 month after the date on which the Act receives the Royal assent.</p> <p>The LGC has noted in its draft proposal that it is seeking views on a possible modification of its draft proposal (for a unitary authority with community boards) to provide for local boards in Northland should the Bill be enacted. The early enactment of the Act and in particular the local board provisions is supported as it will provide the LGC with a full suite of options when considering the current local government reform proposals in Northland</p>

Clause	Comment
	<p>The provisions relating to development contributions also come into force 1 month after the date on which the Act receives Royal assent. The Northland Regional Council does not collect development contributions but notes that there will be difficulties for those that do in incorporating the proposed changes to the development contribution provisions into the 2014/15 Annual Plan process.</p> <p>We propose below the development of good practice guidance prior to the proposed section 76AA relating to the significance and engagement policy (clause 18) comes into force. We therefore recommend that clause 2 be amended to provide that section 76AA does not come into force until six months from the date that the guidance is gazetted or publically notified.</p>
Clause 7: Principles relating to local authorities	<p>The Northland Regional Council strongly supports collaboration and co-operation in local government. While there have been some great examples of the council's working together, on the new Regional Policy Statement, in Civil Defence and Emergency Management, catchment planning, and flood risk management, there many more opportunities to work better together, share expertise and use council-controlled organisations for better delivery of infrastructure, services and regulatory functions. The strengthening of the principle that local authorities should collaborate and co-operate is therefore welcomed.</p> <p>The question of how best to deliver infrastructure in Northland is of fundamental importance to the region and its ratepayers, as is the prudent stewardship and the efficient and effective use of council resources in the interests of the communities we serve. The council has a range of assets, including strategic investments in subsidiaries and shareholdings, property, plant and equipment. Property, plant and equipment include infrastructure assets (river management schemes), owner-occupied land and buildings, plant and equipment, vessels, dredging equipment and navigational aids and vehicles.</p> <p>The regional council is currently a net investor – it has not borrowed from external sources. We consider ourselves to provide prudent stewardship and use our resources efficiently and effectively, working with others where we can, in the interests of the district or region. We therefore support the amendments to sections 14(1)(e) and (g) as they are valid principles for local government and explicitly recognise the principles and way that this council operates.</p>

Clause	Comment
Clause 8: Scope of triennial agreements	<p>The negotiation of the triennial agreement is an opportunity for Northland's councils to co-operate and co-ordinate on matters of priority to Northland either by incorporating those priorities and an action plan into the agreement or by referring to a process for developing priorities and actions.</p> <p>We read the amended triennial agreement provisions alongside the Bill's other proposed amendments to ensure local authorities have a range of practicable and attractive options to achieve efficiencies in the scale at which services and facilities are managed and delivered. We therefore support the proposed changes to section 15 and welcome the strengthening of the triennial agreement and the intent that the agreement should give some direction to which infrastructure, local public services and regulatory functions the councils should look at in an effort to achieve efficiencies and effective delivery across the region.</p>
Clause 9: Significant new activities proposal by regional council	<p>The Northland Regional Council supports the changes made in the latter part of the Bill regarding the consultation, decision making and planning provisions for long term planning. In particular we support the new focused consultation document for long term and annual plans and reduced duplication between these plans. We therefore support the replacement of references to a draft Long Term Plan with references to the consultation document under new section 93A.</p>
Clause 10 and 11: Transfer of responsibilities and delivery of services	<p>The Northland Regional Council supports the transfer of responsibilities and shared services where this is effective (including cost effective) and efficient. We have transferred responsibilities under the Building Act for large dams to Waikato Regional Council and we currently use collaborative arrangements for Civil Defence Emergency Management (with the Kaipara and Whāngārei District Councils and are working with Far North District council on including them in this arrangement). We are also collaborating with other regional councils on the development of specific software for core regional regulatory functions and have identified other areas such as roading and transport planning, property management, planning and consenting, backroom services and rates collection for future shared services and pursue these through the Mayoral Forum and Triennial Agreement discussions.</p> <p>We welcome the new section 17 and its clarification of the tests for transfer, namely that that benefits of the proposal will outweigh any negative impacts. We also welcome the change to the requirement that the transfer</p>

Clause	Comment
	<p>must be included in an Annual plan or draft Long Term Plan, which will allow greater flexibility in the timing of consulting on proposal for transfer.</p> <p>The Northland Regional Council recognises that transfers of responsibilities and collaborative arrangements like shared services are currently under-utilised in Northland. This has been a largely an historical political issue rather than caused by legal impediments. Issues such as planning, funding and delivering roading infrastructure are long standing in Northland and proposals for a shared service have been routinely discussed by all Northland councils for years.</p> <p>However, it is not clear from the Regulatory Impact Assessment or the drafting that the proposed section 17A and its requirement that a council review of all activities as soon as practicable after an election will be the most efficient and cost effective way to achieve more transfers of responsibility and collaborative arrangements.</p> <p>The Northland Regional Council reviews the ways in which it delivers infrastructure, services and its regulatory functions to and behalf of its communities on an ongoing basis. Strategic management reviews feed into Activity and Asset Management Plans, Annual Plans, Long Term Plan (LTP) strategic planning, and the Triennial Agreement and take into account the purpose of local government, council priorities, objectives, legislative changes and risk management. As illustrated above, our reviews have led to more effective and efficient arrangements occurring where all parties are in agreement to proceed. These arrangements take time to develop and our experience suggests that they also take time to implement and deliver efficiencies.</p> <p>We are therefore supportive of reviews such as those contained in the proposed section 17A but consider that a council review of all activities as soon as practicable after an election is unnecessarily prescriptive and inefficient given</p> <ul style="list-style-type: none"> • the ongoing nature of review already being carried out • the need to focus on priority areas once identified • timeframes for inducting the new council, completing triennial agreements and between the election and consultation on the council's draft annual plan for the following financial year • the current legal requirements for strategic planning and reporting, funding and delivering infrastructure, services and regulatory functions on behalf of

Clause	Comment
	<p>communities (including asset and activity management planning, consultation requirements and the performance management associated with new CCOs, transfers of powers, and changes in levels of service or means of delivery).</p> <p>Key issues for the Northland Regional Council post the 2013 elections were highlighted to councillors as part of their induction programme and included the government's better local government programme, changes to the Local Government Act 2002, including the change in purpose and the key council activities that were affected by this and needed to be considered as part of future Annual and Long Term Plans, the application for reorganisation of local government in Northland before the Local Government Commission, the changes to the Resource Management Act and in particular the National Policy Statement on Freshwater Management and the single plan concept (and the potential effects on council activities, programmes and regulatory functions), key environmental and economic issues in Northland such as Mediterranean fanworm and infrastructure development (include flood risk reduction assets and programmes), rating and bad debts and council's own investment portfolio and economic development agency, Northland Inc. (a CCO). Council has and continues to prioritise its reviews of these areas as it goes into its Triennial Agreement with other Northland councils, and its Draft Annual Plan 2014/15 and Long Term Plan 2015-2025 planning.</p> <p>The council therefore requests that the committee amends the proposed section 17A to allow for reviews to be undertaken when opportunities arise and / or on a prioritised basis and that these reviews are integrated as part of the current strategic planning requirements of the Act and not done on a prescribed three yearly basis tied to the election process.</p> <p>The council also requests that the committee consider the situation where a new council has been established after a reorganisation and transitional process to ensure that there is no unintended duplication and inefficiency and makes any necessary amendments to clause 11 to clarify that matters comprehensively reviewed in that reorganisation process do not have to be reassessed (or at least not to the same degree).</p>
Clause 12: Naming of local boards	This is a technical amendment that standardises and clarifies how local boards are named. Council supports this amendment.

Clause	Comment
Clause 13: New matters that may be dealt with in an application to reorganise local boards	<p>Council supports the establishment of local boards within the scope of local government reorganisation. We are concerned though, about the option of abolition of local boards through a reorganisation process once established. As experience at Auckland Council is demonstrating, local boards need time to establish and bed in and as such we consider that the Bill should be amended to prevent any further reorganisation for a specified period of time (at least six years).</p> <p>We do not support the appointment of ward governing body members to local boards with full voting rights. Ward governing body members are elected to focus on regional issues. Local issues are the focus of local board members. Appointing governing body members to local boards confuses the respective roles of the elected members and can lead to governing body members becoming overly involved in local issues. It is important that governing body members act in the best interests of the region, including their ward, and don't become "parochial" in their actions. While there are undoubtedly benefits in ward governing body members attending local board meetings in a liaison capacity, it is not appropriate for them to have voting rights on local issues.</p> <p>Therefore council requests that either the power to appoint governing body members to a local board is removed or the Bill is amended to provide that appointed governing body members do not have any voting rights. The sole purpose of their appointment to a local board should be to act as a liaison point between the local board and the governing body.</p>
Clause 14: matters for which the chief executive of a local authority is responsible	<p>We support the requirement for the chief executive to provide advice and administrative facilities to local boards. Our discussions with Auckland Council have highlighted that appropriate advice and administrative support is a critical element to their ability to provide good local governance and that the amount of administrative support, particularly when setting up local boards, establishing local board plans and agreements and the processes for their input into council decision-making, was not necessarily fully appreciated when they were originally established. Local boards need certainty that this advice and support will be adequately funded and as such, we recommend that the provisions relating to the local boards funding policy are strengthened to ensure this occurs.</p>
Clause 15: Purpose of local boards	<p>Council supports in principle the inclusion of Subpart 1A which adapts the local board provisions from the Local Government (Auckland Council) Act 2009 and allows the Local Government Commission to establish local boards</p>

Clause	Comment
	<p>as part of a re-organisation process involving the establishment of a unitary authority. In particular it supports the purpose of local boards and the principle of shared decision-making contained in proposed section 48D.</p>
<p>Clause 15, proposed section 48E: Election of local board chairs</p>	<p>The council considers that the appointment / election of a chairperson by all of the elected members of council is a strength of the regional council. It facilitates collaboration and co-operation, and good governance. We therefore agree with proposed section 48E(c)(i) that chairs for local boards can be elected from amongst the local board members.</p> <p>However the Bill also provides in proposed section 48E(c)(ii) that local boards could have a chairperson elected at large in accordance with section 19EB of the Local Electoral Act. There is potential for confusion with two parallel processes available for election of local board members and chairs. There is also the possibility for confusion between the election and roles and responsibilities of local board chairs and the relevant ward governing body member. As a result, we do not support the option for local board chairs to be directly elected as proposed in section 48E(c)(ii).</p>
<p>Clause 15, proposed section 48L: Allocation of decision-making responsibility</p> <p>Schedule 4: proposed new Part 1A to schedule 7, clause 36C: governing body delegations to local boards</p>	<p>We support the principled approach to the allocation of non-regulatory decision-making responsibility, and in particular, the presumption that decisions are allocated to local boards unless decision-making on a district-wide basis will better promote the interests of the communities in the district.</p> <p>We do, however, consider that this principle should be extended to regulatory decisions. Many of Northland's communities are small and remote. It is important that local board decision-making covers all of the activities that are of a local nature, that require local knowledge and will have a local impact. Some of these decisions that should be taken at a local community level are regulatory in nature. It is therefore appropriate for some of these decisions to be made by the local board. Examples include dog exercise and off-leash areas and street trading requirements, particularly in smaller, more remote communities. The legislation should provide certainty that these types of decisions will be made locally, rather than leaving this to a discretionary delegation by the governing body.</p> <p>Council therefore requests that the committee amend the proposed new clause 36C in schedule 7 (Schedule 4 of the Bill) to require the delegation of regulatory activities to local boards where it would be in the best interests of</p>

Clause	Comment
	the local community for decisions to be made by the local board at the local level. This could include factors such as the geography, nature of the particular communities, nature of the particular activity, and the need for local knowledge.
Clause 15, proposed section 48M: Local boards funding policy	It is essential that local boards are properly funded to carry out their roles and responsibilities. Inadequate funding fetters their decision-making role, undermines their purpose and their ability to represent communities and the principle of shared decision. We therefore request that the committee strengthens the requirements in the new section 48M for the Local Boards Funding Policy to require the governing body to adequately fund local boards to undertake their roles and responsibilities to an agreed minimum level of service.
Clause 15, proposed section 48P: Code of conduct Schedule 4: proposed new Part 1A to schedule 7, clause 36B	It is very important that all elected members are governed by a consistent code of conduct as a way of ensuring good and transparent governance. Proposed section 48P(2) of the Bill exempts local boards from the duty to adopt a Code of Conduct under clause 15 of Schedule 7 (LGA 2002). Instead, proposed clause 36B of schedule 7 requires local board members to comply with the code of conduct adopted by the governing body. We support this approach.
Clause 15: Dispute resolution process	<p>The proposed section 48Q allows a local board, after reasonable efforts to find a resolution have been exhausted, to appeal to the Local Government Commission for a binding determination where it is dissatisfied with certain decisions of the governing body (namely the allocation of non-regulatory decision-making and decisions relating to proposed local bylaws). This mirrors the dispute resolution process in Auckland.</p> <p>We are aware that there are conflicting views about the legitimacy of this process and in particular about the authority given to the Commission, which extends to making a determination that ultimately can require an amendment to a council's Long Term Plan without consultation (in the proposed section 48R).</p> <p>However, given the importance of the allocation of decision-making, a clear, effective and efficient process to resolve differences between the tiers on the allocation of responsibilities is essential. We support a form of resolution that it not protracted and does not involve local boards (or people on their behalf) taking governing bodies to court over the allocation of responsibilities.</p>

Clause	Comment
	<p>We accept that enabling government appointees to make this decision in place of elected representatives is not ideal and runs contrary to democratic principles. If there is another option that provides for the required checks and balances then we would be happy to support such as process but in the absence of a clear alternative we support the need to provide for an appeal to the Local Government Commission for a binding determination.</p>
<p>Schedule 2, proposed amendment to schedule 3, proposed clause 42A relating to initial allocation of decision-making</p>	<p>The initial allocation of decision-making is of vital importance and it is essential that the local communities have meaningful input into its development. The initial allocation will be included in a reorganisation scheme (schedule 2, proposed amendment to schedule 3, new clause 42A). We believe that the Local Government Commission should be required to consult with existing local authorities and the community when preparing this initial allocation of decision-making. We also recommend an amendment to the Bill to prohibit the Local Government Commission delegating decision-making on the initial allocation of decision-making to a transition body (which it can do for the preparation of the reorganisation scheme).</p> <p>As well as inclusion in the long term plan, it may also be helpful to amend section 40 of the LGA to clarify that governance statements should include a description of the non-regulatory decision-making allocation.</p>
<p>Schedule 3, clause 36: Transition board</p>	<p>Where a new unitary authority is established with local boards, clause 36, schedule 3 of the LGA should be amended to provide the transition board with a recommendatory role only. Given the significance of the restructuring, it is appropriate for all substantive decisions to be made by the Local Government Commission and for the Commission to take further advice if it deems this necessary once it has received the transition board's recommendations.</p>
<p>Schedule 3, proposed amendment of Schedule 6, clause 1: Constitution of communities and community boards</p>	<p>Council supports the prohibition on community boards when a unitary authority is established with local boards, as is the situation in Auckland (section 102 of the Local Government (Auckland Council) Act 2009). It is not appropriate for the governing body to establish a community board covering some or all of the same area governed by a local board due to the potential to cause confusion for members of the public, elected members and staff and the potential for interference (by the council or community board) with the proper exercise of powers by the local board.</p>

Clause	Comment
<p>Clause 18, proposed section 76AA: Significance and engagement</p>	<p>The Bill introduces a new section 76AA and replaces the current section 90 of the LGA. It requires a local authority to have a significance and engagement policy, specifies the content and purpose of the policy and requires consultation to occur under section 82 on the policy (unless the council considers on reasonable grounds that it has enough information on about the community interests and preferences to enable the purpose of this policy to be achieved).</p> <p>The Regulatory Impact Statement states that the changes “provide greater clarity about the purpose and intent of significance policies, and place” less emphasis on there being “thresholds” in these policies and the draft section refers to the identification of the “degree of significance attached to particular issues, assets or other matters”, to provide clarity about how and when communities can expect to be engaged in decisions about those issues, assets and matters, and to inform the council at the outset a decision making process the extent and form of any public engagement that is expected before a decision is made.</p> <p>In theory these are laudable aims but in practice there will be difficulties in determining the full range of issues, assets and matters that council may make a decision on in advance and the most suitable consultation and community engagement processes to use. It would therefore be useful for good practice guidance to be produced with local government input prior to this section coming into force and for the section to be amended to include the statement that the purpose of the policy is “as far as practicable” to do the aforementioned things.</p>
<p>Clause 19, proposed amendment to section 77: Requirement in relation to decisions</p>	<p>This stated purpose of this amendment is to simplify the requirement to assess benefits and costs. While the proposed amendment certainly is shorter it is not necessarily clearer. There was no rationale for the change in the Regulatory Impact Statement, nor any guidance on how the amendment will simplify assessments. How for example should this section be interpreted in light of the purpose of local government and the need to meet the current and future needs of communities? Does the change mean that the council is not required to consider intergenerational equity anymore? Should council ignore costs and benefits that can be given a monetary value and do benefits or costs that accrue immediately have more bearing on the assessment than those that eventuate later? Will the change lead to less certainty about which costs and benefits should be included than the current requirements?</p>

Clause	Comment
	We recommend that the committee ensures there is no conflict between clause 19 and the purpose of local government and be satisfied that any amendment to the current section 77(1)(b) will result in an improvement on that section and in the assessment of costs and benefits by councils.
Clause 21, proposed amendment to section 82(1)(f): Principles of consultation	This amendment clarifies that there should be access to a record or description of decisions made for those who present views, but individualised responses or packages of information to those people is not required. Council supports this approach.
Clause 22, proposed section 82A: Information requirements for consultation generally	This new section sets out the general information that must be made publically available for a consultation process in accordance with section 82. It does not apply where the Act requires the use of the special consultative procedure, or consultation in relation to an annual plan. It is clear, will assist the public when followed and will be of use to councils. Council therefore supports its inclusion.
Clause 23: The special consultative procedure and the use of summaries	Council supports the use of modern methods and alternative technology for engagement and consultation and the option to produce summaries of the information contained in a proposal (as opposed to the previous mandatory requirement to produce a summary). Many proposals are short and do not require a separate summary of information and enabling modern methods of engagement will suit many of Northland's residents and ratepayers. We are aware however that all consultation carries the risk that some people will not consider the council's chosen method of consultation to be acceptable and that there have been recent court decisions that have interpreted the consultation requirements in a very literal manner. The committee may wish to consider how to reconcile the judicial trend and the more flexible approach that this amendment aims to secure.
Clause 25, repeal of clause 85: the special consultative procedure in relation to the annual	Council welcomes the repealing of the mandatory requirement to use the special consultative procedure for an annual plan and the introduction of the alternative requirement in clause 31 (amending section 95) to consult in a manner that gives effect to the requirements of section 82 using a consultation document that complies with the new section 95A. We specifically support the emphasis on identifying significant or material differences rather than repeating information already contained in the relevant LTP and concentrating information

Clause	Comment
	<p>and engagement on those differences, new spending proposals and any significant delays to projects or decisions not to proceed with them and the consequences of these matters where the consequences are significant.</p> <p>We consider that consultation should occur on matters that lead to a variation to the LTP and that there is room for the committee to consider removing the requirement to consult on the Annual Plan where any changes do not amount to or lead to an LTP variation or where the local authority deemed it appropriate given the issues of interest to the community and its desire and commitments in its significance and engagement policy to inform and engage its communities in its decision making processes etc. Transparency and accountability to the public would be maintained through the publication of the final versions of the plans, in full. If the proposed amendment is retained then a definition of material and significant would assist councils to comply with the requirements.</p>
<p>Clause 29 and the introduction of a consultation document</p>	<p>Clause 29 inserts new sections 93A to 93G on consultation on a long-term plan. The council must still use the special consultative procedure but the requirement for a statement of proposal and a summary is replaced with a requirement to use a consultation document. The new sections (93A to 93G) set out the requirements for the content of the consultation document.</p> <p>The purpose of the amendment – to provide clarity and simplicity – are supported. The legal requirements around the LTP and its content (and the content of the summary) mean that a large amount of information previously made available to the public through the production of the draft Long Term Plan, e.g. full financials, funding impact statements, finance policies etc., was unlikely to have been relevant or meaningful to the majority of residents and ratepayers. In all likelihood, the prescriptive requirements around the content of the consultation document and the content of the LTP will not meaningfully reduce the resources and costs associated with these documents, particularly given people who wish to access the underlying information (i.e. parts of, or the entire, draft plan) would be able to request this from their council. Council notes that one of its most substantial costs is the cost associated with the audit of the LTP. (We note the RIS assumes that the presentation of the LTP will be less of an issue for the auditors than its</p>

Clause	Comment
	<p>content under the proposed amendments. We hope this is true and that the long-term plan and its associated documents are designed less to meet the requirements of auditors and more for the needs of our communities and that the audit fees reduce to reflect this.)</p> <p>Council would like to see more of the amendments suggested by the Efficiency Taskforce and further consideration given by the committee to the mandatory disclosures in the long-term plan required by the Act (particularly Schedule 10) and the potential for financial disclosures and other accountability information to be made publicly available on the council website. However council considers that the aims for the consultation are good and supports the amendment. We ask that the committee consider the submissions of SOLGM and LGNZ to the Efficiency Taskforce and the Efficiency Taskforce's recommendations to satisfy itself that all desirable improvements have been made.</p>
Clause 32: combined planning	We support combined consultation and documentation for amendments to the Long Term Plan as part of consultation on the Annual Plan.
Clause 33: change in purpose for the financial strategy	We support the technical change in purpose from facilitating consultation to providing the context for consultation.
Clause 34: 30 year infrastructure strategy	<p>Council is very supportive of the need for sound infrastructure and asset management planning by regional and territorial authorities. We support the development of a long term infrastructure strategy and its integration with long term planning, resource management planning and transport planning and the objectives to:</p> <ul style="list-style-type: none"> • encourage good asset management practice in local government; and • provide greater transparency for stakeholders about asset management issues for core local authority infrastructure. <p>We also support standard disclosure of asset information.</p> <p>As a regional council the council's main assets affected by the strategy are those we have for flood risk management. For unitary and territorial authorities the suite of assets is considerably larger and the amount of preparatory work will be much greater. The consultation</p>

Clause	Comment
	<p>document is likely to be large too, given it need to contain both the council's financial strategy and infrastructure strategy.</p> <p>The Regulatory Impact Statement does not quantify the costs that will fall on councils and ratepayers to complete this task before the next Long Term Plan consultation exercise. It therefore may not be realistic or cost effective to require a comprehensive strategy for all local authorities in time for the next Long Term Plan consultation exercise.</p> <p>Council is also concerned that there needs to be better integration between the Land Transport Act, the Resource Management Act and the Local Government Act for the full benefits of the Infrastructure Strategy to be realised. We are concerned that there are practical issues still to be resolved around the implementation of the recent Land Transport Amendment Act, specifically the timing of the Government's GPS and guidance for local authorities and the relationship between the Long Term Plan, the Regional Land Transport Plan and the planning necessary for the provision of local share funding.</p> <p>The government and local government should work together on good practice guidance for the sector prior to this section coming into force and the council asks that the committee considers deferring the commencement date to ensure that the resulting strategies meet the objectives of encouraging good asset management planning, funding and practice and providing greater transparency for stakeholders.</p>
Clause 44: consultation on fees	Council supports the removal of the requirement to use the special consultative procedure before prescribing fees and supports the use of consultation that gives effect to section 82 instead.
Clause 45, new sections 150B to F: local boards and bylaws	Within clause 45 there are new sections 150B to 150E, which set out the process for a local board to propose the making, amendment, or revocation of a bylaw (to apply only within its local board area). They include provisions for local board consultation on the bylaw. The new section 150F provides that these powers can be exercised jointly by 2 or more local boards. These sections are similar to those that apply in Auckland and ensure that there is no inconsistency with the council's strategies, plans policies or bylaws. Council supports the amendment.

Clause	Comment
Clause 70 and Schedule 4 amend Schedule 7: providing for use of technology for meetings	<p>These amendments</p> <ul style="list-style-type: none">• insert a new clause 25A, which provides for a member of a local authority or any other person participating in a meeting of the local authority to be present at the meeting by audio link or audiovisual link:• insert a new clause 27(5), which requires a local authority to provide in its standing orders for matters concerning the use of audio links and audiovisual links at meetings. <p>Council supports the use of technology in local government meetings and the flexibility the Bill provides for councils to choose (if they wish to do so) to conduct meetings without every member being present in the same room. This means some elected members will be able to participate in the meeting by audio link or audio-visual link. This will be a useful tool, especially in rural regions with a large geographic area to cover.</p>

ISSUE: Contestable Funding Policy Confirmation for Draft Annual Plan 2014/15**ID:** A610770**To:** Council Meeting, 28 January 2014**From:** Kathryn Ross, General Manager - Planning and Policy**Date:** 16 January 2014

Summary The purpose of this report is to request council to confirm its Contestable Funding Policy for use in preparing the Draft and Final Annual Plan 2014/15. It concludes with the recommendation that the council continues to apply the 2013/14 policy for 2014/15.

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

Each year, and outside the scope of other funding programmes, council receives requests for funding from various entities and individuals for particular activities or projects. Many requests arrive as submissions to the Draft Annual Plan or Draft Long Term Plan. The quantum of funding requested ranges from small one off “grants” (\$1-\$5k) to very large (hundreds of thousands of dollars and over more than one year).

During 2012, the council adopted the following policy for 2013/14 and applied it to the Annual Plan 2013/14.

“That the council will not consider applications for funding of external agencies for projects, activities, events or other purposes in recognition of:

- a) The current economic climate;
- b) The council’s focus on core services and prudent financial stewardship; and
- c) Its existing contestable funding programmes (e.g. Environment Fund) that deliver on its key objectives.”

The key reasons and a summary of the options assessment behind that decision are contained in the agenda item for that meeting (**attached**).

At the same time as adopting the policy, council resolved to reconsider its position prior to the commencement of the 2014/15 Annual Plan. Councillors were briefed on the rationale for the policy at the Annual Plan workshop on 17 December 2013.

Discussion:

Any new contestable fund should promote the purpose of local government and align with the council’s current objectives. It should be cost-effective and not duplicate existing funding sources. I consider that the rationale behind the current policy still applies.

ITEM: 8.2

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In addition, preliminary work by council on the Draft Annual Plan for 2014/15 has commenced and council is working within a draft budget envelope that achieves a near zero percent rate increase for 2014/15, which is 7.2% less than the budget for 2014/15 provided in the Long Term Plan 2012-2022. Within this envelope council has indicated that it wishes to increase the Environment Fund (up to \$400,000) to support key community environmental projects and has continued to provide for economic development projects via the Investment and Growth Reserve. Investment income (planned and any unanticipated income) is already accounted as part of the council's strategy for the Investment and Growth Reserve. An additional contestable funding stream would affect the council's ability to maintain a low rate increase.

Council is reviewing the Investment and Growth Reserve criteria prior to the adoption of the Annual Plan 2014/15 and Northland Inc.'s draft Statement of Intent to ensure it aligns with the council's objectives for economic and infrastructure development and the purpose of local government.

The government's Better Local Government reform programme continues to focus on financial prudence, integration between the council's financial strategy and infrastructure planning and funding, and the cost effective delivery of core functions and purpose – the delivery of infrastructure, public services and regulatory functions. This focus is evident in the Local Government Act 2002 Amendment Bill (No 3) currently before Parliament (which is the subject of a separate agenda item to council this month). Any additional contestable funding stream would need cost effective administration and a clear link to a council function. It should be integrated into an activity of council and the council's financial strategy, with clear criteria for allocation and clear measurable outcomes.

If the council decides to support in principle a new contestable fund then I recommend that the fund is consulted on as part of the Draft Annual Plan 2014/15 and that council clearly outlines the draft purpose of the fund, the amount of funding allocated to it, the impact on rates (and current activities and levels of service) and agrees a draft funding stream and process for fund distribution in February 2014 for inclusion in the Draft Annual Plan 2014/15.

Conclusion:

In the current context, establishing a new contestable fund for the 2014/15 Annual Plan remains difficult to justify and I recommend that council continues to apply the existing policy for 2014/15. I also recommend that council conducts a systematic review of the funding it provides to communities and projects as part of its strategic planning for the Long Term Plan 2015-2025. This aligns with the legal requirements for long term planning and the commitments to funding made in the Long Term Plan 2012-2022.

Legal compliance and significance assessment:

The relevant legislation in relation to this issue is the Local Government Act 2002 and the Local Government (Rating) Act 2002. The information provided in this report and its recommendations are compliant with that legislation. This issue is considered at this stage to be of low significance under council policy because it retains the status quo, however, if the recommendations are not followed then there are potential rating issues and general public interest in contestable funding programmes, which means that the significance assessment would likely be revised to moderate (in line with the previous significance assessment in 2012).

Recommendations:

1. That the report "Contestable Funding Policy Confirmation for Draft Annual Plan 2014/15" by Kathryn Ross, General Manager - Planning and Policy, dated 16 January 2014, be received.
 2. That council will not establish a new contestable fund nor consult on the establishment of such a fund as part of the development of its Annual Plan 2014/15.
 3. That council will not consider applications for funding (that are not covered by an existing fund and application process) by external agencies, communities or individuals for projects, activities, events or other purposes for and during the 2014/15 financial year in recognition of:
 - a) The current economic climate;
 - b) The council's focus on core services and prudent financial stewardship; and
 - c) The existing contestable funding programmes (e.g. Environment Fund) that deliver on council's key objectives.
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ITEM: 8.2

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ISSUE: Draft Contestable Funding Policy**ID:** A254924**To:** Council Meeting, 16 October 2012**From:** Malcolm Nicolson, Chief Executive and Vibeke Wright, Policy Advisor**Date:** 25 September 2012

Summary The purpose of this report is to present options for a contestable funding programme policy and procedures. It explains the context of the issue, provides an overview of alternative funding available to Northland applicants, and outlines the council's options for its own policy development. It concludes with the recommendation that the council should not consider requests for funding outside its currently established programmes. In the event the council does not concur, then the paper recommends some parameters for a draft policy and procedures.

Report background:

Each year, and outside the scope of established funding programmes, the council receives requests for funding from various entities and individuals. Many requests arrive as submissions to Draft Annual Plan or Draft Long Term Plan. During draft Long Term Plan deliberations earlier this year, the council asked staff how such funding requests could be better managed.

Overview of the issue:

As an entity empowered to rate property owners and redistribute benefits to residents through service provision, the council is sometimes perceived as a *de facto* provider of funding. Requests are therefore regularly received from a broad spectrum of applicants, but the council does not currently have standard processes to deal with them. There is no application form, no policy to help guide decision-making, and no formal auditing procedures. The table below indicates applications that have been received as submissions to an Annual or Long Term Plan since October 2010. In addition to these, approximately \$15,000 is sought each year from applicants who make direct approaches to councillors or staff.

Applications	Value	Outcome
Anchorage Association Inc	\$2,000	×
CHART – “Economic Impact Report”	\$5,000	✓
CHART - operational funding	\$50,000 pa	✓
Creative Northland	\$150,000 (2012) \$100,000 (2011)	✓ \$50,000
Cruise ship ambassador programme	\$8,000 pa	×
Dargaville swimming pool	\$1.4 million	✓*
Enterprise Education programme	\$100,000 pa	×
Lindvart Park lighting	not specified	×
Northland Surf Lifesaving	\$19,000	×
Northland Youth Development Trust	\$112,500	×
Project Promise	\$5 million	
Whāngārei Bird Recovery Centre	\$5,000 pa (2012) \$1,000 (2011)	✓

* Funded from the Recreational Rate

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While the scale of funding is not large, the absence of a standardised process and policy to deal with these applications creates costs, adds to administration workload, and may require controversial decisions of the council. It is therefore considered prudent to establish a policy which will articulate the council's position, guide decision-making, and outline a standard procedure so applications are processed efficiently and fairly.

What is already available?

In developing its policy position the council will undoubtedly wish to ensure its programme, if any, fulfils an identified need in the region and complements existing available programmes. **Appendix A** provides an overview of the regional council's current programmes, and other funding programmes available regionally and nationally.

Policy options

The council has considerable discretion to decide on various elements of its policy. Several of these facets were discussed at the council workshop in September (e.g. funding priorities, eligibility, timing, application processes, etc.) without a clear consensus emerging. It is suggested therefore the council should initially focus its debate at the highest level before refining the details of its application and implementation. In discussion at the council workshop in September, three general options appeared to be under consideration:

1. To not consider requests for funding

The council could decide not to create an additional funding programme, reflecting clear indicators from central government that councils should focus on core business. In this event, the council could adopt the approach that funding requests outside of existing programmes will not be considered during the coming year.

2. To allocate annually as part of strategic planning

This approach is in keeping with the council's instructions arising from draft Long Term Plan deliberations earlier this year, pending a review of the council's policy on the matter, when several requests for funding were received as submissions. Should the council wish to continue to consider requests, then staff endorse the need for a standardised, formal process which would see applications be considered as part of the Draft Annual Plan.

3. To allocate as needs arise

This option would see future funding requests considered on their merits as they are lodged, with allocations made on the basis of contemporaneous priorities and availability of funds. While this option is the most flexible of the three outlined here, staff caution it carries some risks, e.g. of inconsistency of available funding, raising community expectation of support to unrealistic levels, and/or a lack of transparency and accountability in decision-making.

Funding options

Should the council wish to pursue either policy options 2 or 3 above, then decisions regarding the funding source are also required. Without changing its funding policies, the council does not have any discretionary funding available from currently budgeted investment income, grants and subsidies, and user fees and charges. The funding source is therefore likely to be from rates or unbudgeted revenue.

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In reaching decisions on the following options, the council needs to be mindful of:

- Balancing equity issues associated with collecting the fund across the region (e.g. uniformly, fixed, as a rate on the dollar, and/or differentiated) against its disbursement;
- The cost of collecting low value and/or complex rates, weighted against the perceived benefits of a contestable fund.
- Public perceptions about prudent financial stewardship and robust, transparent policy decisions, weighed against any expectations for a flexible, responsive contestable funding programme.

The options available to the council are to:

1. Fund by way of an existing targeted rate

The council currently levies two targeted general rates (Council Services and Land Management). In the 2012-2022 LTP, nine targeted rates are levied for a variety of specific purposes (e.g. recreational facilities, regional infrastructure, rescue helicopter, flood management, etc.). Of these, only the Council Services Rate could be increased within existing rating policy to create a contestable fund. Councillors are reminded this rate is applied as a fixed amount on each rating unit/SUIP, differentiated by district, on the total equalised capital value.

2. Fund by way of new targeted rate

The council should be mindful that under its new significance policy, a decision to propose a new targeted rate automatically triggers a requirement to conduct a special consultative procedure as part of the Long Term Plan or Annual Plan. If it wished to pursue this option, the council would also need to determine whether to:

a. Apply a fixed rate per rating unit/SUIP or apply a rate in the dollar

The council would need to consider whether it should be applied as a fixed amount on each rating unit/SUIP (i.e. each unit pays the same amount), or as a rate on the dollar of the land value (i.e. the higher the value the property, the higher the rate).

b. Levy the rate uniformly across the region, or differentiate areas of benefit

A new rate can be applied uniformly across the region or differentiated to identified areas of benefit (e.g. by district, or smaller identified areas). This means if a particular area was strongly supportive of a funding request and that same area was likely to derive the most benefit, the council may consider establishing a targeted rate and applying it to the agreed identified area of benefit. This approach could be appropriate if funding requests were known as part of the strategic planning process, but otherwise could require the council to ensure funding decisions reflected the value of geographic contributions.

3. Use annual budget savings

The option of using annual budget savings was raised at the September workshop. Under the council's current Financial Strategy (adopted as part of the 2012-2022 LTP), the council could decide to direct some savings from one financial year into a contestable funding programme in the next financial year. However, staff consider this a high risk option. The amount available in any given year is likely to be highly variable. The council has budgeted a "cash" surplus over the 10 years of the LTP of approximately \$200,000 (ranging in value from \$60,000 to \$300,000 annually). The council is unlikely to want to

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budget on the basis of large surpluses, given that ratepayers dislike significant surpluses or unilateral decisions on their use – preferring instead accurate budgeting.

4. Use unexpected investment dividends

The option of using unexpected additional income from dividends was also discussed at the September workshop. The council's approach to the Investment and Growth Reserve (adopted as part of the 2012-2022 LTP) says that if actual investment revenue exceeds the forecasted revenue, then the additional revenue will form part of general funds and that the council may, by special resolution, direct that the surplus be applied to fund particular activities, including the curtailment of budgeted rates increases.

The actual amount available in any given year is likely to be, as with option 3 above, highly variable. However, being funded by investment "windfalls", this option is likely to be less contentious with ratepayers, and pose fewer intractable issues regarding equitable disbursement across the region.

Staff recommendation

Staff recommend a contestable funding programme is not appropriate at this time for the following reasons:

1. Despite the economic downturn, there continues to be numerous alternatives available to applicants, as outlined in **Appendix A**.
2. The council already has contestable funds available (including, mainly, up to \$500,000 annually via the Environment Fund) that contribute to delivering on its objectives. A new contestable fund is not essential to achieving its overall purpose.
3. The council is focussing on redirecting investment income away from rating subsidies, but wishes to ease rating burdens as much as possible. Establishing a non-urgent, non-compulsory new contestable fund in this context appears contradictory.
4. Central government's reform of local government is focussing on the importance of core services and prudent financial stewardship. Introducing a new contestable fund at this juncture could appear to be at odds with the government's drive.

However, in the event the council is of a mind to establish a dedicated contestable fund, staff think a robust, transparent, equitable and efficient policy and procedures are necessary, in order to:

- Provide greater clarity and certainty for applicants;
- Ensure disbursement is in keeping with council objectives and reflects community expectations;
- Make it easier to keep track of what is spent, on whom, and for what results.

Therefore, if the council wishes to continue to consider funding applications, then staff suggest an appropriate policy and process - i.e. one balancing rigour with some flexibility - would have the following characteristics:

- The fund would be established from the allocation of any additional/unexpected dividend income (i.e. variable each year) or return from commercial investments over and above budgeted amounts.
- Where appropriate, requests for funding can be referred for economic development assessment to Northland Inc., which may make a recommendation

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to the council on the suitability of a proposal for funding from the Investment and Growth Reserve or other part of the council's investment portfolio. Where the request does not meet the purposes of those funds, then Northland Inc. could identify and refer the request to another entity (including the council if appropriate) for assessment.

- The council will retain decision-making.
- In the case of policy option 2, applications must be received prior to drafting the annual strategic plan (i.e. no later than November each year). Details of total value can then be factored into draft budgets and/or available for comment via the submissions process.
- The council will establish its funding priorities and application criteria annually, in line with its strategic priorities.
- A common process will apply to all applications, irrespective of the value sought.
- Funding will not be retrospective.
- Preference will be for funding activities that provide a regional (as opposed to a localised) benefit.
- To spread risk and avoid funding dependency, applicants must demonstrate they have secured funding from other sources and have a future funding plan.
- Applicants must hold a recognised legal entity status and be committed to having the funding audited by the council if requested.

Legal compliance and significance assessment:

The relevant legislation in relation to this issue is the Local Government Act 2002 and the Local Government (Rating) Act 2002. The information provided in this report and its recommendations are compliant with that legislation. This issue is considered at this stage to be moderately significant under council policy, because of potential rating issues and general public interest in contestable funding programmes.

Recommendations:

-
4. That the report, "Draft Contestable Funding Policy", by Malcolm Nicolson, Chief Executive and Vibeke Wright, Policy Advisor, dated 25 September 2012, be received.
 5. That the council will not consider applications for funding of external agencies for projects, activities, events or other purposes in recognition of:
 - a. The current economic climate;
 - b. The council's focus on core services and prudent financial stewardship; and
 - c. Its existing contestable funding programmes (e.g. Environment Fund) that deliver on its key objectives.
 6. That the council reconsiders its position in 12 months, prior to the commencement of the 2014/15 Annual Plan.

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APPENDIX A

Availability of other funding sources

NRC funding programmes

What	Description
NRC Environment Fund	Funds available annually up to \$500,000 to help people improve and protect Northland's natural environment. The fund is targeted at several different areas with most projects funded at 50% of their total costs. Projects must be of long-term benefit to the local environment and show evidence of good resource management, with no more than one third of the fund to any one project in any year.
Environmental Curriculum Awards	\$20,000 annually to help schools with projects focusing on environmental education.

(In addition, the council funds or sponsors a number of award programmes that provide financial recognition of achievement, e.g. Science Fair, dairy industry, and sustainable business.)

Other funding programmes

What	Description
ASB Trust	Distributes grants to the not-for-profit sector throughout Auckland and Northland for the arts, education, sport, recreation, environment, heritage, health and social services areas. The Trust has distributed more than \$745 million since being formed in 1988.
Northland Community Foundation	Local allocation committee for the Tindall Foundation covering Whāngārei, Kaipara and Far North. Accepts applications annually, up to \$10,000 to community and not-for-profit organisations for supporting families and social services.
Gaming Machine Societies	Two Northland societies (Kaiwaka Sports Assoc Inc and Oxford Sports Trust Inc) invite grant applications from the public to support sports-associated equipment, premises and travel costs. KSA grants are considered annually for amounts up to c.\$7,000. OST grants are considered monthly; in the most recent round, applications for funding from c.\$400 up to over \$70,000 were approved.
KiwiSport - Sport Northland	Will invest in schools, sports organisations and community providers that demonstrate they are co-operating and forging partnerships with a focus on increasing the participation of school children in organised sport. Grants considered annually, with \$238,000 available in 2012. There is no upper limit but co-funding (i.e. dollar-for-dollar) is expected.
Lottery Community Committees - Northland	Distributed three times annually to support initiatives for parents/family/whānau, youth development, older people's life quality, violence prevention, new migrants/refugees, people with long-term disability or illness, or those at risk/disadvantaged.
Creative Communities Arts Funding Scheme	Creative New Zealand fund administered by the Kaipara, Whāngārei and Far North District Councils to support exhibitions, productions, concerts, festivals, workshops, etc., that offer opportunities for community involvement in the arts. Applications are accepted quarterly for between \$500 and \$2,500; in the last year over \$86,000 was allocated.

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Far North District Council	<p>Community Fund Distributed by the district's three community boards (allocated per capita) the funds were established to promote and develop community amenities, facilities, programmes and services within the district. There is no upper limit but approvals are generally no higher than \$10,000. Funding last year totalled \$320,140.</p> <p>Other The council (or community boards) also allocate a Rural Travel Fund (on behalf of Sport and Recreation New Zealand), the Hundertwasser Fund (funded by donations).</p>
Whāngārei District Council	According to the council's current funding policy ¹ , two operational grant programmes and six "specific purpose" contestable funding programmes are currently available. Maximum funding limits for applications are generally defined by the cost of the project and the council funds only a percentage of the overall project value. During 2011-2012, Whāngārei District Council distributed over \$1.42 million through its community funding programmes.
Kaipara District Council	<p>Kaipara Heritage Assistance Fund \$15,000 allocated annually to projects that help and encourage people to protect and preserve resources of heritage value within the Kaipara.</p> <p>Sport NZ's Rural Travel Fund \$5,000 allocated annually to assist sports clubs and school teams with young people aged 5-19 who require subsidies to assist with transport expenses to local sporting competitions.</p>

Finally, national programmes are also available in Northland, for example:

- The Ministry for Culture and Heritage's funding search engine² returns 680 schemes which will fund applicants in Northland to support the arts, design, film, music, literature, museums and galleries, archives, heritage, festivals, broadcasting, and culture (including Māori, Pacific and Asian).
- Central government's Funding Information Service website³ provides portals to the following searchable databases:
 - "Break Out" - 2200 funding schemes for students, researchers, sports people, artists and those wanting professional development.
 - "Corporate Citizens" – provides details of and matches to New Zealand businesses that are committed to building relationships with community and voluntary organisations.
 - "Fund View" - New Zealand's primary source of information about funding for voluntary organisations, containing over 1000 different funding schemes.
- Nine Lottery Grants Board pools (administered by Department of Internal Affairs⁴ (DIA))
- Five Crown grants (including the well-known COGS scheme) – DIA administered
- Six Trusts' grants (mostly supporting education and conservation initiatives) – DIA administered.
- Ten gaming societies (mostly supporting sport and racing initiatives).

¹ <http://www.wdc.govt.nz/PlansPoliciesandBylaws/Policies/Documents/Community-Funding-Policy.pdf>

² www.mch.govt.nz/mi/funding-nz-culture/search-funding

³ www.fis.org.nz

⁴ www.communitymatters.govt.nz/Funding-and-grants---All-of-our-grant-funding

ISSUE: Submission to Local Government Commission - Draft Proposal for Reorganisation of Northland's Councils

ID: A609826

To: Council Meeting, 28 January 2014

From: Kathryn Ross, General Manager - Planning and Policy and Vibeke Wright, Policy Advisor

Date: 13 January 2014

Summary The purpose of this report is to present for council approval a draft submission to the Local Government Commission on its proposal to reorganise local government into a single unitary authority with seven community boards. It summarises those matters where council consensus has emerged from recent workshop discussions, and suggests position statements for other matters not yet discussed. It also updates council on communications and engagement on the council's position. It concludes with recommendations on council approval of the draft submission, delegations to the Chairman and Chief Executive Officer to finalise the submission, and approval of unbudgeted expenditure.

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

Since mid-November 2013 the council has been considering the Local Government Commission's draft proposal to reorganise Northland's four current councils into a single unitary authority with seven community boards. The period for submission on the draft proposal closes on 21 February 2014. There is no scheduled council meeting for February. The council meeting scheduled for 28 January 2014 therefore provides a scheduled meeting and a formal decision making opportunity for the council to resolve its position and approve a draft submission.

Council has asked staff to prepare a communications and engagement plan and implement it over the period 18 December 2013 to 21 February 2014 based on the communicating council's key messages to key stakeholders and the communities of Northland. The council indicated that it was prepared to spend unbudgeted money on implementing the plan and wanted to have a visible print media presence.

The Local Government Act 2002 Amendment Bill (No. 3) which is currently before the Local Government and Environment Select Committee proposes to remove the current thresholds on population size and urbanisation for local boards outside of Auckland. If enacted it is expected to deliver the Local Government Commission with the option of local boards for Northland's reorganisation (so long as the Commission does not issue a final proposal before the amendment is in force). A draft submission on the Bill is also included in this council agenda and reinforces this agenda item.

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Discussion:

Staff, in consultation with the Chairman, have drafted the **attached** submission to the Commission in light of the council's recent workshop discussions. The crux of the council's submission is that it cannot support the draft reorganisation proposal in its entirety because it does not provide (and under current law cannot provide) for local boards throughout Northland. The proposal instead recommends a unitary council with community boards. Council has consistently viewed community boards as outdated governance entities because they lack the durability and statutory powers needed to properly represent, empower and deliver real decision-making to local communities.

Council's draft submission to the Commission therefore focuses on why local boards are imperative to delivering effective local government in Northland, and argues for either retaining the status quo or postponing a final reorganisation proposal until later in 2014, when - subject to the Bill's enactment - local boards can be considered and therefore established in Northland. The issue of Māori representation is also highlighted and the draft submission notes that the Commission's thinking on Māori representation is also limited by current law and that this is another reason to support the Commission delaying its final proposal until the Local Government Act Amendment Bill (No. 3) has been enacted to allow the Commission to potentially consider a wider range of options for Māori representation/decision making.

The key components of the draft submission are set out in the following table:

Component	Position taken
Decision-making powers	Local boards must be empowered with the highest levels of decision-making, to deliver strong localised governance. Initial allocation of powers requires community consultation and so must be articulated in the Commission's final proposal (i.e. not delegated to the transition board to determine).
Ward/local board boundaries	Community views on the proposed boundaries must be taken into account. There needs to be direct and meaningful consultation with the communities that raise such issues before the final boundaries are drawn.
Local board subdivisions	Subdivisions are necessary to ensure effective representation of communities within a board area, and to avoid "capture" by just highly populated areas.
Headquarters	Whāngārei is the appropriate main administrative headquarters for the unitary council, but some services may be more appropriately headquartered at service centres.
Service centres	Provided a service centre is also maintained in Ōpua for at least five years, the proposal is supported. However, decisions about what services should be provided at each should be the responsibility of the transition board and implementation team.

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Debt	Council does not support ring-fencing debt because it deals only with “book” debt, i.e. loans, and does not acknowledge future costs to ratepayers associated with historically deferred maintenance and asset renewal. It also is unnecessarily complex, penalises communities for historic poor governance/management, and perpetuates division at a time when unification is the aim.
Māori representation	The Commission’s proposals are unlikely to meet with approval by Māori, and are ambiguous. As with the local boards issue, the Commission should delay its final proposal until the law can be changed to allow a wider range of options for Māori representation/decision making.
Committees	Greater clarity is needed in the final proposal to understand the Commission’s expectations regarding board members’ involvement on council committees.
One voice	Council supports the Commission’s view that a unitary council will enable Northland to establish more effective relationships with central government, and will make it easier for business and communities to engage with local government – provided however that local boards, not community boards, are their port of call for local issues.
Stream-lined planning	Council supports the proposal for the benefits it could deliver for a simplified, less costly planning framework and its implementation. However, further thought is required to consider the resources needed to develop effective planning instruments at a board level.
Transition arrangements, costs and savings	Composition of the board – in terms of having extensive experience/knowledge of local government and change management, and Māori views – is critical to success. The Commission should carefully consider the impacts on service levels at the affected local authorities when key staff are seconded to the implementation team.

Outstanding matters

Other matters in the draft proposal which staff recommend council consider and include in its submission, are:

Component	Staff recommendation
Ward councillors on {local} boards	The unitary/board model is designed to provide appropriate governance focus at two tiers – regional and local. This proposal runs counter that principle, is confusing, and will impose unreasonable workload on councillors.
Council-Controlled Organisations	A unitary council offers opportunities to rationalise the CCOs/CCTOs throughout Northland in a more effective, efficient manner. The final proposal

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	should clarify that the current shareholdings of all CCOs/CCTOs by the four local authorities in Northland will transfer to the new Northland Council.
Long Term Planning (LTP)	Support that the first LTP must be completed for the period beginning 1 July 2018. This period will allow sufficient time for finalisation of local board plans and agreements, and for considered strategic planning around asset management plans, service levels, deferred maintenance, regional infrastructure planning, rating policy, development contributions, and local boards' funding policy.
A further round of consultation by the commission	<p>Staff recommend that the council requests that the Commission produce another draft proposal before moving to a final proposal if it considers that a governing body and local boards should be proposed.</p> <p>Council community engagement illustrates that local boards are currently poorly understood, the Commission has not provided much analysis on them as part of the current draft proposal and Northlanders deserve the opportunity to understand the difference between local and community boards before they decide whether a single unitary council for Northland could work. To make this assessment people need to know what a local board is, what it can do on their behalf, how it and its activities are funded and the extent of its decision making powers. Due to legal restrictions council will not be able to comment on the final proposal nor will it be able to impart information on local boards.</p>

Staff also recommend the council's submission notes the factual inaccuracies in the Commission's proposal identified by council to assist the Commission to prepare a final proposal based on the best available information. These points are detailed in the section, "Other matters that require further investigation", in the attached draft.

Communications and engagement

Council decided as part of its Annual Plan 2013/14 not to make specific budgetary provision for council involvement and input into the current Local Government Commission process for local government reorganisation in Northland.

Where possible council has integrated local government reorganisation communications and activity into its already planned community relations and engagement processes, for example council produced as part of its programmed December 2013 Regional Report information on the Commission's draft proposal. (This information was produced, as per the Mayoral Forum decision, in collaboration with the district councils of Northland.) It has also used already booked radio advertising slots. However, council has also undertaken unscheduled activities such as its expert panel and the current series of informal meetings between the Chairman

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and communities (with other councillors in attendance). These meetings combine a meet the new Chairman focus with informal information exchange on the draft proposal, and specific local issues such as the suggested boundaries affecting Kaiwaka communities and whether they can be improved. Ruakaka, Tutukākā, Parua Bay and Whāngārei meetings are scheduled to occur before 11 February 2013.

Councillors present at the council workshop on 18 December 2013, gave permission to the Chairman and Chief Executive Officer to use workshopped messages on the draft proposal (prepared for circulation to the district councils of Northland in line with the Mayoral Forum decision to share information and ideas on the draft prior to developing any formal submissions and public positions) as the basis for public and key stakeholder information sharing and engagement on the Local Government Commission's draft reorganisation proposal and council's position on it and in the informal meetings with communities and individuals around the region. Council required the use of print media within the plan. This has been achieved by a special edition of the Regional Report, which was more cost effective than other options such as buying advertising space and inserts. Copies were made available to councillors the week commencing 13 January 2014 and will be delivered to Northland mailboxes during January. To support this edition (and the upcoming public meetings) two radio adverts, a newspaper advert, media release and supporting social media are underway.

Key stakeholder meetings and opportunities to discuss reorganisation at stakeholder events are being arranged by the Chief Executive's office.

As at 20 January 2014, the council has incurred approximately \$40,000 of unbudgeted operational expenditure, due to its involvement in the process. For example, for venue hire, advertising as part of its additional public meetings, panel member fees, consultancy support and the production and distribution of the special edition of the Regional Report.

We therefore recommend that council approves up to \$60,000 plus GST of unbudgeted operational expenditure for informing Northland's communities and key stakeholders about the Local Government Commission's draft reorganisation proposal and council's position on it (such activity currently anticipated to end February 2014). This unbudgeted expenditure should be funded in the first instance from any surplus available in the 2013/2014 financial year, and/or secondly from an appropriate council reserve. Should additional unbudgeted operational expenditure be required an additional agenda item reporting more fully on expenditure to date and anticipated future expenditure will be prepared.

Legal compliance and significance assessment:

Clause 44 of Schedule 7 of the Local Government Act 2002 provides for the council to lodge a submission on the Local Government Commission's draft proposal. In this respect the decision to submit on the proposal is of low significance, although the issue itself is of high significance to the council and Northland communities.

The final decision on local government reform in Northland will be made either by the Local Government Commission or by a poll.

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Recommendations:

1. That the report, "Submission to Local Government Commission - Draft Proposal for Reorganisation of Northland's Councils", by Kathryn Ross, General Manager - Planning and Policy, and Vibeke Wright, Policy Advisor, dated 13 January 2014, be received.
 2. That council approves the draft submission attached to the report.
 3. That the council requests that the Local Government Commission produce another draft proposal before moving to a final proposal if it considers a single Northland council made up of a governing body and local boards is the most suitable option for local government reorganisation in Northland.
 4. That the Chairman and Chief Executive Officer be delegated authority to finalise the submission in accordance with council's consensus as established during discussion of the item, and to lodge the submission with the Local Government Commission.
 5. That council approves up to \$60,000 plus GST of unbudgeted operational expenditure for informing Northland's communities and key stakeholders about the Local Government Commission's draft reorganisation proposal and council's position on it. This unbudgeted expenditure shall be funded firstly from any surplus available in the 2013/2014 financial year, and/or secondly from an appropriate council reserve as determined by the Chief Executive Officer.
-

DRAFT Submission to the Local Government Commission on its Draft Proposal for Local Government Reorganisation in Northland

Submission from the Northland Regional Council

February 2014

1. Overview

The Northland Regional Council (the Council) welcomes the opportunity to submit on the Local Government Commission's draft proposal for Local Government Reorganisation in Northland.

Should the Commission hold hearings for submitters, we would welcome the opportunity to present our submission. Depending on the timing of the hearings, the Council will be represented by its Chairman, Bill Shepherd, and its Chief Executive Officer, Malcolm Nicolson.

The Northland Regional Council is the only Northland local authority that is responsible for representing all the communities of Northland. We want Northland to have the best structure of local government that suits its needs and expectations. While supportive of the aims and benefits of a single Northland Council, we **do not** support the draft proposal for Local Government Reorganisation in Northland in its current form.

The proposal, which relies on community boards rather than 'local boards', **will not** provide Northland with the best possible structure for its future development, and therefore cannot be supported. Unless and until a Northland Council (unitary council) has local boards instead of community boards, the Council supports the status quo.

The Council believes - based on discussions with Northland communities, local experiences with community boards, and research into the Auckland Council model – that more powerful 'local boards' are vital to deliver genuine representation and real control to local communities. The law does not currently allow for regions of Northland's size to have local boards, but changes to this legislation are currently underway. The council therefore asks the Commission to delay its final reform proposal until this law change takes effect, probably in the second half of 2014.

The Commission's draft proposal also says the Northland Council must have a Māori committee and a Māori Advisory Committee on Resource Management until at least 2019. While the council supports empowering Māori, it believes this is an issue for Māori themselves to determine. We also note that as with community boards, the Commission's thinking on Māori representation is limited by current law. The council believes the Commission should delay its final proposal until the law can be changed to allow a wider range of options for Māori representation/decision making.

To assist the Commission to:

- decide whether to delay the process and wait for the law to change; and
 - develop a robust proposal for a unitary council with local boards in the future
- we offer a number suggestions in the body of this submission for that proposal.

2. Local Boards are the only acceptable option for a Northland Council

The current review of the organisation of local government in Northland provides a once-in-25-year opportunity to ensure that a new structure will provide a better option than the status quo.

The Northland Regional Council considers that a structure that incorporates local boards is the only structure that can offer Northland a better way forward.

The council's April 2013 alternative proposal for a two-tiered model was based on its conviction – borne out by public consultation – that Northland needs unified, constructive leadership. We agree a unitary council can tackle the big challenges, work alongside others – e.g. with our neighbouring council in Auckland and with central government – and be an advocate for the region's development. But any change to local government's structure in Northland must also deliver real control to our communities at a grassroots level.

In arriving at the need for local boards in our alternative application, we examined the full range of options, including advisory committees, community boards, ward committees, and community councils. We found them wanting and clearly explained to the Commission the reasons why.

The council elected in October 2013 continues to support this view and in fact is more firmly convinced than ever that strong local decision-making is the heart of effective and efficient local government and is essential in order to realise the many benefits of a unitary authority. The draft proposal and its reliance on community boards simply doesn't deliver the essentials of genuine representation and real control to our communities.

The existence of a community board is vulnerable to a six-yearly representation review (or a more frequent three yearly review) during which the proposed Northland Council could form a view to abolish or reconstitute them. This is simply not acceptable to either this council or the Northland communities it represents.

Further, the powers and duties of a community board are largely determined by its "parent" council. Indeed the relationship between a council and a community board is decidedly hierarchical, with the more powerful council controlling the extent to which a community board may operate as an effective governance entity. History has taught us that this model is largely ineffective, with most community boards operating at the very lowest levels of decision-making. With delegated powers that can be extended or retracted at the whim of the parent council, community boards cannot deliver the sustained, strong, localised governance needed in an area of Northland's size.

A unitary authority with community boards does not guarantee the effective representation of the communities of Northland, or the delivery of local services based on communities' needs. As such it falls well short of ensuring that decisions will be made on behalf of communities and in their interests. It also fails to ensure that local representation will reflect the diversity of Northland's communities.

Northlanders deserve the opportunity to understand the difference between local and community boards. They need to know what a local board is, what it can do on their behalf, how it and its activities are funded, and the extent of its decision making powers.

The reorganisation of local government in Northland is a matter for Northlanders and they deserve to have the best structure that meets their needs and expectations. It makes no sense to propose a structure for Northland that fails to deliver these, particularly when the legal parameters of a better option are just around the corner.

There is a genuine opportunity for community representation and decision making by local boards on the horizon in the form of the Local Government Act Amendment Bill 2013. Northlanders need to know what the law might allow - and this won't be known in full detail until the Bill is enacted. The Bill is due to be reported back from the Select Committee on 12 May 2014. The Commission's assumption that the Bill might be enacted by Parliament by this date is therefore no longer safe. The timing of the whole process should adjust for this to allow for the communities of Northland to make an informed choice.

We want Northlanders to have their say on this significant community decision – how local government in Northland represents them and their interests and how it delivers services and activities to them and on their behalf. This is after all about Northlanders, not councils. It is therefore imperative that Northlanders have adequate opportunity and information to understand what a local board option could mean for them and to have their say on them to the Commission.

If the Commission is unwilling to wait until the law has changed and local boards are available to Northland, then we have no option other than to request the Commission to stop this process now and stay with the status quo in spite of its clearly defined shortcomings.

The remainder of this submission is written on the assumption that the Commission's final proposal will make provision for local boards.

3. Respective powers of the local boards and governing body

The council strongly supports the “subsidiarity principle” – i.e., that decision-making should be devolved to the greatest extent that is reasonable, in respect to the context, circumstances and significance of the issue. The majority of local government decision-making should rest with local boards. This provides real control to Northland communities at a grassroots level over local facilities, activities, and initiatives. It will also ensure that local boards have – and are seen to have – real status and powers as leaders in their communities.

The powers should cover important local facilities and infrastructure like parks, libraries, swimming pools, recreation centres, community halls, playgrounds and local roads. Local boards should also be responsible for activities like local events, community programmes, local economic development initiatives that do not have a regional aspect, and local environmental initiatives. We consider local boards should focus on improving the well-being and prosperity of their communities in a way that retains and supports the special character and identity of each board area.

Given the large geographic area that will be covered by the new Northland Council, local boards also need some regulatory decision-making powers. Areas that need to be included are:

- Decision-making under regional bylaws
- Local licensing and compliance (such as environmental health, liquor licensing, parking enforcement and dog control)
- Determination of some resource consent applications

The governing body for Northland should focus on the strategic issues and make decisions important to the region as a whole. As such the role of governing body should be restricted to regional strategy, policy and planning, regional economic development, environmental protection, harbour management, significant regional infrastructure (such as water, wastewater and stormwater infrastructure), and services to support the operation of the council (such as rating and financial management).

Local boards need to be adequately and equitably funded to undertake their role, including staff employed by the Northland Council but dedicated to providing support to their governance role. This includes enabling local targeted rates to be levied by local boards where appropriate.

The initial allocation of responsibilities between local boards and the Northland Council is of vital importance and it is essential that local communities have meaningful input into its development. It should be developed in consultation with existing local authorities and the public. Given its importance, we are strongly of the view that decision-making on the initial allocation should remain with the Commission rather than be delegated to a transition board to determine.

4. Ward / Local Board Boundaries

The Council largely agrees in principle with the proposed ward and board areas. However, the Commission should consult with the communities on the proposed boundaries to ensure each has appropriate representation, membership, and area based on:

- Projected population growth or decline
- Communities of interest
- Their relationship to catchments in light of increasing community based planning that the government and council are moving to (e.g. for freshwater management)¹.

Two issues have come to our attention.

First, the Coastal North and Whāngārei “community” boards represent twice as many people as the other five, but have an equal number of members.

There is an argument for either:

- Splitting each of these larger areas into two smaller boards of similar population size as the others ; or-
- Increasing the number of members elected to these larger board areas, so they represent a similar number of people as the smaller boards;

We think Northland communities should be asked which option is the more favourable to deliver appropriate community representation and democracy.

The second issue is that Kaiwaka and its surrounding area are currently within the Coastal South constituency. There is some suggestion this community is more naturally connected with the Kaipara community. If the weight of public opinion supports this suggestion, then the boundary from Brynderwyn to the southern border of the region could be shifted slightly

¹ We are happy to provide further information on the catchment management units and priority catchments we are using to implement the National Policy Statement for Freshwater Management under the Resource Management Act 1991. *(May be able to do as an appendix to submission if council wishes to include this.)*

eastwards, without remarkably affecting the requirements for fair and effective representation.

Community views on the proposed boundaries must be taken into account. There needs to be direct and meaningful consultation with the communities that raise such issues before the final boundaries are drawn.

5. Subdivisions

The council supports the proposal for subdivisions (ridings) within board areas as these ensure diverse local communities are geographically represented, i.e. board memberships won't be dominated by those elected by the relatively higher population areas.

6. Ward councillors on local boards

TBC

The Commission proposes that each board will include the councillors representing the ward in which the community is situated. This is not appropriate. Ward councillors are elected to the governing body to take a regional perspective and focus on big picture issues.

It is the role of local board members to focus on local issues. Having (a) ward councillor(s) appointed to a local board will confuse the roles of the different elected members and has the potential to cause significant conflict. It could also distract ward councillors from the bigger picture regional issues, lead to them becoming overly involved in local issues, discourage them from thinking regionally and undermine the role of local board members. While there are undoubtedly benefits from ward councillors attending local board meetings in a liaison capacity, it is not appropriate for them to be members of the local board with voting rights.

7. Headquarters

The Council supports the Commission's proposal that the Northland Council should be headquartered in Whāngārei. However, the council is aware that communities have expressed concern at the potential negative impacts of further centralisation on access to services in their towns, particularly Kaitiāia, Kaikohe and Dargaville.

The council does not think that centralisation is a natural consequence of the Commission's proposal. The council supports the retention of and relocation of services and employment – where they can be efficiently and cost effectively provided - at services centres throughout Northland.

8. Service centres

The council supports the Commission's proposal that the services delivered from all service centres should be guaranteed for at least five years, safeguarding the sustainability of local economies and communities, and access to services at the level of service currently provided.

However, we recommend a service centre should be located in Opuia on account of the significant need for local government maritime functions in this area. It's possible this centre could be combined with offices for Far North Holdings Ltd (the Far North District Council's council-controlled organisation). Taking this notion a step further, the Ruakaka Service Centre could be combined with the Northland Port Company. Unions of this form could have the added benefit of integrating and distributing the Northland Council's economic development initiatives across Northland.

As noted above, we consider there is potential for other services and functions to be headquartered in service centres – a decentralised Northland Council. But the decision about what services to provide at each centre, and whether different centres may serve as administrative headquarters for some services, should be a function of the transition board/implementation team, based on the best information – including what is provided now, what should be provided and isn't, which services are in demand and where, etc.

For example, there is potential to offer other services from the Opuia office beyond those associated with maritime functions. There are also functions like biosecurity that currently are located outside of Whāngārei.

In addition to the services to be provided at service centres, serious consideration needs to be given to the relationship between services centres and local boards (and the administrative staff to support them).

9. Debt

The Commission proposes that for a period of not less than 6 years, the debt introduced by the affected authorities will be repaid by targeted rates over the area of the former district (or the relevant area of benefit) for which that loan was raised.

In its alternative application of April 2013, the council argued that the decision on how to deal with existing district council debt should be left to the decision makers of the new council. However, after careful analysis of the Commission's proposal and figures provided by the four local authorities², we now think the final proposal must specify that such debt must **not** be ring-fenced.

While giving the appearance of being equitable, the Commission's draft proposal to ring fence loans has a number of flaws:

- By limiting the ring fencing to loans, it does not take into account the "debt" brought into the new unitary council by deferred maintenance/asset replacement, i.e. the proposal penalises ratepayers in affected authorities where decision makers have carefully managed and developed their asset base, while benefiting ratepayers in affected authorities where decision makers have not made the decision to invest.
- Some of the debt that will be ring fenced to communities is the result of poor governance and/or governance decisions – why should individual ratepayers be burdened with this extra cost for a period of at least six years?
- It divides communities on the basis of debt while trying to establish a new united position, and so runs counter to the principles of achieving partnership and commonality.
- The cost of spreading the debt across all ratepayers is not that significant – adding at most 2.5% to the average rate payer bill in FNDC and is lost in the rates equalisation process.
- It adds a level of complexity to council financial decision making that is not necessary

Targeted rating was not really considered in the draft proposal. The council believes that targeted rates should remain with the communities that have decided to voluntarily impose such targeted rates on themselves for their own particular community benefit.

² This includes fresh information that the Far North District Council's debt level is \$30 million below that projected in its Long Term Plan.

We have some communities that really need assistance, and that are unable to afford in isolation a range of services and infrastructure. We believe one aim for reorganisation is to achieve better levels of service across the region, not perpetuate the disadvantages that are all too well known.

We agree that the unitary council is the only alternative to the status quo for maintaining the current shareholding in Northland Port Corporation (NZ) Limited and maintaining the current investment return.

10. Māori representation

Māori representation and involvement in decision making is an issue for Māori. However this council stands behind its statement in its alternative proposal that better, more effective representation for Māori in local government must be an outcome of the Commission's process. We are aware that the Māori Board Committee and the Māori advisory committee on RMA does not meet Māori expectations and that iwi authorities are looking for permanent meaningful representation as of right and not at the discretion of a council.

The council appreciates that as with community boards, the Commission's thinking on Māori representation is limited by current laws. We believe this is another reason the Commission should delay its final proposal until the Local Government Act Amendment Bill (No 3) has been enacted to allow a wider range of options for Māori representation/decision making.

If the Commission proceeds with the committee structure proposed, it is very unclear what the relationship between the Māori Board committee and Māori advisory committee on RMA is. While the proposal refers to Wellington Natural Resources committee, the proposed Māori advisory committee on RMA falls short of being a 50:50 committee. The council requests the Commission to clarify the relationships between these committees, the Northland Council and boards in any final proposal.

11. Committees

We have some concerns about the practicality of the idea of having local board member representation on committees considering local issues. Local issues should be dealt with by local boards, not by a committee of the governing body. Even if there were cases where the committee was dealing with an issue that only affected one or two boards, it is our expectation that the committee will meaningfully engage with the whole local board (i.e. not a single member). Meaningful engagement is more than just consultation. The board's views as a whole need to be taken into account and influence final decisions.

The proposal is also ambiguous about the status of a Board member appointed by the Board to "sit as a member" on a committee considering a local issue. Do they have voting rights, and if so, what are the implications of an intermittent voting member? Under current law, only a council or committees can appoint committee members. We request that the Commission clarify whether the appointed members are simply advisors/representatives with no voting rights.

12. Council-Controlled Organisations

TBC

We consider a unitary council offers opportunities to rationalise the CCOs/CCTOs throughout Northland in a more effective, efficient manner. We further consider there is considerable value in reviewing local authority functions that are currently provided 'in-house', with a view to creating one or more CCOs/CCTOs that would allow for more effective and efficient service delivery. We also think the Commission's final proposal should clarify

that the current shareholdings of all CCOs/CCTOs by the four local authorities in Northland will transfer to the new Northland Council.

13. Long Term Planning

TBC

The draft proposal calls for the first Long Term Plan (LTP) to be in place for the period beginning 1 July 2018. Council supports this.

The first local board agreements will be prepared for inclusion in the 2016/2017 Annual Plan and approved by June 2016. All of the local board plans need to be finalised by October 2016. Notionally, then, the first LTP could be produced for the period beginning 1 July 2017 and we recognise the appeal to many of a clear strategic direction being set early.

However, for the LTP to be effective and meaningful, a coordinated approach is needed for issues like asset management planning, service levels, deferred maintenance, regional infrastructure planning, rating policy, and approach to development contributions. Alongside this, a new Local Boards Funding Policy is required. The lesson learnt from the Auckland Council's first LTP – which was developed within 20 months of the council's establishment – is that this is detailed, important work that should not be rushed.

14. One voice

We agree with the Commission that a unitary council would facilitate a collective Northland voice and a central point of contact for our stakeholders and central government.

Historically, local authorities in Northland have struggled to attract what many regard as their “fair share” of central government resources. A united voice delivered via a unitary council will both ease this historic competition and communicate the region's needs more clearly to decision-makers in Wellington. On the national scale, a central point of contact via a unitary authority will help to ensure that any central government investment in regional economic development is better focused and more effectively utilised.

However, without local boards, we see it failing to achieve the right balance of representation and good governance in Northland. Provided local boards are established, with durable and statutory powers that align with the council's strategic direction, one voice will increase the potential of better investment in Northland's economy and infrastructure.

15. Streamlined planning

We agree that there are significant opportunities for simplifying Northland's current policy and planning processes and reducing the number of statutory and non-statutory plans. We are pleased therefore that the streamlining of plans and planning processes has been acknowledged as a key driver for reform by the Commission³ and agree that the opportunity to develop a unified planning structure, including the potential for an integrated district and regional plan and regional policy statement⁴ is a significant advantage of a single council.

As we outlined in our alternative proposal, the streamlining of resource management plans is an obvious area for improvement. Planning can be a costly and time consuming process for ratepayers and submitters. The Commission's finding that sector groups have experienced

³ *Draft Proposal for Reorganisation of Local Government in Northland Page 24 and Appendices to report on reasonably practicable options and preferred option for Northland local government arrangements, Page 57*

⁴ *Draft Proposal for Reorganisation of Local Government in Northland Page 24 and Appendices to report on reasonably practicable options and preferred option for Northland local government arrangements, Page 61*

difficulties with delays and costs from dealing with duplicating and overlapping planning processes⁵ and this is an anecdote we are familiar with. It is also consistent with our own experience where we have found duplication between district and regional plans with rules on earthworks, vegetation clearance, and mineral extraction (for example, quarrying). Additionally, small businesses, such as those in the construction industry, working across more than one district can be subject to different rules, definitions or interpretations. There have also been instances where people have received different answers and interpretations from staff and there is confusion about the roles and functions of the different councils.

Aside from inconsistencies in content and administration, there are challenges associated with responding to key resource management issues such as water quality, the demand for freshwater, hazard management, managing biodiversity and special areas. This has led to a level of uncertainty for those wishing to carry out activities in these areas and even case law⁶. We support integrated resource management planning in one council and refer again to our August 2009 review and comparison of Northland's planning documents⁷ which concluded that developing a new 'one plan' (combined Regional Policy Statement, regional plan, and district plan) for Northland, together with a suite of user-friendly 'smart' technologies, would be the best option for Northland.

We therefore agree with the Commission that one unitary Council would give the greatest opportunity for vertical and horizontal integration and the move towards a unitary district and regional plan⁸. It also offers opportunities to integrate Regional Pest Management Strategies and implementation plans with district reserve management functions and there will be benefits to iconic, outstanding places like the Kai Iwi Lakes from this integration. However it is important not to lose the community place shaping role – which we think sits best with a local board - at the local level.

Taking this a step further, we agree with the Commission that a unitary council is best placed to integrate Northland's long term plans which currently have separate activity and asset management plans supporting them, and their own rating systems and rates collection. A single long term plan for Northland focusing on key issues and priorities with a single rating policy and system, albeit with targeted rates in specific areas for specific purposes, will offer opportunities to get a better balance between rates, user charges and fees and the standard of services and activities delivered. We also agree with the Commission that there is the potential to integrate other regulatory and planning functions such as resource consents, building consents and local bylaw development⁹.

One area that we think the Commission should explore further is the resources required set up a unitary council with local boards. Significant resources, including capable staff, will be required to ensure the development of local board plans and the negotiation of local board agreements - which form part of the annual plan - are consistent with regional strategies, policies and plans. This is also true in bringing together regional and district resource management plans.

⁵ *Appendices to report on reasonably practicable options and preferred option for Northland local government arrangements, Page 57.*

⁶ See Longview Estuary Estate vs Whāngārei District Council

⁷ (August 2009), Resource Management Planning Documents in Northland – An analysis of possible future options. (Since this review occurred Kaipara District council has substantially progressed the schedule 1 RMA process for a new District Plan. Therefore the Kaipara specific information may no longer be relevant.)

⁸ *Draft Proposal for Reorganisation of Local Government in Northland Page 24 and Appendices to report on reasonably practicable options and preferred option for Northland local government arrangements, Page 61*

⁹ *Draft Proposal for Reorganisation of Local Government in Northland Page 22*

Throughout any transition and into a new Northland Council it will be essential to have effective policy capability within governance and staff to deliver good planning – based on good evidence – and effective implementation.

We acknowledge that it is difficult to recruit the policy, planning and technical skills and experience required to address complex resource management issues and provide career development opportunities within small organisations such as ours. This is true in other areas such as engineering and infrastructure asset management, procurement etc. We therefore agree with the Commission that a single unitary council has a greater potential to attract and retain specialist staff (including planners, scientists and engineers) with the majority of cost efficiencies coming from a reduction in the duplication of processes¹⁰. There is also the potential for employees to grow into specialists and have better career progression options available to them in Northland.

As a final point it has been expressed that having a unitary council may lead to the loss of accountability (the poacher-gamekeeper argument). We agree with the Commission that there are currently examples where the regional council already operates as both ‘poacher’ and ‘gamekeeper’. Where this has been the case however, we have put in place careful checks and balances to address perceived conflicts of interest. For example, in cases where the regional council is also the consent authority the council employs independent hearing commissioners to hear the resource consent application, maintaining the separation of powers and responsibilities. As a further example, the regional council has employed independent commissioners to hear submissions on the Proposed Regional Policy Statement, recognising that there may be perceived conflicts of interest in the council developing the Proposed RPS and also hearing submissions on it.

We do not have any evidence to suggest that the ‘poacher and gamekeeper’ power is being used inappropriately or irresponsibly by the existing New Zealand unitary authorities and welcome the Commission’s finding that having one Council does not translate into a loss of accountability¹¹.

16. Transition arrangements, costs and savings

Transition Board composition

It is essential that there is a mix of independent people and councillors on the Transition Board. The members must:

- Understand the business of local government (both district and regional)
- Possess the requisite governance and strategic planning skills
- Have knowledge of issues to be addressed in transition and the balance that needs to be achieved to ensure levels of service are maintained
- Understand strategic planning and change management so the transition is considerate, effective and delivers positive results.

The council also believes Māori representation and involvement in transition decision making is necessary, i.e. Māori and Māori views must be included in the Transition Board. This is an issue for Māori and the commission should consult with them on the best option(s) to achieve it. (Council would be happy to share its own work on Māori representation on the

¹⁰ *Appendices to report on reasonably practicable options and preferred option for Northland local government arrangements, Page 18, Page 58 and Page 59*

¹¹ *Draft Proposal for Reorganisation of Local Government in Northland Page 22*

Council's development of a Te Tai Tokerau Māori Advisory Committee. The Commission may wish to consult directly with this body, once it is set up.)

Implementation team

Given the regional perspective of the regional council, and the specialist functions it performs, it will be necessary to have regional council staff in the transition team.

However, the Commission has acknowledged that the Northland Regional Council is lean and efficient, perhaps too lean. Therefore there are significant concerns that the business of the council will be affected to a significant degree when council staff are part of the implementation team. It is necessary to consider the costs and practicalities involved in staffing both the implementation team, and the councils that provide those staff, if levels of service are not to drop.

Given the lack of detail in the proposal about the transition phase, the resourcing requirements and the costs at this stage, the council has significant concerns about impact on council functions during transition and how it will maintain the current levels of service it provides to all Northland communities. We ask that the Commission provides us and other Northland councils with more detail before it issues a final proposal so we can assist the Commission and communities to understand what impacts this phase might have.

17. Further analysis

We agree that a single council would in the medium to long term deliver efficiency and cost savings through economies of scale, more efficient service delivery, avoid some of the duplication that exists currently, and better prioritisation of resources and a greater pool and depth of expertise.

However before the Commission produces a final proposal it must do much more analysis of the current functions and responsibilities of the councils, the number of FTEs associated with performing those functions and the costs of transition and integration. The Commission must take the lessons and learnings from Auckland and previous amalgamations, and provide robust data and evidence to support its claims so that people can understand what the true costs and benefits of the options are.

The public need to understand the savings assumed through efficiencies such as consolidated procurement, a single finance team and a single rating system, and when those might be realised. The public also needs to know whether the large issues Far North has with, for example, collecting rates, makes the realisation of any savings more difficult, as well as the impact for ratepayers of ring-fencing debt. If the Commission does include local boards in its final proposal then the costs and resources associated with local board plans and agreements and the administration and support services associated with them must be quantified.

18. Other matters that require further investigation

There are a number of factual inaccuracies in the draft proposal. For example:

- Whāngārei and Far North don't run the bus services.
- The regional council's Opuia office is not identified in the Commission's documents.
- The analysis of staff allocated to support functions in the appendices does not match council's own figures or the information we have provided to the Commission previously.
- Our communications staff do not just work on Annual Plans and Reports and the Long Term Plan.

- The Commission has not addressed the provision of regional maritime services and transport services in its analysis. To assist the Commission, please find **attached** overviews of local government's responsibilities in these arenas, with information specific to the council's role in Northland.

It is imperative that the Commission conducts, or gets its consultants to conduct, a peer review of the information it has used and corrects these mistakes before any final proposal is prepared.

19. Conclusion

We consider that a Northland Council with local boards will:

- promote democracy and local accountability;
- promote the identification of community needs and values and local programmes and services to address them through community based planning;
- ensure decisions are made closest to the communities they impact on/serve;
- enable an efficient relationship with central government;
- enable efficient and effective strategic planning and implementation including service commissioning across all of Northland;
- provide greater local influence on setting service levels aligned with local affordability.

We do not accept that a Northland Council with community boards is the same thing. We therefore **do not support the draft proposal** for Local Government Reorganisation in Northland in its present form.

We support a unitary council with local boards for Northland.

ITEM: 8.3
Attachment A**Overview of local government's maritime responsibilities & NRC's role in Northland****1. Introduction**

The Local Government Commission's draft proposal for the reorganisation of local government in Northland does not reference the responsibilities of local government to provide maritime services, nor does it consider the current or future role of local government in Northland in this regard. As part of the Northland Regional Council's submission on the draft proposal, this document is provided to inform the Commission, in order that its final proposal will provide for this important component.

2. Maritime Safety Functions Required by Legislation

The functions of regional councils with regard to maritime safety are set down in legislation in the Maritime Transport Act 1994, (MTA) incorporating amendments up to and including the Maritime Transport Amendment Act 2013 (2013 No 84):

The regional council has three key requirements under the MTA, navigational safety, the provision of navigational aids and oil pollution response.

Navigational Safety**33C Functions of regional councils**

For the purpose of ensuring maritime safety in their regions, regional councils may regulate—

- (a) the ports, harbours, and waters in their regions; and*
- (b) maritime-related activities in their regions.*

33D Regional councils to appoint harbourmasters

- (1) A regional council may appoint a harbourmaster for any port, harbour, or waters in its region.*
- (2) Despite subsection (1), a regional council must appoint a harbourmaster for any port, harbour, or waters in its region if the Minister directs it to do so.*
- (3) A direction under subsection (2) must be in writing.*
- (4) If maritime rules do not prescribe qualifications for harbourmasters, the regional council must satisfy itself that a person appointed as harbourmaster is suitably qualified to perform the functions of harbourmaster in respect of the relevant port, harbour, or waters.*

Oil Spill Response:**318 Appointment of regional on-scene commanders**

- (1) Every regional council shall from time to time appoint—*
 - (a) a regional on-scene commander for its region; and*
 - (b) a person or persons, who shall perform the functions and duties and may exercise the powers of a regional on-scene commander, if the office of regional on-scene commander is vacant or the regional on-scene commander is absent, for so long as that vacancy or absence continues.*

- (2) *Any person appointed under subsection (1)(b) shall, subject to the terms of appointment, be deemed to be a regional on-scene commander during any vacancy or absence.*
- (3) *The regional on-scene commander of a regional council shall manage and co-ordinate the response of, and direct the use of the resources available to, that regional council, in relation to any marine oil spill in respect of which the council is taking action.*
- (4) *A regional council shall, in appointing any person or persons under paragraph (a) or paragraph (b) of subsection (1), appoint only such person or persons as are qualified under the marine protection rules to act as regional on-scene commanders.*
- (5) *If the marine protection rules do not prescribe qualifications for a regional on-scene commander, a regional council shall appoint, under paragraph (a) or paragraph (b) of subsection*

The MTA also has further requirements with regard to oil spill contingency plans preparation and updating.

289 Initial regional marine oil spill contingency plans

- (1) *Every regional council whose region includes any coastline shall, by a date specified by the Director for the purpose, submit to the Director for his or her approval a draft regional marine oil spill contingency plan for its region.*
- (2) *Any date or dates specified by the Director for the purposes of subsection (1) shall not be earlier than 12 months after all of the following have been prepared or issued, as the case may be, under this Act:*
 - (a) *the first New Zealand marine oil spill response strategy:*
 - (b) *the first national marine oil spill contingency plan:*
 - (c) *marine protection rules prescribing requirements for regional marine oil spill contingency plans.*

290 Regular review of regional marine oil spill contingency plans

Every regional council shall review its regional marine oil spill contingency plan and submit a draft regional marine oil spill contingency plan after such review to the Director for his or her approval, not less frequently than every 3 years after its preparation, or its most recent review under this section, as the case may be.

Navigational Aids

33I Councils may carry out harbour works

- (1) *For the purpose of ensuring maritime safety,—*
 - (a) *a regional council may—*
 - i) *erect, place, and maintain navigational aids in accordance with maritime rules (if any)*

200 Navigational aids

(3A) A regional council may erect, place, and maintain navigational aids in its region in accordance with section 33I.

In addition, if a unitary authority is formed, that authority's maritime responsibilities are likely to be increased/improved due to the opportunity to integrate and complement the existing territorial authority functions listed by:

33I Councils may carry out harbour works

- (1) *For the purpose of ensuring maritime safety,—*
 - (b) *a territorial authority may—*

- i) *erect and maintain quays, docks, piers, wharves, jetties, and launching ramps*
- ii) *carry out other works for improving, protecting, managing, or utilising the waters within its district:*
- iii) *carry out works to prevent the encroachment of waters within its district.*

3. Northland Regional Council's present maritime safety functions and operation

With the exception of one region, all regional councils have appointed harbourmasters to ensure navigation safety. Northland Regional Council looks after a diverse coastal region with 10 statutory harbours and a number of estuaries and sub harbours. The harbours include Marsden point oil refinery terminal and the adjacent log port with 100,000 tonne tankers and large log carriers as regular visitors with around 400 ships per year. In addition Whangarei harbour hosts the Portland cement wharf as well as several marine building and repair yards in the upper harbour. The Bay of Islands is a pilotage area visited by 40 plus cruise ships and super yachts each year, along with being one of the most popular recreational fishing and sailing spots in New Zealand. There are also a number of fishing ports, bar harbours and west coast harbours all with individual risks and hazards. The Northland region is one of the most popular regions in the country in terms of recreational boating activity.

Northland Regional Council recognised the risks involved, and a Harbourmaster has historically always been employed in the region continuing from harbour board days. In addition the council was also an early adopter of the 'Port and Harbour Safety Code' promoted by Maritime NZ as best practice for managing safety in pilotage ports, and have had a fully functioning safety management system (SMS) managed by the harbourmaster since 2006. Since 2006 a deputy harbourmaster has also been employed to provide 24/7 cover for harbourmaster SMS roles.

The maritime team is spread over two offices based in both the Whangarei head office and the Opuia regional office. This provides cover close to the two busy harbours, plus wider coverage for the remoter harbours. To support the harbourmasters there is a maritime team of five operations staff, plus an admin/customer services role at the Opuia regional office.

There are two main SMS systems in operation, for Whangarei harbour and the Bay of Islands harbour. The Whangarei SMS system is the more complex, involving close liaison with a number of key parties operating the port infrastructure, including Northport, Refining NZ, North Tugz and Golden Bay Cement. The safety system is centrally managed by the harbourmaster, with 6 weekly harbour safety meetings attended by the key parties being the principle method of communication and safety monitoring to allow continuous improvement. A state of the art dynamic under-keel clearance (DUKC) system is operated by Northport for deep draft vessels and no changes to, or deviations from the system or operating procedures are allowed without harbourmaster approval. This provides the independence from commercial pressures, the key role of the harbourmaster.

The maritime team, along with navigational safety role, also provide the 24/7 oil spill response cover for the coastal regions, out to 12 nautical miles, and harbours, with the statutory role of Regional On Scene Commander (ROSC) powers also delegated to the harbourmaster.

Other key functions provided by the maritime team include:

- Provision of and maintenance of over 300 aids to navigation buoys, beacons and lights around the harbours and coastline of Northland. A workshop located at the Opua office, along with the regional council work vessels, provide a cost effective provision of what could otherwise be highly costly systems. All team members assist the Opua based maritime manager to keep the system up to International standards set by IALA. (International Association of Lighthouse Authorities.)
- The management of approximately 3000 moorings in the region, including licensing and ensuring correct maintenance of the associated equipment. One maritime officer is primarily fully employed just to manage this system. These moorings are an important asset to the region, but require close management due to the many problems arising from large numbers in diverse areas.
- The provision of on-water services to other departments within the regional council for purposes of water quality monitoring, coastal structure monitoring, and bio-security.
- Provision of a 24/7 incident response system for both navigational safety and oil spill response.
- Provision of pilotage services and port management for the cruise ships visiting Bay of Islands.
- The harbourmaster oversees the harbour pilots training systems and examinations for Whangarei and the Bay of Islands, including pilotage exemption certificates. (All vessels above a certain size (500 tonnes) are required by legislation to take a harbour pilot to enter Whangarei and the Bay of Islands).
- The regional council vessel Waikare acts as pilot vessel, maintenance vessel, and oil spill response vessel. In addition there are 3 work/patrol boats of 5 to 7 metres length and a dinghy to provide the additional services listed above. All these vessels are maintained as commercial vessels, requiring their own safety management systems, audits and regular upkeep. These vessels will also soon be required to transition to a new Maritime Operator Safety System (MOSS), which is to be implemented by Maritime New Zealand on 1 July 2014.
- Management of the Hatea River Channel maintenance and associated dredging to the minimum agreed channel depth, which is funded through targeted rates.
- Management of Hydrographic Surveys.
- Production of harbourmaster's directions detailing specific maritime safety issues.
- Notification to Land Information NZ of any charting or navigational hazards.
- Risk assessments directly associated with the safety management system, and with individual vessel movements or maritime activities not already covered by the SMS.
- Liaising with Maritime NZ for incident and accident investigation, and maritime safety concerns.

Maritime Systems

Maritime systems operate under the legislative umbrella detailed above and play a key role in keeping the region safe and clean (from oil spills.) Northland's coastline plays an important part in the economy of the region and New Zealand's only refinery is important to the national infrastructure. Recognised national and international standards control the work.

Safety Management Systems

The Whangarei and Bay of Islands Safety Management Systems are both approved by Maritime New Zealand, and audited on a regular basis. They are now in their second 5 year cycle of audit and approval. The system was one of the first approved, and is an industry leader due to the active participation of the key parties.

Quality Management Systems

Maritime systems operate under AS/NZS ISO 9000 quality procedures. Audit results are consistently high. Individual systems under ISO are:

- Aids to Navigation
- Pilotage Bay of Islands
- Maritime Incidents
- Oil spill response

The last area of work to be quality controlled is moorings. Long term issues with regard to coastal planning, consenting and servicing are being resolved prior to a quality system being initiated.

Port and Harbour Marine Safety Code

A voluntary code promoted by Maritime New Zealand for maritime safety and adopted by the council guiding the safety management systems.

NZ Marine Oil Spill Response Strategy

The national strategy guiding oil spill response.

Qualifications and skills

All maritime operations staff are well qualified with the harbourmasters holding Class 1 Master Mariner certificates, and all maritime officers hold a minimum Inshore launchmaster commercial license, some with higher maritime certificates.

In addition to the qualifications which are a minimum standard for the positions, there is also considerable corporate knowledge built up within the team of the manufacture, building and maintenance of buoys and beacons, moorings, geographical knowledge of the diverse harbours and the issues and incidents that arise.

Northland regional council also has one of the most experienced oil spill response team in the country, with a number of the team working at national response level. Experience has been gained over many incidents in salvage, oil recovery and

containment in remote and difficult areas of the regions coastline. (Note that not all the Northland oil response team are maritime team members, or even within the council. The team draws on skills from other parts of the council, and from other marine based organisations and port companies. However the training and response systems are coordinated by the maritime team.)

Future Role

The harbourmaster and maritime team play an essential role in navigation safety and keeping the coastline clear of oil. There are also wider background benefits to the region of having skilled staff who understand the legal, environmental and operational issues on the coast.

There are possible benefits to the region if one Northland council becomes a reality through better resourcing for district maritime infrastructure that present district councils struggle to manage.

ITEM: 8.3
Attachment B**Overview of local government's transport responsibilities & the Northland Regional Council's role in Northland****1. Introduction**

The Local Government Commission's draft proposal for the reorganisation of local government in Northland provides no detail on the transport planning undertaken by the NRC, makes no reference to the statutory transport operational responsibilities of the regional council as detailed in the Land Transport Management Act 2003 and where it does make mention on this subject, is inaccurate on several counts. In addition, it is difficult to ascertain where in the Local Government Commission's draft proposal it considers the current or future role of local government in this regard. As part of the Northland Regional Council's submission on the draft proposal, this document is provided to inform the Commission, in order that its final proposal will provide for this important legislative component.

2. Transport Functions Required by Legislation

The functions of regional councils with regard planning, national financial assistance and public passenger transport operations and registration are set down in legislation in the Land Transport Management Act 2003 (LTMA).

The regional council has requirements under the LTMA for:

- Compilation, implementation, monitoring and reporting on Regional Land Transport Plans (strategic and financial);
- Establishment and administrative functions of a Regional Transport Committee;
- Compilation, implementation, monitoring and reporting on Regional Public Transport Plans;
- Management, administration and reporting on contracted public transport services (bus and Total Mobility);
- Registration of public passenger transport services and keeping of records of such services.

3. Regional Land Transport Plan

Compilation, implementation, monitoring and reporting on Regional Land Transport Plans – LTMA Part 2 Sections 12 to 18H

13 Responsibility for preparing and approving regional land transport plans

- (1) Every 6 financial years, each regional council, in the case of every region except Auckland, must—

- (a) ensure that the relevant regional transport committee prepares, on the regional council's behalf, a regional land transport plan; and
- (b) approve the regional land transport plan by a date appointed by the Agency.

Please note that for the 2009-2012 and 2012-2015 Regional Land Transport Programmes, all work relating to the compilation, consultation, monitoring and reporting has been undertaken in-house.

4. Regional Transport Committees

Establishment and administrative functions of a Regional Transport Committee – LTMA Part 4 Sections 105-107

105 Regional transport committees

- (1) As soon as practicable after each triennial election, every regional council must establish a regional transport committee under this section for its region.
- (2) Each regional council must appoint to its regional transport committee—
 - (a) 2 persons to represent the regional council; and
 - (b) 1 person from each territorial authority in the region to represent that territorial authority; and
 - (c) 1 person to represent the Agency;

106 Functions of regional transport committees

- (1) The functions of each regional transport committee (other than the regional transport committee for Auckland) are—
 - (a) to prepare a regional land transport plan, or any variation to the plan, for the approval of the relevant regional council; and
 - (b) to provide the regional council with any advice and transport responsibilities.
- (2) Each regional transport committee, including the regional transport committee for Auckland, must adopt a policy that determines significance in respect of—
 - (a) variations made to regional land transport plans under [section 18D](#); and
 - (b) the activities that are included in the regional land transport plan under [section 16](#).
- (3) A joint regional transport committee established under [section 105\(9\)](#) must—
 - (a) prepare the joint regional land transport plan in accordance with [sections 14](#) and [16](#); and
 - (b) consult in accordance with [sections 18](#) and [18A](#); and
 - (c) lodge the joint regional land transport plan with the relevant regional councils or Auckland Transport (as the case may be) in accordance with [section 18B](#).

5. Regulation of Public Transport

Compilation, implementation, monitoring and reporting on Regional Public Transport Plans; Management, administration and reporting on contracted public transport services (bus and Total Mobility); - LTMA Part 5 Sections 114-129

116 Public transport services must be provided under contract

- (1) Any public transport service operated in a region must be provided under contract with a regional council as part of a unit unless it is an exempt service.
- (2) A regional council must contract for the provision of every unit on an exclusive basis.

119 Adoption of regional public transport plans

- (1) A regional council must, by resolution on or before 1 July 2015, adopt a regional public transport plan unless it does not intend to—
 - (a) enter into any contract for the supply of any public transport service:
 - (b) provide any financial assistance to any operator or user of—
 - (i) a taxi service:
 - (ii) a shuttle service.
- (2) A regional council may, by resolution at any time, vary or renew a regional public transport plan previously adopted by it.
- (3) The production in proceedings of a copy of a regional public transport plan purporting to have been adopted, varied, or renewed by a regional council under this section is, in the absence of evidence to the contrary, sufficient evidence of the plan and of the fact that it has been adopted, varied, or renewed in accordance with this section.
- (4) A regional council (or a territorial authority to which the responsibility is transferred under the [Local Government Act 2002](#)) may not delegate the responsibility for adopting, varying, or renewing a regional public transport plan to a committee or other subordinate decision-making body, or a member or an officer of the council (or territorial authority, as the case may be), or any other person.
- (5) If a territorial authority has joined a regional transport committee under [section 105\(11\)](#), the plan applying in the region of the regional transport committee applies to the entire area of the territorial authority.

Please note that the management, administration, monitoring and reporting of contracted public transport services, both bus and Total Mobility, is all undertaken in-house.

Contained in the Local Government Commissions draft proposal on page 15 is a statement *“there is minimal provision for public transport in the region, with the Whangarei District Council (WDC) providing most of the bus services and the Far*

North District Council (FNDC) a Kaitaia bus route and ferry services in the Bay of Islands and the Hokianga. The Northland Regional Council funds the Whangarei bus service”.

Most of the information provided in this paragraph is incorrect.

- 1) The Whangarei bus service is operated under contract to the NRC and is funded through farebox revenue (50%), NZTA Subsidy (25%) and the local share through a targeted rate (25%). This service is not provided nor funded by the WDC.
- 2) The bus service in Kaitaia is not provided by the FNDC nor has it ever been. This service was started by a non-profit organisation CBEC who approached the NRC for assistance to secure national and regional funding assistance. National funding was refused and regional funding was sourced through a targeted rate implemented by the NRC.
- 3) The FNDC does not provide ferry services in the Bay of Island. These are operated by commercial operators who receive no subsidy of any form and are registered with the NRC.
- 4) The Whangarei Bus service is not funded by the NRC. See 1) above.

On the top of page 20 of the same document, the report contradicts itself on points 1) and 2) above.

On page 53 of the document, there is no mention of the “Regional Public Transport Plan” which is in fact in operation and a statutory document. Nor does it make mention of the NRC Procurement Strategy which is required by NZTA and is presently in operation.

Subpart 2—Registration of exempt services

Registration of public passenger transport services and keeping of records of such services – LTMA Part 5 Subpart 2 Sections 130-150

130All exempt services to be registered

- (1) No person may operate an exempt service specified in subsection (2) in a region unless, at the time it is operated, the service is registered with the regional council of that region.
- (2) The following public transport services are exempt services:
 - (a) an inter-regional public transport service:
 - (b) a public transport service,—
 - (i) in a region that is required to have a regional public transport plan, that—
 - (A) begins, or is to begin, operating after the plan is adopted; and
 - (B) is not identified in the plan as integral to the public transport network; and
 - (C) operates without a subsidy for the provision of the service:
 - (ii) in a region that is not required to have a regional public transport plan, that operates within the region:
 - (c) a public transport service that is specified as an exempt service by an Order in Council made under [section 150](#).

6. Additional Northland Regional Council's transport functions and operations

Regional Road Safety

The NRC is heavily involved in road safety in the region. As well as assisting in the implementation of various evidence based road safety projects through its Regional Road Safety Action Plan (RRSAP). This RRSAP is an NZTA requirement to receive national funding.

The RRSAP is compiled, administered, monitored and reported through Northland Road Safety Forum. This forum consists of all road safety partners in the region and is administered by the NRC.

In addition to the above, the NRC both manages and is actively involved in the following road safety projects:

- Vehicles on Beaches – Promoting safe travel by motor vehicles (including motor cycles) on beaches.
- Fatigue Stops – Running roadside rest stops to assist in the prevention of fatigue whilst driving
- Share the Road – a campaign designed to educate all road users to share the road. Due to its rural nature, Northland has narrow winding roads with little or no shoulder provision and a large amount of heavy vehicles traversing them. Many of these roads are also used by school buses, motor vehicles, recreational cyclist and in some cases pedestrians
- Coffee Brake – This project encourages motorist traveling long distance to stop and take a break with the offer of a free coffee.

Regional Initiatives

In addition to the above, the NRC is actively leading in a number of regional projects which include:-

- Stock Effluent Discharge Facilities and Education;
- Mitigation of dust from unsealed roads;
- Regional ("R") Funding;

Quality Management Systems

Due to the subsidies received, the transport systems operate predominantly under the NZTA prescribed policies and procedures.

The transport section also operates under existing NRC administration procedures

Both internal and external audit results have been consistently high.

Qualifications and skills

All transport operations and planning staff are well qualified and have hands on experience ranging from 2 to 12 years.

All staff have been trained in their respective roles and receive on-going training as required. This continual training has allowed the staff to undertake a range of responsibilities across the transport section, both administratively and operationally.

Due to the national shortage of trained transport operations staff is extremely important that this regional knowledge and skills are retained in Northland

Future Role

Under the LTMA, there is a requirement for numerous transport operations and planning related activities that are required to be undertaken by a regional council. These activities, and more, have been successfully carried out by the NRC for a number of years. Their success has been borne out by the very positive audit reports received from NZTA.

It has therefore extremely disappointing to note the absence and or incorrect reporting of these activities in the various reports released by the Commission. It is hoped that the correct information will be included in future proposals.

It is recommended that the activities detailed in this report receive due recognition in future reports and that the positive work undertaken to date is allowed to continue.

In the event that there is local government change in Northland, greater clarification needs to be provided as to where and how these activities will fit into the new model.

ISSUE: Draft Submission on Proposed Changes to the National Policy Statement for Freshwater Management

ID: A609688

To: Council Meeting, 28 January 2014

From: Justin Murfitt – Policy Programme Manager (Resource Management)

Date: 14 January 2014

Summary The purpose of this report is to outline proposed changes to the National Policy Statement for Freshwater Management and seek approval for a council submission on the changes. It concludes with the recommendation that the draft submission **attached** be approved and lodged with the Ministry for the Environment.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input checked="" type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

In May 2011 the government released the National Policy Statement for Freshwater Management (NPSFM). The NPSFM sets out how councils (primarily regional councils) are to manage freshwater resources. The NPSFM requires the setting of freshwater objectives and limits to maintain or improve overall water quality in a region and to safeguard the life supporting capacity of freshwater and associated ecosystems. Council has developed the Waiora Northland Water programme to implement the NPSFM using both collaborative processes in specified high priority catchments and a more generic region wide approach elsewhere.

On 7 November 2013, the government announced proposed changes to the NPSFM. The proposals are set out in a discussion document: Proposed amendments to the National Policy Statement for Freshwater Management 2011. It is available in electronic format from the Ministry for the Environment's website:

<http://www.mfe.govt.nz/publications/water/proposed-amendments-nps-freshwater-management/proposed-amendments-nps-freshwater-management.pdf>.

Discussion:

The proposed changes to the NPSFM were outlined in more detail in an item to the council meeting of 10 December 2013 (Item 8.3 Proposed Changes to the NPS Freshwater Management). In summary, the changes do not alter the overall aim of the NPSFM but are intended to provide more direction and guidance in implementation and in particular to address:

- A lack of clarity on how to manage water to protect community/iwi values.
- Duplication of scientific effort.
- Debate over the science impeding discussion on values.
- A lack of consistency in defining minimum acceptable states for water quality.

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One of the key changes is the addition of a National Objectives Framework (NOF). The NOF establishes a suite of national values for water and specifies attribute states for water quality in relation to particular contaminants, the intent being to reduce the debate over the “science” and provide a nationally consistent structural basis for setting values and objectives, primarily in relation to water quality (this being the more challenging for most councils).

The proposal has been the focus of debate across the regional sector of local government. A regional sector group submission is being developed in conjunction with Local Government New Zealand (with input from council staff). The submission by the Regional Sector Group/Local Government New Zealand will not be finalised prior to the council meeting. While this is likely to cover the key points of common concern across councils with regional functions and the initial submission points generally accord with the staff assessment, there is merit in council submitting from a Northland perspective.

While the proposed changes to the NPSFM are on the whole beneficial and the NOF appears workable in Northland, there is potential for improvement. It is recommended that council lodge a submission on the proposal as outlined in the draft attached for consideration by council (**Attachment 1**). The draft submission has been prepared taking into account comments from all parts of the organisation, including policy and planning, consents and monitoring, land management and the Waiora Northland Water staff steering group. It has also been informed by staff attendance at workshops on the proposed changes with other regional council staff and the Ministry for the Environment.

Submissions close on Tuesday 4 February 2014 and this may allow for incorporation of any additional points raised in the submission by the Regional Sector Group and Local Government New Zealand that strengthen the council position.

Conclusion:

The proposed changes (and the NOF framework) will assist council in implementing the NPSFM in collaboration with communities of interest. However, there are opportunities for improvement and clarification. It is therefore recommended that the **attached** draft submission on the proposal (subject to any changes directed by council) be approved and lodged with the Ministry for the Environment.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations and as such are provided for in the council's 2012-2022 Long Term Plan, and are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002. The submission itself and the implications of the submission being accepted are considered to be of low significance in terms of council's significance policy.

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Recommendations:

1. That the report “Draft Submission on Proposed Changes to the National Policy Statement for Freshwater Management” by Justin Murfitt – Policy Programme Manager (Resource Management), dated 14 January 2014, be received.
 2. That the attached draft submission on the proposed changes to the NPSFM be approved by council and lodged with the Ministry for the Environment.
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Submission

by

Northland Regional Council

to the

Ministry for the Environment

on

**Proposed amendments to the National Policy Statement
for Freshwater Management 2011 – A discussion
document**

February 2014



Introduction

1. The Northland Regional Council (the council) thanks the Ministry for the Environment for the opportunity to make a submission on the proposed amendments to the National Policy Statement for Freshwater Management 2011 (Freshwater NPS).

Background

2. Northland is unique in terms of its water quality and quantity issues. In terms of surface water, the region has a large number of catchments, the majority of which are small and diverse compared to other regions. Most catchments are a mosaic of land cover and land use rather than uniform. Northland also includes nationally (and internationally) significant dune lakes that can have complex relationships with groundwater, surface water and in some cases coastal water. The majority of our catchments drain into estuaries and harbours and this characteristic will influence objectives for freshwater. Indeed, integrating the management of fresh and coastal water quality is the focus of the second generation regional policy statement and our programme for implementing the Freshwater NPS
3. We have set out a programme to implement the Freshwater NPS in Northland by 2030. It includes collaborative processes for specified high priority catchments and a more generic regional approach for other areas in the interim. We have established three collaborative catchment groups and several more are planned, and intend to progress the regional component in conjunction with the review of our regional plans in 2014.

General Comments

4. Generally we are supportive of the proposed amendments to the Freshwater NPS, particularly the integration of fresh and coastal water quality management and the structure of the National Objectives Framework (NOF). We are pleased to see the increased emphasis on integrating fresh and coastal water and strongly support this change, as this issue is of particular significance in Northland given estuaries and harbours are the receiving environments for much of our freshwater bodies and are highly valued by communities.
5. We generally support the addition of the NOF and consider that the structure will assist in the debate over some of the science and allow greater focus on the values and objectives for management units.
6. We also support the use of the term freshwater management units as this provides certainty that like water bodies / catchments can be 'grouped' and managed collectively (as opposed to individual water bodies being the management unit). However, we recommend that the Freshwater NPS clearly provide for the fact that freshwater management units for quality and quantity may differ. Our initial assessment indicates that defining freshwater management units that adequately address both quality and quantity issues is not practical in all cases.

Specific Comments

7. Outstanding freshwater bodies:

- i. There remains little guidance on the criteria for identification of outstanding freshwater bodies in the proposed changes to the Freshwater NPS. We note the addition to the definition stating 'outstanding freshwater bodies are those water bodies identified by a regional policy statement or regional plan as having outstanding values...' We have some concern with this as it is unclear whether a freshwater body identified within an outstanding natural landscape would warrant 'outstanding' status in its own right. The Freshwater NPS should not infer that all freshwater bodies that fall within an outstanding natural landscape (or outstanding natural character unit) are 'outstanding' freshwater bodies by default – this is not the intent or focus of a landscape evaluation (nor we suggest the intent of the Freshwater NPS) and would result in numerous freshwater bodies being deemed outstanding unnecessarily. We recommend that the definition be qualified to allow discretion over the extent to which matters listed are relevant in the context of the Freshwater NPS.
- ii. Outstanding values could also be embedded into the national values table (Appendix 1) which may allow for greater expression of the manner in which these are to be identified.
- iii. We also have concerns over prefacing outstanding freshwater bodies with the words 'significant values' in Objective A2(a) and Objective B4. Outstanding freshwater bodies by definition have outstanding values, the term significant values confuses the intent and is of no benefit.

8. Integrating fresh and coastal water management:

- i. We seek guidance on how the New Zealand Coastal Policy Statement 2010 (NZCPS) and Freshwater NPS are to be integrated, particularly NZCPS Policies 21, 22 and 23. It is unclear how these policies are to be resolved in the context of objective setting under the Freshwater NPS. There appears to be potential for tension when setting freshwater objectives based on the national values in Appendix 1 and the NOF which make little reference to coastal water quality issues (despite the requirement to have regard to the connections between fresh and coastal waters in Proposed Policies A1(iii) and B1(c)). How are NZCPS Policies 21-23 to be integrated if not reflected in the Freshwater NPS values table?
- ii. In Northland most major river systems drain to and influence the quality of water in estuaries and harbours. This is also true of many other regions such as Auckland (e.g. Manukau and Waitemata harbours), Waikato (e.g. Firth of Thames), Bay of Plenty (e.g. Tauranga) and Wellington (e.g. Porirua and Wellington Harbour), to name just a few. We consider that improved integration of coastal water quality in fresh water management is necessary and can be achieved through further amendments to the Freshwater NPS as follows:
 - Adding the following (or similar) wording to the third paragraph of the preamble: *"All New Zealanders have a common interest in ensuring the*

country's freshwater lakes, rivers, aquifers and wetlands are managed wisely, as well as coastal waters such as estuaries that are impacted by fresh water quality."

- Adding the following wording (or similar) to the last paragraph of the preamble: *"The New Zealand Coastal Policy Statement 2010 addresses issues with water quality in the coastal environment. The management of coastal water and fresh water requires an integrated and consistent approach. This requires recognition of the uses and values of coastal receiving waters when setting freshwater objectives and limits."*
- Acknowledge in Appendix 1 that many values of fresh water are also values of coastal water, e.g. ecosystem health, human health, mahinga kai, fishing, etc.
- Adding the following wording (or similar) to the definition of "Value" so that it means *"...(b) includes any value in relation to freshwater, that is not in Appendix 1, which a regional council identifies as appropriate for regional or local circumstances (including any use and values of coastal water that are affected by freshwater quality or quantity)."*

9. Improving or maintaining overall water quality:

- i. There is a lack of clarity as to what is actually meant by 'overall quality of freshwater within a region is maintained or improved' in Objective A2. This seems to suggest a decline in water quality in one freshwater management unit can be offset by improvement in another. While water quality trade-offs within a management unit may be contemplated we do not see the 'trade offs' between separate freshwater management units as practicable or desirable. We recommend that Objective A2 be amended to state that overall water quality is to be maintained within a freshwater management unit. There is also uncertainty as to how attribute states / objectives for different contaminants are considered in this context; for example can a decline in one attribute or value be offset by improvement in another? (The ability to use narrative attribute states in objectives may alleviate some of this difficulty – See 13(ii) below).
- ii. A related issue is that Policy A1 only requires objectives and limits to be set for freshwater management units (FMU). It is unclear how Objective A2 is to be achieved or demonstrated in the event a region is not entirely covered by FMU's (a similar situation arises in the objectives and policies for water quantity in Part B). It is recommended that either an additional policy(s) be included requiring all of each region to be within FMU's or that the definition of FMU be amended to similar effect.

10. Accounting:

- i. We strongly suggest the timing of the introduction accounting requirements should be directly related to staged implementation programmes instead of applying after two years of the changes to the Freshwater NPS. There is no need for the accounting data until such time as objectives and limits are set, which in some cases may well be years away. A change to this effect would allow council resources to be more targeted and efficiently utilised.

- ii. We have some concern with the scope of the freshwater accounting and the detail required to meet proposed policy CC1(b). The discussion document at 4.1 question 6 appears to suggest that councils are required to account for all sources of contaminants. This is at odds with the intent of the accounting system which is to ensure the *necessary* information to set objectives is available. Policy CC1 as proposed provides some flexibility by using the terms “...at levels of detail that are commensurate with the significance of the freshwater quality and quantity issues...in each freshwater management unit.” We support this flexibility as a freshwater management unit may be large and include multiple catchments. Accounting for *all sources of contaminants* would be costly and in many cases unjustified and of no benefit in setting objectives. We therefore seek that this discretion be retained. It may be beneficial to also include some reference to the scale of the freshwater management unit in Policy CC1(b).

11. Limits:

- i. The Freshwater NPS defines the term “limit” in the context of water quality to mean “the maximum amount of resource use available, which allows a freshwater objective to be met.” This definition has broad application and is not confined to contaminant load limits. For example, in some catchments the only “limit” that might be required on resource use to achieve an objective for an attribute state of A for secondary contact recreation is stock exclusion from streams and rivers. Stock exclusion falls within the definition of limit. However, the preamble and the interpretation section of the Freshwater NPS colour the meaning of “limit” by implying that limits are contaminant load limits, for example:
 - “Once limits are set, freshwater resources need to be allocated to users, while providing the ability to transfer entitlements between users...” [Preamble, emphasis added]
 - ““Freshwater quality accounting system” means a system that, for each freshwater management unit, records, aggregates and keeps regularly updated information on the measured, modelled or estimated...(c) where limits have been set, [the] proportion of the limits that is being used.” [Interpretation, emphasis added]
 - ““Over-allocation” is the situation where the resource: (a) has been allocated to users beyond a limit...” [Interpretation, emphasis added]
- ii. Developing, setting, monitoring, and enforcing contaminant load limits is warranted in a number of areas such as for water bodies that are, or will come, under significant resource pressures. But for large tracts of the country they are unlikely to be justified and resource use and development can be managed with more traditional risk based approaches such as stock exclusion, farm dairy effluent land disposal and set-back requirements, and case-by-case resource consenting of discharges.
- iii. Furthermore, a contaminant load limit based approach would be difficult to apply to a number of attributes identified in the NOF, particularly where

these are more by nature concentrations or characteristics rather than a contaminant. For example dissolved oxygen is not an attribute that can be practically translated into a load based or allocable regime. Setting contaminant load limits for bacteria or *E coli* is also fraught with difficulty.

- iv. We consider that the Freshwater NPS should be amended to explicitly allow for flexibility in the term limits and envisage use of resource limits, rather than require a load limit approach in all cases. This could be done in a number of ways as follows:

- a. Provide additional text in the preamble that states that allocable limits may not be justified or practicable in all freshwater management units and that other forms of resource limits may be needed, and make consequential amendments to the relevant definitions, or
- b. Amend the definition of limits to make clear that they are contaminant load limits and amend Policy A1 as follows:

By every regional council making or changing regional plans to the extent needed to ensure the plans:

- a. *establish freshwater objectives in accordance with Policies CA1-CA3 ~~and set freshwater quality limits~~ for all management units in their regions to give effect to the objectives in this national policy statement, having regard to at least the following:*

i. the reasonably foreseeable impacts of climate change

ii. the connection between water bodies

iii. the connections between freshwater bodies and coastal water

aa. set contaminant load limits where required to achieve objectives,
and

b. establish methods (including rules) to avoid over-allocation

12. Exceptions:

- i. We consider Policy CA2 should allow for exceptions to be made for significant existing infrastructure at a regional level, rather than decided nationally and listed in Appendix 3. This would enable the cost / benefit assessment to reflect regional values and ability to pay, avoid potential for unrealistic costs to be imposed on communities. This is consistent with Clause CA2(b) that provides for historic impacts and consideration of the practicality of reversal and we see no need for a different (and nationally decided) approach for significant infrastructure. Such an amendment is also consistent with Policy CA1(f)(v) that requires consideration of social and economic costs when setting freshwater objectives. We recommend Policy CA2(c) be amended to allow exceptions from bottom lines as a result of the impacts of significant infrastructure on a regional basis subject to consideration of:

- the values of the freshwater management unit (or freshwater body);

- whether reversal or reduction of the impacts of significant infrastructure to meet bottom lines is reasonably practicable;
- the likely costs and benefits of reversing or reducing the impacts of significant infrastructure to meet national bottom lines.

(Or words to similar effect).

13. The National Objectives Framework (NOF):

- i. National Bottom Lines: We consider that the Government should exercise caution if it is to introduce the term “national bottom lines” with respect to freshwater objectives. The term implies rigid and absolute rules (absolute protection) to “avoid” over-allocation, where “over-allocation” is defined to mean “the situation where the resource is...being used to a point where a freshwater objective is no longer being met.” We are wary of the usefulness of such a label given that what is meant by avoiding adverse effects is currently before the Supreme Court in the matter of the Environmental Defence Society’s appeal on the New Zealand King Salmon Company decision. We note that the term “national bottom line” could easily be replaced with the term “minimum acceptable state”, which is also included in the proposed amendments to the Freshwater NPS. Alternatively, additional amendments could be made to the Freshwater NPS that set out the nature of rules to avoid over-allocation.
- ii. Numeric objectives: We support the narrative descriptions of attribute states in the NOF. Our understanding is that the numeric attributes are to be used although this is not explicit. We consider there should be an ability to use these narrative objectives for compulsory values as is the case for additional values (and any other additions to Appendix 2). Stating an objective in numeric terms is less likely to be enduring and does not allow for natural fluctuations, events or changing circumstances (e.g. climate change). Nor do numeric objectives necessarily have meaning for communities and users of plans. The narrative objectives could be given effect to using numeric attribute states as a limit. The narrative attribute states for Chlorophyll-a, total nitrogen and total phosphorous are all exactly the same, so use of a narrative objective could serve for all these contaminants with numeric attribute states used to set limits for each contaminant (attribute states for toxicity are also very similar, so a similar approach could apply).
- iii. The use of the narrative objectives is also a more practical approach where multiple numeric attributes apply for a given value (E.g. Ecosystem Health for lakes), but the narrative attribute states are the same. We recommend that flexibility be provided to allow use of either the numeric or narrative attribute state in setting objectives.
- iv. Suitability for Recreation Grade Attribute: We have major concerns about the use of the suitability for recreation grade (SFRG) as an attribute for the Contact Recreation value, particularly if a national bottom line is applied (even if stated as a Minimum Acceptable State). The SFRG is based on little evidence relevant to current New Zealand conditions, is very conservative and may significantly overstate the risk. We note that a

number of Northland's reference sites (those sites in a relatively natural state, such as the Waipoua and Waipapa Rivers) rank poorly against the SFRG for natural reasons. Use of the SFRG has the potential to create unrealistic expectations if translated into an objective. We recommend that a comprehensive review of the attributes for the contact recreation value be carried out, based on current New Zealand evidence and risk profiles before attributes are assigned.

- v. Dissolved oxygen: The measurement of dissolved oxygen (DO) also presents some difficulty in that 1 or 7 day minimums require continuous monitoring using a SONDE. Our monitoring relies more on spot sampling taken during monthly monitoring runs and we only use SONDEs at sites of particular interest. Comprehensive use of SONDEs across the network would add significantly to costs. A similar issue arises with cyanobacteria, in that we only measure this in lakes with known issues. To expand cyanobacteria monitoring across the entire lakes network will again add costs and may well have little benefit. We suggest that there be greater flexibility provided in the measurement of DO and cyanobacteria. A question also arises as to whether there is a need to monitor DO in rivers where no point source discharges occur. There is also uncertainty over the term 'below point sources' and where monitoring is to occur. For example, below which point sources and how far below is monitoring to occur? If DO is to be retained as an attribute this should be specified.
- vi. Other attributes: We consider further attributes for ecosystem health in both rivers and lakes be considered for inclusion in the NOF, namely Macro-invertebrate Communities Index (MCI) and Trophic Level Index (for rivers and lakes respectively). These measures are good indicators of ecosystem health for which the science is relatively mature, has an accepted methodology and can be applied nationally. We would therefore support voluntary MCI and TLI attributes for ecosystem health. We see no difficulty in including some voluntary attributes for ecosystem health in the NOF despite the value itself being compulsory.
- vii. We also consider that attributes for coastal water should be signalled or even identified in Appendix 2. We note that an Envirolink Tools Grant has recently been awarded to develop an Estuarine Trophic Level Index and sedimentation rates for estuaries are being explored by several councils as a management attribute for estuarine and harbour catchments.
- viii. It is also our view that repeated/periodic updating of the NOF to add further attributes (particularly if compulsory) would mean significant costs for councils and communities due to the Schedule 1 plan change process. We would prefer that if the science is adequately resolved that attribute states (even if voluntary in nature) be added as soon as practicable to allow incorporation/consideration in Freshwater NPS implementation programmes rather than repeated Schedule 1 plan change processes.

Conclusion

We support the changes to the Freshwater NPS subject to the points made and recommendations above. We also support the NOF structure as a means to assist in the debate over current state, values and to set objectives for water quality.

Signed

Dated

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ISSUE: Proposed Auckland Plan**ID:** A690191**To:** Council Meeting, 28 January 2014**From:** Justin Murfitt – Policy Programme Manager (Resource Management)**Date:** 14 January 2014

Summary The purpose of this report is to advise council of the notification of the Proposed Auckland Unitary Plan and identify potential points to raise in a submission. It concludes with the recommendation that council lodge a submission on the proposed plan.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

On 30 September 2013 Auckland Council notified its Proposed Auckland Unitary Plan (proposed plan). This is a combined regional and district planning document developed under the Resource Management Act 1991. It includes the regional policy statement, regional plan and district plan for the Auckland region. It replaces the existing regional policy statement and 13 existing district and regional plans.

The proposed plan has been prepared following intensive consultation including a draft plan released in March 2013. It is also guided by the Auckland Plan - the Auckland Plan is a strategic spatial plan required under section 79 of the Local Government (Auckland Council) Act 2009 that provides a 30 year blueprint for Auckland's growth and development.

The areas of primary concern for Northland are the provision for strategic infrastructure (particularly linear infrastructure that passes through Auckland), cross boundary issues and potential for improved integrated management of resources or issues that cross jurisdictions. Submissions on the proposed plan close on Friday 28 February 2014.

Discussion:

Overall the proposed plan appears to provide a sound basis for resource management in Auckland. The strategic aims identified in the Auckland Plan are well reflected in the spatial elements of the proposed plan with provision for growth and intensification clearly identified. Strategic infrastructure (electricity and transport) corridors are also identified and in many cases "buffered" to limit reverse sensitivity concerns and maintain long term viability.

The higher order provisions, primarily in the regional policy statement (RPS) component of the proposed plan, recognise the important role neighbouring regions

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play in Auckland's growth. The fact the adjoining regions rely on infrastructure that passes through Auckland is also acknowledged.

Key features of the proposed plan include:

- Specific recognition of the importance of infrastructure in providing for growth (RPS component);
- Recognition that Auckland relies on neighbouring regions for resources (RPS component);
- A rural urban boundary (RUB). This is a 30 year boundary to guide development into areas planned for growth, limit sprawl and protect productive land (RPS component);
- Provision for intensification in a hierarchy of growth nodes identified in the strategic Auckland Plan. These are identified in a clear spatial planning framework using zones and precincts to guide the density and form of development;
- An overlay (map) based approach to identifying sensitive landscape, natural character, heritage and significant biodiversity areas;
- A traditional zone based approach to managing the coastal marine area (similar to that used in Northland);
- Minimum flows and allocation limits for water quantity management (including sustainable yields for aquifers);
- Use of Macro-invertebrate Community Index (MCI) as a basis for water quality management with risk based controls (such as restrictions on stock access to coastal and freshwater) rather than load based limits;
- It is available as an E – plan, a web based document (both text and maps) that can be queried by any user to determine property specific zoning, rules and other information.

While much of the content has little bearing on our region, there are elements that could have implications for Northland, particularly in relation to the management of the Kaipara and Mangawhai Harbours and freshwater bodies and infrastructure that cross jurisdictions. Pest management, particularly marine pest management, is also an area of concern that could be highlighted.

It is recommended that a submission on the proposed plan be based on the following points:

1. Strategic infrastructure and minerals
 - i. Northland is reliant to a large degree on linear infrastructure passing through the Auckland region. Examples include the Transpower 220kV dual circuit line from Otahuhu to Ruakaka, the oil pipeline from Marsden Point to Wiri terminal, the gas pipeline from the Taranaki region to customers in Whāngārei and Kaipara, State Highway 1 and the North Auckland rail line. The recognition (at Chapter 1, Part B of the Regional Policy Statement) that strategic infrastructure is important for facilitating population and economic growth both within and beyond Auckland should be supported.
 - ii. Particular concerns in relation to linear infrastructure are the effects of reverse sensitivity and natural hazards. Although there is some general discussion of these themes in Chapter 1, Part B (the Regional Policy Statement) the document would benefit from more specific recognition of

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the particular threats to long distance linear infrastructure (such as those mentioned above) and the regional and national consequences of any disruption in supply.

- iii. The development of strategic transport corridors around existing transport designations to provide more flexibility for the use of these corridors with other compatible activities is supported. The identification of State Highway 1 up to the northern boundary and the Kaipara Coast Highway as strategic transport corridors is also supported. Most of the North Auckland rail line also appears to be identified as such, but parts of the rail corridor north of Wellsford appear to have been omitted.
- iv. The reference to the role of the Waikato region's infrastructure and mineral/aggregate industry in Part 1 Chapter B (11) in supporting growth in Auckland is noted. Northland also has significant mineral resources including aggregates as well as untapped renewable energy potential. Given the improving transport and infrastructure connections between Auckland, Northland and the Waikato it would be useful to acknowledge that there is the potential for greater transfer of resources between the three regions.
- v. It is recommended that a submission seek:

Additional strategic context in the Unitary Plan on the threats to linear infrastructure, in particular regionally and nationally significant infrastructure passing through Auckland and the importance of planning to maintain a security of supply.

Retain the strategic transport corridor overlays over State Highway 1 and Kaipara Coast Highway. Identify the remainder of the Northland – Auckland rail corridor north of Wellsford as a strategic transport corridor.

That the discussion on infrastructure and minerals/aggregates from the Waikato region supporting Auckland's growth include a similar reference to Northland (Part 1 Chapter B (11)).

2. Water management

- i. Auckland Council is in the process of developing management zones (or freshwater management units), the methodology, the process for developing catchment-specific objectives and limits and the timeframes by which this is to be achieved. Northland is in a similar position and the timing would enable integration and application of a consistent approach for the management of water quality and quantity for aquifers and surface water that cross the regional boundary. For example, the Regional Water and Soil Plan for Northland identifies an aquifer in the Mangawhai area as being at risk from seawater intrusion and as such sensitive to extraction. Ideally this would also be reflected in water management provisions in the proposed plan given extraction in the Auckland region could affect this aquifer.

- ii. It is recommended that a submission seek:

That the need for an integrated approach to freshwater management across the Auckland – Northland boundary be included in Chapter B at 1.6 (B18).

3. Biosecurity

- i. Biodiversity values, including nationally and internationally significant sites located outside the Auckland region, are threatened by biosecurity incursions originating from the Auckland region (e.g. the Poor Knights Islands). Whilst the control of pests occurs largely through functions under the Biosecurity Act, RMA planning provisions have an important role to play in pest management.
- ii. The spread and introduction of marine pests is of particular concern for Northland. The vectors for marine pests include both international and inter-regional vessel movements. There is a need to compliment Biosecurity Act measures with complimentary controls under the Resource Management Act. There is an ability to impose conditions of consent on marine development to limit the spread of pests provided the ability to do so is explicit in the coastal plan provisions. There are grounds under Policy 12 of the New Zealand Coastal Policy Statement to strengthen the provisions in the coastal component of the unitary plan, particularly in the matters of discretion and assessment criteria. Currently it appears such discretion is limited to Significant Ecological Areas (SEA) only. Vectors for spread of marine pests should be a focus and ideally controls would be applied more broadly within the coastal marine area, particularly in those areas zoned for activities that pose greater risk of marine pest incursions (e.g. marinas, ports and aquaculture).
- iii. It is recommended that a submission seek:

That the controls on activities with potential to contribute to the spread of marine pests be strengthened and be applied more broadly in the coastal plan with a particular focus on high risk areas. This should include discretion over the need for monitoring and a marine pest management plan (possibly by inclusion of the above in the matters of discretion and assessment criteria in Part 3, Section 6 at 5.1 and 5.2).

4. The Kaipara Harbour

- i. While both Auckland and Northland use a similar “zone” based approach in respective coastal plans, there are differences in the coastal plan zones between the two jurisdictions. For example the Northland Regional Coastal Plan currently identifies most of the outer reaches of the Kaipara Harbour for the highest level of protection by applying a Marine Management 1 Area (MM1). Most of the Auckland portion of Kaipara Harbour by contrast is within the “General Coastal” zone where less strict rules apply.
- ii. This could result in inconsistent resource management between the two jurisdictions where activities or resource uses located in the Auckland half of Kaipara Harbour will potentially be subject to different rules and

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standards to those located in the Northland region. An example of this is new aquaculture activities which are “prohibited” in MM1 areas in the Northland Regional Coastal Plan but “discretionary” in the General Coastal Zone of the unitary plan. This difference will be most apparent in considering proposals at or near the jurisdictional boundary where, in water space with otherwise similar characteristics, activities will have quite different consent activity status.

- iii. Despite this, both planning jurisdictions recognise the sensitivity of certain parts of the Kaipara Harbour including areas around the mouth and upper arms, to new use and development. Ultimately, it is important that there is a consistent approach to managing the whole of the Kaipara Harbour. Such an approach could integrate different management approaches, including those developed under legislation other than the Resource Management Act (for example fisheries management zoning under the Fisheries Act and strategies undertaken under the Biosecurity Act).

- iv. It is recommended that a submission seek:

The commitment in the unitary plan to participating in any future initiatives to develop a joint marine spatial plan for the Kaipara Harbour be retained.

It is recommended that council lodge a submission on the proposed plan making the points outlined above and any others identified by council. It is also recommended that a draft submission be presented to the Regional Policy Committee at the meeting on 24 February 2014 for approval prior to being lodged. Alternatively, the draft could be approved under authority delegated to a councillor with an interest in the matters outlined above.

Conclusion

The document appears to be a sound basis for resource management within the Auckland region. It acknowledges that Auckland does not exist in a vacuum and relies on its neighbours and conversely provides important infrastructure links for Northland. It is recommended that council lodge a submission on the basis outlined above and, that the draft submission be approved under delegated authority prior to being lodged. The Proposed Auckland Unitary Plan is open for submissions until 28 February 2014.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations and as such are provided for in the council's 2012-2022 Long Term Plan, and are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002. The submission itself and the implications of the submission being accepted are considered to be of low significance.

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Recommendations:

1. That the report "Proposed Auckland Plan" by Justin Murfitt – Policy Programme Manager (Resource Management), dated 14 January 2014, be received.
 2. That staff draft a submission on the Proposed Auckland Unitary Plan making the points outlined in the report.
 3. That the draft submission be submitted to the Regional Policy Committee meeting on 24 February 2014 for approval prior to being lodged.
-

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ISSUE: Committee Terms of Reference**ID:** A606345**To:** Council Meeting, 28 January 2014**From:** Chris Taylor, Council Secretary**Date:** 19 December 2013

Summary The purpose of this report is to present for council's consideration recommended changes to the Terms of Reference for the Audit and Risk Committee and the Environmental Management Committee. The report concludes with the recommendation that the changes be approved.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Audit and Risk Committee:

At the 6 November 2013 council meeting it was resolved:

1. That council adopts the Terms of Reference for the Audit and Risk Committee as outlined in Attachment 5, of Tabled Item 7.1 of the 6 November council meeting agenda, and all councillors are members of the committee.
2. That the Audit and Risk Committee review the Terms of Reference as a first order of business and recommend any changes back to council.

Secretarial Note: Function 4b was amended to read "Identifying key issues and making relevant comments for the Regional Policy Committee to investigate during the review of plans" and Function 4c was amended to read "Advancing the recommendations from catchment groups (subcommittees of the committee) set up for priority water bodies are included in the policy development process for the new Northland Regional Plan(s)".

The Audit and Risk Committee reviewed its Terms of Reference at its 26 November 2013 inaugural meeting and resolved the following:

That the CEO be authorised to revise the wording of the Audit and Risk Committee Terms of Reference, in line with the discussion at the 26 November 2013 Audit and Risk Committee meeting, to be submitted to full council for approval.

Secretarial Note:

Revisions suggested at the meeting included:

- *Re-wording the Objective of the Committee to reflect that the Audit and Risk Committee comprised of all councillors.*

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- *Item 6e. to provide clarity that auditors report directly to the Audit and Risk Committee.*

The amended Terms of Reference are included as **Attachment One** for council's consideration; with the recommended changes shown as "Track Changes".

Environmental Management Committee:

At the 6 November 2013 council meeting it was resolved:

1. That council adopts the Terms of Reference for the Environmental Management Committee as outlined in Attachment 6, of Tabled Item 7.1 of the 6 November 2013 council meeting agenda, and including the minor amendments to "Functions" 4b and 4c as identified at the meeting.
2. That the Environmental Management Committee review the Terms of Reference as a first order of business and recommend any changes back to council.

Secretarial Note: Function 4b was amended to read "Identifying key issues and making relevant comments for the Regional Policy Committee to investigate during the review of plans" and Function 4c was amended to read "Advancing the recommendations from catchment groups (subcommittees of the committee) set up for priority water bodies are included in the policy development process for the new Northland Regional Plan(s)".

The Environmental Management Committee reviewed its Terms of Reference at its 2 December 2013 inaugural meeting and resolved the following:

That the committee recommends to council the following amendments to the Terms of Reference:

- a preamble added under "Functions" stating the main purpose of the committee is to provide an advisory service and to make recommendations to council on environmental matters; and
- an additional function to be inserted; being to coordinate with other agencies on matters concerning environmental management in Northland.

The amended Terms of Reference are included as **Attachment Two** for council's consideration; with the recommended changes shown as "Track Changes".

Regional Policy Committee:

At the 6 November 2013 council meeting it was resolved:

1. That council adopts the terms of reference for the Regional Policy Committee as outlined in Attachment 7, of Tabled Item 7.1 of the 6 November 2013 council meeting agenda.
2. That the Regional Policy Committee review the Terms of Reference as a first order of business and recommend any changes back to council.
3. That the Regional Policy Committee considers the desirability of external appointments to the committee in line with its Terms of Reference.

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The Regional Policy Committee reviewed its Terms of Reference at its 2 December 2013 inaugural meeting and resolved the following:

1. That the Terms of Reference for the Regional Policy Committee are accepted.
2. That no external appointments are made at this point but the committee will invite external representation at an appropriate point in the future.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002.

This matter has been assessed according to the council's Significance Policy and deemed to be of low significance.

Recommendations:

-
1. That the report "Committee Terms of Reference" by Chris Taylor, Council Secretary, dated 19 December 2013, be received.
 2. That council approves the recommended changes to the Audit and Risk Committee Terms of Reference, as detailed in Attachment One to Item 8.6 of the 28 January 2014 council agenda.
 3. That council approves the recommended changes to the Environmental Management Committee Terms of Reference, as detailed in Attachment Two to Item 8.6 of the 28 January 2014 council agenda.
-

DRAFT COMMITTEE TERMS OF REFERENCE

Audit and Risk Committee

Membership

The Audit and Risk Committee (the committee) shall be comprised of all nine (9) councillors. The committee (or council) may appoint an independent member if the committee (or council) considers this necessary or desirable.

Chairperson: David Sinclair
Deputy Chairperson: Paul Dimery
Members: John Bain
Dennis Bowman
Craig Brown
Joe Carr
Graeme Ramsey
Dover Samuels
Bill Shepherd

Quorum

The quorum for meetings of the committee shall be five (i.e. a majority when the membership is uneven). Should the committee exercise its discretion to appoint an additional independent member then the quorum shall remain at 5 (i.e. half when the membership is even).

Objective

The objective of the committee is to provide ~~independent~~ assurance and assistance ~~that to the council and the Chief Executive on the~~ council's financial, health and safety, risk, reporting, control and compliance frameworks, and its external accountability responsibilities are fulfilled.

Role and responsibilities

To act as Council's audit, risk and compliance monitoring committee covering

- Risk Management
- The internal control environment
- Health and Safety
- Legislative and regulatory compliance
- Internal audit and assurance
- External audit
- Financial reporting
- Non-financial reporting against council's objectives and Long Term Plan targets
- Investment property and funds
- Shareholder responsibilities and the governance of responsibilities of council for its Council Controlled Organisations

The committee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the council rests with the Chief Executive.

Delegated Authority and functions

The council authorises the committee, within the scope of its role and responsibilities, to:

1. General

- make decisions in accordance with the Terms of Reference
- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject) to confidentiality considerations);
- request the attendance of any employee, including the Chief Executive, at committee meetings;
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- co-opt a person as a (non-voting) member of the committee to assist with special projects;
- recommend to council that additional members be appointed to the committee should it consider wider representation would be of assistance in performing its functions;
- appoint subcommittees to make recommendations to the committee on any matters of responsibility within the committee's Terms of Reference, and act in accordance with resolutions of the committee (in line with specific limitations) where there is urgency or special circumstance; and
- undertake such other functions as may be delegated by council from time to time.

2. Financial Management and Reporting

The committee's responsibilities are to:

- a. Monitor and report the quarterly financial performance against budget.
- b. Make recommendations to council on any forecast variances against the Annual Plan.
- c. Determine the means of reporting financial reporting to council and the public.
- d. Write-off outstanding accounts where necessary.
- e. Approve the payment of funding (grants etc.) to external parties in line with
 - funding allocations made in the relevant Long Term Plan and Annual Plan (e.g. NEST. Northland Inc., Bird Recovery, CHART) and
 - any financial or other reporting requirements of council (e.g. NEST has bi-annual financial reporting as a condition of funding)
- f. Review the financial performance of all Council Controlled Organisations and Council Organisation.
- g. Maintain an overview of council's financial reserves to deal with unexpected financial contingencies.

3. Budgets and quality assurance

The committee's responsibilities are to:

- a. Oversee the preparation of budgets from a governance perspective.
- b. Review quality assurance processes and practice to ensure adherence to statutory requirements and best practice.
- c. To approve transfers between Operational Expenditure and Capital Expenditure within existing activity and group of activity budgets.
- d. To approve transfer of budget between activities.

4. Risk management

The committee's responsibilities are to:

- a. Review council's risk management framework, policy and associated procedures for effective identification and management of the council's financial and business risks, including fraud.
- b. Review the council's corporate risk register in line with the council's risk management framework, policy and associated procedures.

- c. Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- d. Review the effect of the council's risk management framework on its control environment and insurance arrangements.
- e. Review whether a sound and effective approach has been followed in establishing council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- f. Review council's fraud control plan and satisfy itself that the council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- g. Review and monitor the council's policies and practices relating to sensitive expenditure.

5. Health and Safety

The committee's responsibilities are to:

- a. Consider and review the council's health and safety management system, including receiving reports from management on the system and organisational wellness.

6. Internal audit

The committee's responsibilities are to:

- a. Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.
- b. Review the internal audit coverage and annual work plan, ensure that the plan is based on the council's risk management plan, and recommend approval of the plan by the council and Chief Executive.
- c. Advise the council on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.
- d. Oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions.
- e. [Liaise with the auditor and r](#)Review all audit reports and provide advice to the council/Chief Executive on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.
- f. Monitor management's implementation of the internal auditor's recommendations.
- g. Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.
- h. Periodically review the performance and effectiveness of the internal auditor.

7. External audit

The committee's responsibilities are to:

- a. Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.
- b. Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided.
- c. Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.
- d. Oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions.
- e. Provide advice to the council on action taken on significant issues raised in relevant external audit reports and good practice guides.

8. External reporting/performance reporting

The committee's responsibilities are to:

- a. Review and recommend to council the adoption of the Annual Report and Summary Annual Report, focusing particularly on:

- i. any changes in accounting policies and practices;
 - ii. major judgemental areas;
 - iii. significant adjustments resulting from audit;
 - iv. compliance with financial reporting and other applicable standards;
 - v. compliance with statutory requirements; and
 - vi. other reports prepared by management for release to stakeholders, such as any summary financial reports.
- b. To review six month, nine month and full year statement of service reporting, focusing particularly on:
 - i. Ensuring reporting meets Auditor Guidance -4 –*The audit of service performance reports* to Local Government.
 - ii. the quality of the overall “story” the performance reporting tells;
 - iii. the reliability and accuracy of the reporting;
 - iv. the completeness of the reporting against the performance framework as outlined in the Long Term Plan; and
 - v. compliance with relevant legislation (in particular the Local Government Act 2002, Schedule 10).

9. Funding, Financial and Other Policies

The committee’s responsibilities are to:

- a. Review and recommend to the council any changes required to council’s funding and financial policies including those required under Section 102 of the Local Government Act (LGA) 2002:
 - i. Revenue and Financing Policy
 - ii. Treasury Management Policy (incorporating Liability Management Policy and Investment Policy)
 - iii. Policy on Financial Contributions
 - iv. Charging Policy
 - v. Rating Policies, including rates relief, policies on remissions and policies on postponement of rates on Māori freehold land.
- b. Review and recommend to the council any changes to other policies required under LGA 2002, including, but not limited to the following:
 - i. Policy on Significance (LGA Section 90) and
 - ii. Policy on the Appointment of Directors to Council Organisations (LGA Section 57).

10. Investment Functions

The committee’s responsibilities are to:

- a. Undertake the investment functions referred to in the Treasury Management Policy adopted within the current LTP. These functions include:
 - i. To review performance and compliance against council’s Treasury Management Policy (and its objectives) and reporting for the Community Investment Fund (Statement of Investment Policy and Objectives).
 - ii. To make recommendations to Council on any changes to the construction of investment portfolios, the Community Investment Fund Statement of Investment Policy and Objectives, the objectives and policies in the Treasury Management Policy, and investment management appointees.
 - iii. To recommend to the council policies and strategies for undertaking its commercial and investment activities.
 - iv. To oversee the administration, review and make recommendations on the council’s commercial assets and forestry activities and investment opportunities.
 - v. To approve the selling, leasing and acquisition of property consistent with council policy in the Long Term Plan and relevant Annual Plan.

11. Legislative compliance

The committee's responsibilities are to:

- a. Determine whether management has appropriately considered legal and compliance risks as part of council's risk assessment and management arrangements; and
- b. review the effectiveness of the system for monitoring council's compliance with relevant laws, regulations, and associated government policies.

12. Council Controlled Organisations and the Port

The committee's responsibilities are to:

- a. Liaise with all Council Controlled Organisations, and Council Organisations and their subsidiaries in accordance with the requirements of the LGA 2002 and any relevant Trust Deeds, Constitution or other governance documents including:
 - i. To receive all Draft Statements of Intent (SOI) by 1 March each year;
 - ii. To consider Draft SOI and make any comments on behalf of council on the Draft by 30 April each year;
 - iii. To receive all final SOI by 30 June each year;
 - iv. To recommend to council any necessary modification to a Council Controlled Organisation's and Council Organisation's Statement of Intent
 - v. To appoint directors to Council Controlled Organisations /Council Organisations in accordance with the provisions of the LGA (2002), the council's Policy of the Appointment of Directors to Council Organisations and the relevant Council Controlled Organisation's or Council Organisation's governance documents (e.g. constitution/deed etc.)
 - vi. To review the financial performance of all Council Controlled Organisations and Council Organisations.
 - vii. To monitor actual performance of all Council Controlled Organisations and Council Organisations compared to key performance targets and other measures set out in the relevant LTP, Annual Plan and SOI; and
 - viii. To review any Trust Deeds, Constitution or other governance structures of all Council Controlled Organisations and to recommend any changes to the council as appropriate.
 - ix. To appoint council's shareholder representatives all of whom must be elected members for all Council Controlled Organisations and Council Organisations (for exercising council's shareholder responsibilities e.g. attending and voting at AGMs, appointment of directors etc.). Council's Shareholder representatives have delegated authority to act on behalf of the committee on all responsibilities contained in 12a.
- b. To appoint council's shareholder representatives for Northland Port Corporation (NZ) Limited with delegated authority to exercise council's shareholder responsibilities e.g. attending and voting at AGMs, appointment of directors etc.)

No Delegated Authority – Power to Act

Does not have the powers of council to act in the following instances as specified by Clause 32 (1) of Schedule 7 of the Local Government Act 2002:

- a) make a rate;
 - b) make a bylaw;
 - c) borrow money, or purchase or dispose of assets, other than in accordance with the current Long Term Plan or Annual Plan;
 - d) adopt a Long Term Plan, or Annual Plan or Annual Report;
 - e) appoint a Chief Executive; or
 - f) adopt policies required to be adopted and consulted on under this Act in association with a Long Term Plan or developed for the purpose of the Local Governance Statement.
-

DRAFT COMMITTEE TERMS OF REFERENCE

Environmental Management Committee

Membership

The Environmental Management Committee (the committee) shall be comprised of five (5) councillors plus eight (8) appointments as follows:

Chairperson
Cr Joe Carr

Deputy Chairperson
Cr Craig Brown

Members
Cr Dennis Bowman
Cr Paul Dimery
Cr Bill Shepherd (ex officio)

Cr Ann Court nominated by and representing the Far North District Council
Cr Tricia Cutforth nominated by and representing the Whāngārei District Council
Commissioner Richard Booth nominated by representing the Kaipara District Council
Mr Keir Volkerling, representing Māori interests nominated by iwi authorities and Te Roroa and Te Uri o Hau
Dr Greg Blunden nominated by and representing environmental interest groups
Mr Alan Clarkson nominated by and representing the farming community
Ms Sue Reed-Thomas nominated by and representing the Department of Conservation
Mr Geoff Gover nominated by and representing the forest industry

Quorum

The quorum for meetings of the committee shall be seven members, being a majority of members (including vacancies).

Terms of Membership

Should any member appointed to represent an outside organisation or group be absent without prior leave from two consecutive meetings of the committee, that person's appointment is automatically terminated.

Should a vacancy occur in the membership of the committee, the Committee Secretary shall report this to the next meeting of the council for determination as to whether or not the nominating organisation or group is to be invited to nominate a replacement. The committee has the power to co-opt a person as a member of the committee to assist with special projects, or it may recommend to the council that additional members be appointed to the committee should it consider wider representation would be of assistance in performing its functions.

Members of the committee representing outside organisations or groups, are expected to regularly report back to their nominating organisation on matters discussed at committee meetings.

Functions

The main purpose of the Environmental Management Committee is to provide an advisory service and to make recommendations to council on environmental matters.

- 1) For council's monitoring, land management, water management, biodiversity, biosecurity and river management activities
 - advise council on any significant legislative changes, programmes, plans or reports affecting these activities
 - advise and make recommendations to council (and relevant committees) on matters of policy and implementation
 - monitor and review progress towards council's objectives, the achievement of the performance targets and the delivery of work programmes in the relevant Northland Long Term Plan, Annual Plan and operational strategies (such as the Regional Pest Management Strategy).
 - To coordinate with other agencies on matters concerning environmental management in Northland.
- 2) To be the governance entity for Waioira Northland Water, and river liaison and catchment group subcommittees.
- 3) To oversee the administration of the Environment Fund.
- 4) To make recommendations to and work with the Regional Policy Committee on the review and development of the new Northland Regional Plan(s) (RMA). Key focus areas include:
 - a. Ensuring alignment between the functions of the committee and the policy development process for the new Northland Regional Plan(s)
 - b. Identifying key issues and making relevant comments for the Regional Policy Committee to investigate during the review of the plans.
 - c. Advancing the recommendations from catchment groups (subcommittees of the committee) set up for priority water bodies are included in the policy development process for the new Northland Regional Plan(s)
 - d. Advising the Regional Policy Committee on good management practices to be included in the policy development process for the new Northland Regional Plan(s).
- 5) To review and recommend to council on such other functions as may be delegated from time to time.

Delegated Authority – Power to Act

- 1) The council grant to the committee the power to act on all matters except those matters specified by Clause 32 (1) of Schedule 7 of the Local Government Act 2002:
 - (a) make a rate;
 - (b) make a bylaw;
 - (c) borrow money, or purchase or dispose of assets, other than that in accordance with the current Long Term Plan or Annual Plan;
 - (d) adopt a Long Term Plan, or Annual Plan, or Annual Report;
 - (e) appoint a Chief Executive; or
 - (f) adopt policies required to be adopted and consulted on under this Act in association with a Long Term Plan or developed for the purpose of the Local Governance Statement.
-

- 2) Does not have the powers of council to act re:
 - the final approval of plans prepared under the Resource Management Act 1991;
 - the Hazardous Substances and New Organisms Act 1996;
 - the Land Drainage Act 1908;
 - the Soil Conservation and Rivers Act 1941;
 - the Maritime Transport Act 1994;
 - the Civil Defence Emergency Management Act 2002;
 - the Biosecurity Act 1993; and
 - in respect of matters under those Acts that do not permit such delegations.
 - 3) Does have the ability to appoint subcommittees to deal with any matters of responsibility within the committee's Terms of Reference and areas of responsibility, and to make recommendations to the committee on such matters. (Any subcommittee shall not have power to act other than by a resolution of the committee with specific limitations where there is urgency or special circumstance.)
 - 4) Does have the ability to make decisions in accordance with the Terms of Reference.
-

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ISSUE: Policy Review – Appointed Members’ Allowances**ID:** A596976**To:** Council Meeting, 28 January 2014**From:** Vibeke Wright, Policy Advisor**Date:** 16 December 2013

Summary The purpose of this report is to inform the council about its existing policy on the allowances available to appointed (i.e. non-elected) members of its committees. It concludes with the recommendation that the council reconfirm the existing allowance provisions within an updated policy that sets out new parameters for the purposes of certainty and clarity, and for the efficient administration of the policy.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input checked="" type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

The council has an existing policy (from 2004) to guide the payment of meeting and mileage allowances to appointed (i.e. non-elected) members of its committees (see **Attachment A**). In brief, it allows for these members to claim a \$170 allowance for attending meetings, and to claim mileage.

Over recent years very few of the eligible appointed members have exercised their right to make claims, totaling about \$6,600 during the 2012-13 year, reflecting perhaps the strong component of public\community service that motivates these members' participation in council committees.

Given the council's position to expand its standing committee structure, it is requested to reconfirm its provisions for allowances to appointed members. It is also proposed to bring the mileage allowance into alignment with the policy for elected members (i.e. \$0.77 per kilometre for the first 5000 kilometres of qualifying mileage travelled in any one year and \$0.37 per kilometre thereafter.) Staff propose these provisions should be incorporated within an updated policy that provides greater clarity and certainty on its implementation and administration. The updated policy appears as **Attachment B**.

Financial implications:

The council has not yet finalised memberships to all its standing committees and therefore the financial impact cannot yet be determined. However, appointed members of the Regional Transport Committee and the Northland Civil Defence Emergency Management Group would not be eligible to claim under the policy as they all represent government bodies or other councils.

It is assumed that the member to be appointed to the Audit and Risk Committee will be remunerated a set fee each year and would not be eligible for additional claims.

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Similarly no value has been incorporated for any payments to appointed members of any committee established for the purposes of fostering Māori engagement\ participation in local government.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations and as such are provided for in the council's 2012-2022 Long Term Plan, and are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002. In relation to section 79 of the Local Government Act 2002, this issue is considered to be of low significance because the recommended policy option does not trigger any of the thresholds set out in the council's significance policy.

Recommendations:

-
1. That the report "Policy Review – Appointed Members' Allowances" by Vibeke Wright, Policy Advisor, dated 16 December 2013, be received.
 2. That the council adopts the updated "Appointed Members' Allowances Policy" as attached to the staff report.
-

ITEM: 8.7
Attachment A

Payment of Allowances - Non-Council Members of Standing Committees

(File 340.3)

The Council's policy for payment to outside members of Committees was re-affirmed at its meeting on 17 November 2004 and is as follows:

1. The Remuneration Authority has ruled that it is the responsibility of the appointing Council to pay its representatives attending Regional Council Committee meetings. This Council does not pay those representatives.
2. Similarly the Council does not pay meeting allowances or other expenses of officials of Government Departments or other agencies attending Committee meetings.
3. Individuals who give up their own time to serve on Committees and those representing Community Groups are paid a daily meeting allowance of \$170 and are reimbursed for their travelling expenses at the rate approved from time to time under the Fees and Travelling Allowances Act 1951 (currently 62c per kilometre). Payments to those people are not a charge against the indicative pool and are budgeted separately in departmental budgets.

Procedure

1. Secretaries are to ensure that a Claim for Meeting Expenses is attached to every notice of a meeting or a workshop sent to Councillors or to non-Councillor members of committees (42.4).
2. Following every meeting or workshop, the officer responsible for that meeting shall send to the Secretary (42.6) advice as to the time and date of the meeting, a list of attendees and an indication as to the account to which expenses are to be charged. Any expense claims handed in at the meeting are to be attached to the form.
3. The Secretary will hand to the Payroll Officer, following each Council meeting a summary of meetings attended by each Councillor or Committee Member and the fees and allowances to which each are entitled. Travel claims are to be referred to the Secretary who will certify them for payment and indicate on them whether the claimant is to be paid attendance fees, mileage or both.
4. Payment will be made by the Payroll Officer by direct credit by the 25th of each month.

Appointed Members' Allowances Policy

1. Statement of Purpose

This policy explains the circumstances in which the Northland Regional Council will pay allowances to non-elected members¹ who are appointed to its standing committees, and sets out the conditions that must be met for a claim to be paid.

2. Policy Goal

The goal of this policy is to ensure the council's position and procedures for the payment of allowances to non-elected members is transparent, accountable, and fair.

3. Key principles

- a. The council recognises that appointed members from time to time incur personal expense as a result of participating in standing committee activity.
- b. The council wishes to ensure appointed members are not financially disadvantaged by their participation, or that the financial impact of their participation acts as a disincentive to participation.
- c. The council also recognises that a commitment to public service motivates appointed members to participate.
- d. The application of a transparent, fair and balanced policy on the payment of allowances to appointed members promotes public confidence in the council's financial stewardship.

4. Meeting Allowance

The council will pay a maximum daily meeting allowance of \$170 subject to the provisions of this policy. For clarity, if a member attends two standing committees on the same day, the allowance may only be claimed once for that day. Eligible appointed members may choose to not claim this allowance.

5. Vehicle Mileage Allowance

The council will pay the 'per kilometre' rate as set out in its current Elected Members' Expenses and Allowances Policy, subject to the provisions of this policy. The travel must be in the member's own vehicle and by the most direct route that is reasonable in the circumstances. Eligible appointed members may choose to not claim mileage.

6. Scope

Appointed members are entitled to make claims under this policy if:

- a. The committee to which they are appointed is a "standing committee", i.e. a permanent Committee appointed by the Council (only) that meets on a regular basis to address specific issues covered by the Committee's delegations.
- b. They are not employed by a government agency or by another council which remunerates them for their committee participation.
- c. They are in the employment of a private sector organisation that remunerates them for their committee participation.

¹ Elected members' remuneration, expenses and allowances are governed by the Remuneration Authority. The Authority does not concern itself in a council's methods or policies for rewarding or recompensing non-elected members.

Claims may not be made:

- a. By an appointed member of the council's Audit & Risk Committee, as that member is paid a fixed annual fee.
- b. By a member appointed to any subcommittee or other subordinate decision-making body established by the Council or one of its standing Committees.
- c. For any expense or allowance other than those described in this policy except in special circumstances (see below).
- d. For any meeting that is not a properly scheduled meeting of the standing committee.
- e. For any mileage not associated with attendance at a scheduled meeting of the standing committee.

7. Special circumstances

In the event that an appointed member:

- a. Wishes to seek reimbursement for an expense not detailed in this policy, the Chief Executive Officer, or his officers, shall be guided by the Auditor-General's 2007 good practice guide on "Controlling Sensitive Expenditure: Guidelines for Public Entities" and advise the Chairman, who will make the final decision.
- b. Who is ineligible to make claims under this policy experiences unreasonable financial hardship as a result of their participation, then a case detailing the impacts may be provided to the Chief Executive for consideration. The Chief Executive shall make a recommendation to the Chairman, who will make the final decision.

8. Procedures

- a. The Finance Manager shall advise the Committee Secretary the account to which allowances are to be charged.
- b. The Committee Secretary is to ensure that a Claim for Meeting Allowances is attached to every notice of a meeting sent to appointed members of standing committees.
- c. At each standing committee meeting, the Committee Secretary is to note the time and date of the meeting, and a list of attendees, and collate returned completed claim forms.
- d. Claims are to be presented to the Chief Executive for approval.
- e. Payment will be made by the Payroll Officer by direct credit by the 25th of each month.

9. Linkages

This policy replaces the policy, "Payment of Allowances - Non-Council Members of Standing Committees" adopted on 17 November 2004.

For related information, see Northland Regional Council's Elected Members' Expenses and Allowances Policy.

10. Policy manager(s)

The Policy Advisor and Committee Secretaries are responsible for overseeing implementation of this policy and for providing guidance for decisions that may not align to the policy.

11. Amendments and Review date(s)

10 December 2013	Draft policy presented to council for approval.
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ISSUE: Northland Chamber of Commerce - Appointment of Council Representative

ID: A607108

To: Council Meeting, 28 January 2014

From: Vibeke Wright, Policy Advisor

Date: 24 December 2013

Summary The purpose of this report is to enable the council to appoint one of its members to act as portfolio holder\liaison with the Northland Chamber of Commerce. It concludes with the recommendation that the report be received and a councillor be appointed as the Northland Regional Council's portfolio holder\liaison with the Northland Chamber of Commerce.

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input checked="" type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

The Chamber of Commerce and Industry of Northland (Inc.) is a non-profit organisation that represents business interests in Northland – including retailing, service, manufacturing exporters, importers and other organisations. Over 300 businesses and organisations (including other councils and some local offices of government departments) are currently members. The Chamber takes an active role in local government consultation processes, particularly where issues may influence the development of Northland as a desirable region to do business.

The regional council has traditionally appointed one of its members to act as a portfolio holder and liaison with the Chamber. The role involves attending its monthly meetings and keeping its board apprised of relevant council information, and relaying the Chamber's views to other councillors. It should be noted that the council's representative does not have voting rights in the Chamber's decision-making.

Further information about the Chamber is available on its [website](#)¹.

It is suggested the council should maintain and develop its relationship with the Chamber of Commerce. Its base in Whāngārei suggests a local councillor would be the ideal choice as portfolio holder\liaison.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002.

This matter has been assessed according to the council's Significance Policy and deemed to be of low significance

¹ www.northchamber.co.nz/about/

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Recommendations:

1. That the report "Northland Chamber of Commerce - Appointment of Council Representative" by Vibeke Wright, Policy Advisor, dated 24 December 2013, be received.
 2. That Councillor _____ be appointed as the Northland Regional Council's portfolio holder liaison with the Northland Chamber of Commerce.
-

ISSUE: Kotuku Detention Dam Update**ID:** A608464**To:** Council Meeting, 28 January 2014**From:** Bruce Howse, Land/Rivers Senior Programme Manager**Date:** 10 January 2014

Summary The purpose of this report is to provide council with an update on the Kotuku detention dam project. It concludes with the recommendation that the report be received, and that council approves, subject to Whāngārei District Council approval, the proposed transfer of Northland Regional Council (NRC) and Whāngārei District Council (WDC) land, and the acquirement of easements, as detailed in Table 2 of Attachment 3 of the report.

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input checked="" type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

The Kotuku flood detention dam proposal is provided for in the Northland Regional Council Long Term Plan 2012-2022 (LTP). The detention dam site is located at the ends of Raumanga Valley Road and Kotuku Street, Whāngārei.

The dam is a dry dam, only detaining water for short periods of time (typically less than 48 hours), and reduces flooding in the Whāngārei CBD by reducing flow in the Raumanga Stream. The dam will be approximately 18m high and contain approximately 1.3 million m³ of water during the design 1% annual exceedence probability (plus climate change) flood event.

A map of the dam location and plan of the proposed dam layout are provided in **Attachment 1**.

Discussion:**Progress update**

The following is noted:

- Resource consents and designation for the dam were granted in October 2013, no appeals were lodged.
- An archeological authority from the NZ Historic Places Trust, to modify or destroy archeological sites, has been granted.
- Dam detailed design is complete.
- Peer review of the detailed design is complete and issues identified have been addressed.

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- Building consent application has been lodged. Technical review of the application has been commenced. NRC will need to acquire ownership of the WDC reserve land under the dam structure before building consent can be granted.
- Twelve of the 20 private titles that are required for the dam have been acquired. Section 23 Public Works Act notices of intention to take land were served on remaining land owners and registered interests on 20 November 2013.
- Construction is considered feasible during summer 2014/15. The time required to acquire land is considered the greatest risk to meeting the proposed 2014/15 works season.
- Services relocation (sewage, water, gas, power, fibre) is scheduled for February-June 2014, in advance of dam construction to ensure the longest possible works season is available for dam construction. Tenders have been called and appointment of a contractor is anticipated in February 2014. Works are anticipated to be completed within 50 working days of commencement.
- Demolition of eight dwellings is scheduled for September 2014.
- Dam construction is scheduled for commencement in October 2014.

Table 1 shows the main project elements and completion status.

Table 1 - Summary of key project elements and completion status

Project Element	Completion Status
Landowner consultation	Complete
Archaeological assessment and iwi liaison	Complete
Land acquisitions and negotiations	50%
Preliminary design	Complete
Peer review of preliminary design	Complete
Detailed design	Complete
Peer review of detailed design	Complete
Building consent application	30%
Resource consent and designation applications	Complete
Application for an authority to modify or destroy archeological sites	Complete
Survey for easements/acquired land and registration with LINZ	50%
Tender for services relocation works	50%
Services relocation works	0%
Tender demolition of dwellings	0%
Award tenders for removal of dwellings	0%
Tender construction documents	0%
Tender construction	0%
Tender evaluation and award contract	0%
Construction	0%

Budget

The revised dam construction cost estimate (inclusive of contingency and requirements from consents/authorisations) is \$3,659,528 and the revised land purchase estimate (inclusive of contingency on unsecured properties) is \$4,824,160, giving a total project capital expenditure estimate of \$8,483,689, or \$7,864,123 after the estimated revenue from the proposed sale of three properties acquired for the dam.

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Land acquisition – private land

Land purchases are progressing in accordance with council delegation.

Twelve of the 20 private titles that are required for the dam have been acquired.

Section 23 Public Works Act notices of intention to take land were served on land owners of the remaining eight titles of land on 20 November 2013.

Three objections to the taking of the land have been lodged with the Environment Court from land owners. These objections relate to the following land:

- Lot 1 DP 86583 – easement areas required for dam stormwater detention marked “H” & “I” on Plan SO 467829;
- Lot 1 DP 151239 – entire lot required for dam stormwater detention; and
- Lot 4 DP 19724 – easement areas required for dam stormwater detention marked “A” & “B” on Plan SO 467829.

Lot 1 DP 151239 and Lot 4 DP 19724 are owned by the same land owner.

Plan SO 467829 showing these areas is provided in **Attachment 2**.

Mediation is initially proposed in an attempt to resolve the objections. Failing resolution, the objections will be subject to a hearing by the Environment Court. The potential time required to resolve the objections is a potential risk to the proposed dam construction works which are scheduled for commencement during October 2014.

Of the remaining five properties, for which no objections to the taking of land have been lodged, negotiations are continuing with land owners over compensation in an attempt to acquire the properties. Should negotiations break down, NRC can submit a request to take the land under proclamation via s26 Public Works Act 1981. The timing of a s26 proclamation is partly dependent on the resolution of the three objections that have been received, as a request to take the land under s26 cannot be made for these three properties until the objections are either withdrawn or resolved by the Environment Court.

Land acquisition – Whāngārei District Council reserve and road land

Part of the proposed dam structure and stormwater detention basin are situated over WDC reserve and road land. NRC requires easements or ownership of this land.

Sixteen lots, or parts thereof, of WDC land totaling 6.1975 Ha are required for stormwater detention or for the dam structure. It is proposed that easements, for stormwater detention and access purposes, are acquired over the WDC land that is located within the dam reservoir. It is proposed that WDC reserve land under the dam structure is vested in NRC ownership, which would enable building consent to be granted and secure ongoing use of the land for the dam.

Vesting of part of the NRC land acquired for the dam project to WDC is also proposed in order to facilitate a potential future road link between Raumanga Valley Road and Kotuku Street and to enhance the connectivity of WDC reserve land around the dam site. The land being proposed for vesting to WDC has been assessed for alternative uses or development purposes, and is not considered to have any significant potential given the land is located within the dam reservoir (i.e. the dam stormwater ponding area). NRC would retain an easement over the land for stormwater detention and access purposes.

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The exchange of land between NRC and WDC would be undertaken via s15 of the Reserves Act. Stopping of the roads would be undertaken via s116 Public Works Act 1981, once NRC has acquired the remaining two parcels of land that adjoin the road, and land vested in NRC via s117(3)(b) Public Works Act 1981.

Attachment 3 provides a plan of the proposed land exchange and easements and a table (Table 2) of the various parcels.

The proposed transfer of lands is being proposed on a no cash compensation basis.

WDC staff intend to report to the February WDC council meeting with recommendations for the proposed land transfer and easements. It is noted that WDC resolved at its meeting of 27 March 2013 *“That Council approves the setting aside of reserve land as required for another Public Work being a detention dam”*.

Legal compliance and significance assessment:

The activities detailed in this report are provided for in the council's 2012-2022 Long Term Plan and as such are in accordance with the council's decision-making process and sections 76-82 of the Local Government Act 2002.

In relation to section 79 of the Local Government Act 2002, this issue is considered to be of low significance under council policy.

Recommendations:

-
1. That the report “Kotuku Detention Dam Update” by Bruce Howse, Land/Rivers Senior Programme Manager, dated 10 January 2014, be received.
 2. That council approves, subject to Whāngārei District Council approval, the proposed transfer of NRC and WDC land, and the acquirement of easements, as detailed in Table 2 of Attachment 3 of the report.
-

ISSUE: Kotuku Detention Dam – Budget Update and Recommendation for Draft Annual Plan 2014/15**ID:** A607292**To:** Council Meeting, 28 January 2014**From:** Kathryn Ross, General Manager – Planning and Policy, and Bruce Howse, Land/Rivers Senior Programme Manager**Date:** 15 January 2014

Summary The purpose of this report is to provide an update on the Kotuku detention dam budget and discuss rating options for the Draft Annual Plan 2014/15. It concludes with the recommendation that the report be received and that the Year 3 LTP 2012-2022 targeted rate be maintained and the internal cost of borrowing for the project be adjusted to 6.15% for the Draft Annual Plan 2014/15, and that the Draft Annual Plan 2014/15 provides an update on progress with the dam project, the revised budget estimate, and signals the potential targeted rate increase for the LTP 2015-2025.

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input checked="" type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

Following consultation, council (in its Long Term Plan 2012-2022) decided to construct the Whāngārei detention dam and fund it through an internal loan to be repaid by extending the Whāngārei Urban Rivers Management Rate over 25 years. The Whāngārei Urban Rivers Management Rate is a targeted rate differentiated by location (CBD flood area or contributing catchment) and category (commercial or residential property) and is set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit. It is applied 100% to Whāngārei Urban Rivers Management Scheme works.

A separate report on the agenda, Kotuku Detention Dam Update, provides an update on progress with the project.

Introduction:

It is proposed that council highlight progress with the detention dam in its Draft Annual Plan, update the public on the revised costs associated with the dam, and signal its intention to revise the targeted rate for the dam as part of its consultation on the council's Long Term Plan 2015-2025. It is also proposed to adjust the internal cost of borrowing for the dam to 6.15% in the 2014/15 Annual Plan, as per council workshop discussions and independent advice on the appropriate internal loan rate for 2014/15.

Staff also recommend that the council does not adjust the targeted rate for Whāngārei Urban Rivers Management Scheme works until the LTP 2015-2025. At that time there will be more certainty on the overall project costs, including the capital

amount of the project, sales proceeds and the project completion date. Council will also be in a better position at that time to assess whether the loan term of 25 years is still equitable and affordable. This will also enable an audit of the targeted rating model (which determines the rate over the term of the repayment) to be combined with the audit of the LTP (including the council's financial strategy and the infrastructure strategy which is proposed by the Local Government Act 2002 Amendment Bill No3). This will be more cost effective than auditing of the model as a standalone exercise and will provide better integrated financial planning.

Staff also recommend that council, in conjunction with the Urban Whāngārei Rivers Management Liaison Committee, host a public information session on the progress of the scheme as part of the council's consultation on the Draft Annual Plan 2014/15.

Discussion:**Funding mechanism**

The proposed dam capital works were planned for 2013/14, pending confirmation of design, resource consents and land use negotiations. The dam build would be funded through an internal loan and repaid by extending the Whāngārei Urban Rivers Management Rate. Two loan repayment options were provided for consultation in the Draft Long Term Plan 2012-2022 – over 15 years and over 25 years. The council resolved through the Long Term Plan 2012-2022 to fund the project through an internal loan to be repaid over 25 years, thereby reducing the annual impact on the affected ratepayers.

Targeted rates such as the Whāngārei Urban Rivers Management Rate are generally used to ensure the individuals or groups that benefit from an activity pay for some or all of that activity. The useful life of the dam is expected to be 150 years. A loan period of 25 years is intended to achieve a degree of intergenerational equity.

It is council policy to use special funds and reserve funds for internal borrowing. Internal loans or internal borrowing is essentially a decision of council to invest internally. Activities (essentially special and reserve funds) within council lend surplus monies (monies not needed immediately) to other activities within council. This in turn reduces the need for and risks associated with external borrowing (including the risk that there is a gap between the interest rate charged on the loan and the rate of return that council achieves from an alternative investment using that money). The trade-off is that this money is not available to be invested in other external investment opportunities such as term deposits, stocks and bonds. Council may set an internal borrowing rate by special resolution at the time the internal loan is established.

There is an Urban Whāngārei Rivers Liaison Committee (made up of regional council and Whāngārei District Council councillors, and representatives of iwi, ratepayers and other stakeholders). It provides public input into the development of the Whāngārei Urban Rivers Flood Scheme and its objective is "To advise and make recommendations to the Northland Regional Council, via the Environmental Management Committee, on all matters pertaining to the development and implementation of flood risk reduction plans for the Hātea, Raumanga and Waiarohia streams/rivers (urban Whāngārei rivers)".

The liaison committee has met three times between July 2012 and February 2014. The liaison committee is a sub-committee of council, and minutes of its meetings are reported to the Environmental Management Committee of council and are available

on line at www.nrc.govt.nz/agendas. The liaison committee members are appointed by the council. The liaison committee does not replace consultation with affected communities under the Local Government Act and consultation with those communities is still required prior to making decisions on the setting of targeted rates to cover the funding of schemes.

Budget and rates

The Long Term Plan 2012-2022 estimate for the flood detention dam was \$6,876,728 (excluding GST). This total estimate has been further refined based on completion of the detailed dam design, peer review outcomes, quotations for service relocation (gas and power/fibre) and progress with land acquisitions. The revised dam construction cost (inclusive of contingency and requirements from consents/authorisations) and the revised land purchase estimate (inclusive of contingency on unsecured properties) give a total project estimate of \$8,483,689.

The construction aspects that have had estimated cost increases are:

- Embankment and spillway earthworks
- Spillway and plunge pool
- Culvert and inlet/outlet works
- Services relocation
- Demolition of dwellings
- Supervision and contract
- Requirements arising from consents/authorisations.

(There have additionally been some construction aspects that have decreased in estimated cost.)

An overall contingency has been allowed for in the revised project capital estimate.

While the revised costs include property acquisition, “compensation” for Whāngārei District Council reserve land that is required for the dam has not been budgeted for. The dam provides significant benefit for Whāngārei district ratepayers and compensating Whāngārei District Council for the use of the land would be double charging Whāngārei district ratepayers. Council intends to compensate Whāngārei District Council with land that is surplus to construction requirements, has no development potential and is suitable for reserve purposes.

The net effect is an increase in estimated capital cost of \$1,606,689 over the original LTP estimate. Revenue from disposal of properties has also been estimated. (Council needs to acquire three properties to enable registration of storm water ponding easements over them, but does not need to own the properties in perpetuity.) Assuming anticipated revenue from disposals is realised, council intends to use this revenue to offset some of the increase in estimated capital costs (in line with council's approach to funding capital expenditure and reducing debt from the sale of surplus assets as detailed in its Revenue and Financing Policy and its Treasury Management Policy in the council's Long Term Plan 2012-2022, please see pages 195 and 208 respectively). As a result of this offsetting council estimates that the overall increase in the estimated capital cost will be less than \$1M.

At this stage there are still some uncertainties around the final land acquisition and construction costs. For example, land acquisition costs could potentially increase if the land valuation tribunal made a finding for an award that is higher than the council's registered valuation for a property (the tribunal hears matters relating to a

valuation when land is taken under the Public Works Act 1981. Eight properties have been served with a notice under the Public Works Act 1981.) Tenders for the construction, and or contingency measures for unforeseen construction risks (due to ground conditions), also pose risks and opportunities to the construction cost estimates.

A cost of borrowing charge is applied to all borrowing. The LTP therefore assumed an “interest” rate (the cost of borrowing) of 5% for the internal loan associated with the dam construction based on the rate the council could get at the time if it invested in fixed longer term stock and bond investments. The 5% is built into the targeted rate.

As noted in the forecasting assumptions and the financial overview in the LTP, the actual rate to be applied to internal borrowing is based on the cost of borrowing and available investment at the time of borrowing with significant changes in the cost of funding over the loan term resulting in potential extensions to the repayment period or increases to the targeted rate being made to service the loan (pages 40 and 156 of the LTP). Since 2012 the cost of borrowing and available investment returns has changed. With capital works planned for 2014/15 council has taken independent advice and based on the current costs of borrowing and available investments determined that the internal interest rate that should be applied is 6.15%.

The revised project cost estimates and revised targeted rate estimates (with 5% and 6% internal interest rate scenarios) were presented in a report to the Whāngārei Urban Rivers Liaison Committee at its meeting of 9 December 2013. Whilst there was no formal resolution in support, the revised estimates and proposed adjustment to interest rates appeared acceptable to the committee.

Options considered

The following presents an analysis of different rates and internal interest options for consideration.

Table 1 **attached** shows rating revenue scenarios for the four different options.

- The first option is based on the current LTP 2012-2022 with capital expenditure of \$6,876,728 and maintaining the internal interest rate at 5% for 2014/15.
- The second option is based on revised capital expenditure estimates of \$8,483,689, less \$619,566 in revenue from sale of properties, and applying an internal interest rate of 6.15% (commencing 1 July 2014), with revised rating commencing 2015/16. Under this scenario the rate for 2014/15 would be maintained as per Year 3 of the LTP 2012-2022 (the same rate amounts as Option 1), but the internal interest rate would be adjusted to 6.15% (commencing 1 July 2014).
- The third option is based on revised capital expenditure estimates of \$8,483,689, less \$619,566 in revenue from sale of properties, and applying an internal interest rate of 5% (interest rate continues as current), with revised rating commencing 2014/15.
- The fourth option is based on revised capital expenditure estimates of \$8,483,689, less \$619,566 in revenue from sale of properties, and applying an internal interest rate of 6.15% (commencing 1 July 2014), with revised rating commencing 2014/15.

Calculations for all scenarios are based on a 25 year repayment period (commencing 2012/13).

Each of the options is discussed in the following:

Option 1 - Retain the status quo – Continue the Whāngārei Urban Rivers Management Rate as a targeted rate differentiated by location (CBD flood area and contributing catchment) and category (commercial or residential property in CBD) set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit based on the LTP estimate for the dam construction of \$6,876,728 (excluding GST) and apply a 5% internal cost of borrowing.

Under this scenario council would use any revenue from disposal of surplus assets to offset any increase in capital costs should costs increase but would delay any adjustments to the targeted rate until the LTP 2015-2025. At that time there will be more certainty on the overall project costs, including the capital amount of the project and sales proceeds, and the project completion date. Council will also be in a better position at that time to assess whether the loan term of 25 years is still equitable and affordable.

The internal cost of borrowing would remain at 5% despite the actual cost having increased. This would result in a detriment to ratepayers outside of the Whāngārei Urban Rivers Management Rate area, who would essentially be subsidising the lower 5% internal interest rate as a 6.15% interest rate return would not be realised.

This option enables an audit of the targeted rating model (which determines the rate over the term of the repayment) to be combined with the audit of the LTP (including the council's financial strategy and the infrastructure strategy which is proposed by the Local Government Act 2002 Amendment Bill No3). This will be more cost effective than auditing of the model as a standalone exercise, provide council and ratepayers with appropriate financial prudence and risk assurance, and will provide better integrated financial planning.

The process avoids the audit costs associated with adjusting the targeted rate two years in succession.

Under this option there would be full consultation on the targeted rate as part of the Long Term Plan process and a public information session for Whāngārei residents and ratepayers as part of the Annual Plan 2014/15 process to update them on the project's progress. The Draft Annual Plan 2014/15 and its summary would also update the public on the revised costs associated with the dam, and signal council's intention to revise the targeted rate for the dam as part of its consultation on the council's Long Term Plan 2015-2025.

Option 2 – Maintain rates as per Year 3 of the LTP 2012-2022 and apply 6.15% internal interest to borrowing – Continue the Whāngārei Urban Rivers Management Rate as a targeted rate differentiated by location (CBD flood area and contributing catchment) and category (commercial or residential property in CBD) set as a fixed amount per SUIP based on the LTP estimate for the dam construction of \$6,876,728 (excluding GST) and apply a 6.15% internal cost of borrowing.

This option provides the same benefits as Option 1 but does not impose a cost on ratepayers not benefiting from the scheme as it adjusts the internal rate of borrowing in the year that the construction costs occur and therefore loan "drawdown" occurs.

Under this option there would be full consultation on the targeted rate as part of the Long Term Plan 2015-2025 process and a public information session for Whāngārei

residents and ratepayers as part of the Annual Plan 2014/15 process to update them on the project's progress. The Draft Annual Plan 2014/15 and its summary would also update the public on the revised costs associated with the dam, and signal council's intention to revise the targeted rate for the dam as part of its consultation on the council's Long Term Plan 2015-2025.

Option 3 – Revised estimate - Continue the Whāngārei Urban Rivers Management Rate as a targeted rate differentiated by location (CBD flood area and contributing catchment) and category (commercial or residential property in CBD) set as a fixed amount per SUIP based on the revised estimate for the dam construction of \$8,483,689 (excluding GST), apply a 5% internal cost of borrowing and use any revenue from disposal of surplus assets to offset some of the increase in estimated capital costs.

This option would adjust the targeted rate for the Annual Plan 2014/15 based on revised project estimates. However, this is considered premature as the final project costs are not yet known, which could require a subsequent rate adjustment requiring further audit and reducing cost efficiencies. As per Option 1, the lower internal interest rate would also be a detriment to those ratepayers outside the targeted rating area of the dam.

Option 4 – Revised estimate and 6.15% interest – Continue the Whāngārei Urban Rivers Management Rate as a targeted rate differentiated by location (CBD flood area and contributing catchment) and category (commercial or residential property in CBD) set as a fixed amount per SUIP based on the revised estimate for the dam construction of \$8,483,689 (excluding GST), apply a 6.15% internal cost of borrowing and use any revenue from disposal of surplus assets to offset some of the increase in estimated capital costs.

This option would adjust the targeted rate for the Annual Plan 2014/15 based on revised project estimates. However, as with Option 3 this is considered premature as the final project costs are not yet known, which could require a subsequent rate adjustment requiring further audit and reducing cost efficiencies. As per Option 2, this option does not impose a cost on ratepayers not benefiting from the scheme as it adjusts the internal rate of borrowing to a rate that is consistent with independent financial advice.

Overall staff recommend Option 2 to council, which would maintain the targeted rate for 2014/15 as per Year 3 of the LTP 2012-2022 (the same rate amounts as Option 1), and apply a 6.15% internal interest rate to the project for internal borrowing.

Legal compliance and significance assessment:

The activities detailed in this report are provided for in the council's 2012-2022 Long Term Plan and as such are in accordance with the council's decision-making process and sections 76-82 of the Local Government Act 2002.

In relation to section 79 of the Local Government Act 2002, this issue is considered to be of low significance under council policy.

Recommendations:

1. That the report “Kotuku Detention Dam – Budget Update and Recommendation for Draft Annual Plan 2014/15” by Kathryn Ross, General Manager – Planning and Policy, and Bruce Howse, Land/Rivers Senior Programme Manager, dated 15 January 2014, be received.
 2. That for the Draft Annual Plan 2014/15 the Year 3 LTP 2012-2022 targeted rate is maintained, and the internal cost of borrowing for the project is adjusted to 6.15%.
 3. That the Draft Annual Plan 2014/15 provides an update on progress with the dam project, the revised budget estimate, and signals the potential targeted rate increase for the LTP 2015-2025.
-

Table 1 - Rating revenue scenarios, calculations based on 25 year repayment period (commencing 2012/13)

			Option 1		Option 2		Option 3		Option 4	
Capital (Excl GST)			\$6,876,728		\$8,483,689		\$8,483,689		\$8,483,689	
Interest rate (effective from 1 July 2014)			5%		6.15%		5%		6.15%	
Proposed date for rate			2014/15, review 2015/16		2015/16		2014/15		2014/15	
Notes			Same as LTP 2012-2022, Year 3 - 2014/15.		Interest rate adjusted to 6.15%, but rate amounts maintained as per Option 1 for 2014/15. Potential 2015/16 revised rates shown in following.		Decrease in rate (in comparison to Option 1) due to revision in depreciation calculations ¹ over that used in LTP 2012-2022.		Same as Option 2, but rate adjusted in 2014/15 rather than 2015/16.	
			EX GST	INC GST	EX GST	INC GST	EX GST	INC GST	EX GST	INC GST
Commercial	CBD	Rate	\$238.58	\$274.37	\$253.60	\$291.64	\$233.92	\$269.01	\$252.43	\$290.29
		Units	771		771		771		771	
		Total	\$183,933.78		\$195,522.86		\$180,355.65		\$194,623.51	
Residential	CBD	Rate	\$90.68	\$104.28	\$96.38	\$110.84	\$88.91	\$102.24	\$95.94	\$110.33
		Units	133		133		133		133	
		Total	\$12,059.05		\$12,818.85		\$11,824.46		\$12,759.89	
Residential	NON CBD	Rate	\$31.97	\$36.77	\$33.99	\$39.08	\$31.35	\$36.05	\$33.83	\$38.90
		Units	16,398		16,398		16,398		16,398	
		Total	\$524,258.69		\$557,290.55		\$514,060.09		\$554,727.17	
Less WDC discount for rates prompt payment and remissions			-\$8,643		-\$9,188		-\$8,475		-\$9,145	
Grand total			\$711,608.51		\$756,444.68		\$697,765.32		\$752,965.25	
Increase %			0.000%		6.301%		-1.945%		5.812%	

¹ Option 2, 3 & 4 use the same base figures for calculation of depreciation; depreciation applied to built asset (not land) with useful life of 150 years.

**ISSUE: Commercial Property and Fees and Charges –
Draft Annual Plan Delegation to Audit and Risk**

ID: A611390

To: Council Meeting, 28 January 2014

From: Kathryn Ross, General Manager - Planning and Policy

Date: 21 January 2014

Summary The purpose of this report is to confirm/specifically delegate to the Audit and Risk Committee responsibility for determining whether the council should consult on the potential sale of its properties that are subject to five and seven year leasehold interests and whether it should apply CPI to its fees and charges as part of the development of the Draft Annual Plan.

Report Type:	<input type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input checked="" type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

Background:

Council is preparing its Draft Annual Plan 2014/15. Consultation on the Draft Annual Plan is done using the special consultative procedure outlined in the Local Government Act 2002. Staff expect to present the Draft Annual Plan 2014/15 to the 18 March 2014 council meeting for council approval to consult on it.

Discussion:

While changes to the Draft Annual Plan as a result of the 18 March 2014 meeting are possible, the period for consultation, submissions, hearings and deliberations is tight and it is desirable to have as much content and the key areas for consultation for the Draft Annual Plan agreed prior to the 18 March 2014 meeting. Two key areas for further discussion prior to the March meeting are whether the council should consult on:

- the potential sale of its properties that are subject to five and seven year leasehold interests (which are currently returning at 4.5% and will be workshopped with council on 21 January 2014 or early in February 2014); and
- whether it should change/apply CPI to council fees and charges (staff will recommend applying CPI and the key issue will be the rate to be applied).

Clause 32 of Schedule 7 of the Local Government Act 2002 provides that council may delegate to a committee or other subordinate decision-making body, ... any of its responsibilities, duties, or powers except (amongst other things) the power to make a bylaw; or the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or the power to adopt a long-term plan, annual plan, or annual report; or the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement. These exceptions do

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not however restrict the power of the council to delegate doing things precedent to council exercising those powers and duties.

The Audit and Risk Committee Terms of Reference – which are the subject of an earlier agenda report to this council meeting – include the delegation to the committee to “Oversee the preparation of budgets from a governance perspective”. Both the sale of property and any changes to the council’s fees and charges will affect council revenue. I therefore consider it appropriate and efficient (given the timeframes involved) for the Audit and Risk Committee to consider whether the council should consult on these matters as part of its Draft Annual Plan process. A decision to consult on these matters is not the same as making the decision on whether to change the fees and charges or to sell the properties and council will retain decision making for the approval of the Draft Annual Plan.

Given the link between the budgets and the decision to consult I consider these matters fall within the committee’s terms of reference, and I consider that the preparation of agenda items for the Audit and Risk Committee will add to transparency in the council’s decision making in the lead up to approving the Draft Annual Plan for consultation. I therefore ask that the council confirms that the Audit and Risk Committee has delegated authority (or specifically delegates to it the authority) to decide whether or not to consult on these matters. Staff will then prepare agenda items for the 18 February 2014 committee meeting asking for confirmation on whether the Draft Annual Plan should contain proposals to change the fees and charges and to sell the properties. The Draft Annual Plan (and the things to be consulted on) will then be built around the decisions made at that meeting and included in the 18 March 2014 council agenda.

Legal compliance and significance assessment:

The Audit and Risk Committee terms of reference and Schedule 7 of the Local Government Act 2002 provide for these matters to be considered by the committee and this matter has been assessed according to the council’s Significance Policy and deemed to be of low significance.

Recommendations:

-
1. That the report “Commercial Property and Fees and Charges – Draft Annual Plan Delegation to Audit and Risk”, dated 21 January 2014, be received.
 2. That council confirms that the Audit and Risk Committee has delegated authority (or specifically delegates to it the authority) to decide whether or not to consult on:
 - the potential sale of its properties that are subject to five and seven year leasehold interests; and
 - whether it should change/apply CPI to council fees and charges (staff will recommend applying CPI and the key issue will be the rate to be applied).
-

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ISSUE: Organisational Performance Committee**ID:** A607339**To:** Council Meeting, 28 January 2014**From:** Malcolm Nicolson, Chief Executive**Date:** 6 January 2014

Summary This report presents the Deputy Chairman's proposal to establish an Organisational Performance Committee, for the council's consideration and decision.

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

Since the October 2013 local body elections, the council has been considering a range of governance structure issues, including the establishment of committees and appointment of portfolios and liaison roles for individual councillors. The Deputy Chairman, Graeme Ramsey, has suggested as part of this structure that an Organisational Performance Committee be established. He has drafted proposed terms of reference (see **Attachment A**).

Discussion:

In brief, the purpose of the committee is partly to act as a Chief Executive employment review committee. Such committees are commonly established by councils throughout New Zealand to oversee Local Government Act 2002 requirements¹ to assess their chief executive's performance and consider his/her remuneration levels.

The Deputy Chairman suggests the committee would have a wider brief to:

- Examine key areas of the organisation's performance, with the purpose of clarifying the council's expectations "in key areas by developing policies and guidelines for operational expectations".
- Have the authority to examine any strategies that impact on organisational performance from a governance perspective.
- Provide additional assistance to the Chairman and the Chief Executive during any transitional period of local government reorganisation.
- Consider staffing and remuneration policy levels as part of council's powers under Clause 36A, Schedule 7, of the Local Government Act, and make recommendations to council.

As envisaged by the Deputy Chairman, the committee will require only minor resourcing and its activities will not be minuted – although a register of actions and outputs would be maintained. However, given the findings and recommendations of the Office of the Auditor General's recent inquiry into the Mangawhai Wastewater

¹ See [Clauses 33 to 36A](#) of Schedule 7, Local Government Act 2002

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Scheme², which relate to a council's obligations for good record-keeping, I must recommend that the committee be required to keep and present to council its minutes, as with other council committees. The keeping of minutes is also a requirement of Clause 28, Schedule 7, of the Local Government Act.

I request the council give consideration to this proposal. In the event the council supports it, then an appropriate addition to the recommended resolution below would be as follows:

2. *That the council establishes an Organisational Performance Committee, with terms of reference as attached to the report, subject however to the requirement that the committee maintain minutes of its meetings and these be reported to council.*
3. *That the Chairman, Deputy Chairman, and Councillor _____ be appointed to the committee.*

Recommendation:

-
1. That the report, "Organisational Performance Committee", by Chief Executive Malcolm Nicolson, dated 6 January 2014, be received.
-

² See [Clauses 25.10 to 25.12](#), page 274 of OAG report

DRAFT**November 14 2013**

Organisational Performance Committee

Terms of Reference

Introduction

A number of Councils have performance and remuneration committees that provide a mechanism to manage the performance of the Chief Executive and through this the performance of the organisation.

This proposal aims to establish such a committee with the additional brief to examine key areas of the organisations performance. The purpose is to clarify Council's expectations in key areas by developing policies and guidelines for operational expectations.

Composition

It is proposed that a small committee of three people comprising the Chairman, Deputy Chairman and a Councillor with organisational performance experience in public sector organisations be set up by Council.

Council recognises that the Chairman has regular day to day contact with the Chief Executive where the Chief Executive may use the Chairman as a sounding board on operational issues from time to time.

This committee may provide an additional informal reference point for the Chief Executive to explore organisational issues.

Specific Terms of Reference

1. Chief Executive's performance
The committee will develop for council approval draft KPI and the performance agreement for the Chief Executive. Once approved the committee will provide ongoing monitoring of the KPI with the Chief Executive in order to provide ongoing guidance on behalf of Council.
2. Remuneration
The Committee will commission such market data as required (currently through Strategic Pay) in order to assess appropriate remuneration for the Chief Executive at his annual review. The committee will determine a pay policy for the Chief Executive and make recommendations to Council. In conjunction with this the Committee may examine pay policy for all staff prior to any annual review. (NB this does not include any individual pay decisions which are the province of the Chief Executive but rather examines issues such as remuneration design, structure and relationship to market).
3. Other areas
Council has from time to time identified areas where new strategies or a revision of strategy is required. Council's communications approach is one example of

this. Council's mechanisms for engaging with communities across Northland are another.

The Committee shall have the authority to examine any such areas of organisational performance from a governance perspective in order to make policy and strategy recommendations to Council. In doing so it will work directly with the Chief Executive. Other staff members may be included on a case-by-case basis as agreed between the Committee and the Chief Executive. It is envisaged that the work in this area will clearly define outputs, examine implications for resources and thus for Annual Plan purposes, as well as looking at monitoring frameworks to ensure results are achieved.

4. Preparation for Local Government changes

Council recognises that the current discussions on local government reform with possible transition to a new authority within Northland is a time of considerable uncertainty and change for staff.

While the Chief Executive employs all staff it is Council who has the overall responsibility for the organisation. It will be a key role for this Committee to provide additional assistance to the Chairman and the Chief Executive during this transitional period. A further benefit will be that the Committee can provide comfort to the Council that the transition is being handled as smoothly as possible.

5. Resources

Only minor resources will be required for this Committee. Given its nature minutes will not be taken of its activities rather only records of actions and outputs. No additional budget is required although if required application would be made to Council.

Graeme Ramsey

ISSUE: Funding Assistance Rates (FAR) Review – Options Discussion Document

ID: A609322

To: Council Meeting, 28 January 2014

From: Chris Powell, Transport Operations Senior Programme Manager

Date: 8 January 2014

Summary The purpose of this report is to provide an update on the NZ Transport Agency Funding Assistance Rates Review.

The report concludes with recommendations that the report be received, that the Northland Regional Council approve the compilation of a submission supporting Options 1, 3 and 5, that in its submission the Northland Regional Council supports the submissions of the Far North, Whāngārei and Kaipara District Councils and that approval be given to the Chairman and Chief Executive Officer to approve and sign the final submission prior to release.

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input checked="" type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input checked="" type="checkbox"/> High	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low

Background:

Under the Regional Land Transport Programme 2012-2015, the Northland Regional Council (NRC) currently receives funding assistance (subsidy) from the NZ Transport Agency (NZTA) in order to undertake the following transport related activities:

Activity	Description	NZTA FAR
Bus services	Whāngārei Bus Service Operations	50%
Passenger transport facilities	Bus terminus and bus stop maintenance	58%
Total mobility operations	Whāngārei TM service operations	40%
Wheelchair hoist	Installation of TM wheelchair hoists	60%
Total mobility wheelchair hoist payment	Payment for conveyance of TM clients in wheelchairs	100%
Public transport information operations and maintenance	Promotion and advertising of subsidised public transport services	58%
Activity management planning	Implementation and management of Regional Road Safety Action Plan	64.77%
Regional land transport planning management	Compilation, administration and reporting on Regional Land Transport Plan	64.77%
Road safety high strategic fit	Vehicles on beaches and share the road	64.77%

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Road safety medium strategic fit	Coffee brake and fatigue stops	64.77%
SuperGold card allocations	Cost of conveyance of SuperGold card holders on contracted bus services	100%

The average FAR for the NRC for the four year financial period 2009-2013 is listed as 56.3%. This average has, however, gradually been reduced to 51.9% for the 2012/13 financial year only.

In October 2012, the NZTA advised all approved authorities that it was undertaking a comprehensive review of the general approach to setting funding assistance rates (FARs) for land transport activities. This letter was accompanied by a briefing document entitled "Funding Assistance Rates (FAR) Review – Background Document".

In February 2013 NZTA released a further document entitled "Funding Assistance Rates (FAR) Review – Discussion Document". This document sought feedback on what principles should sit behind how NZTA sets FARs and the different overall approaches NZTA could take to setting FARs.

Principles

The principles identified were that the approach used in setting the FARs should:

- Seek value for money;
- Support a whole of network approach;
- Recognise interest and benefits received by ratepayers and users of the transport system;
- Be financially responsible;
- Allow social and environmental responsibilities to be exhibited;
- Be efficient to apply;
- Be transparent; and
- Provide certainty and be agile.

Approaches

The following approaches to setting FARs were provided for consideration:

- Flat approach – Every approved organisation having the same FAR for every land transport activity;
- Differences approach – An approved organisation having the same FAR for every activity but different approved authorities having different FARs;
- Classification approach – Different FARs set for activities depending on their classification in a national road classification system;
- Revenue approach – Setting FARs to reflect where the National Land Transport Fund (NLTF) revenue was generated;
- Population approach – Determining FARs by population (i.e. the bigger the population the larger the FAR);
- Incentives approach – Setting targets which approved organisations are required to meet;
- Contribution approach – Allocating NLTF funding generally in accordance with the degree to which a district/region contributes to the New Zealand economy; and

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- Relative benefit approach – Setting FARs to reflect the extent to which particular land transport activities benefit property owners (ratepayers) and the extent to which they benefit land transport system users.

Submissions on this discussion document closed on 3 May 2013. The NRC made a submission on this document. See **Attachment 1** for a copy of the submission.

Progress report

Based on the feedback received from the “Funding Assistance Rates (FAR) Review – Discussion Document” released in February 2013, NZTA released their “Funding Assistance Rates (FAR) Review – Options Discussion Document” in December 2013.

This document is seeking feedback from all approved authorities to find the optimal approach to setting FARs.

Options

NZTA has come up with five options for the setting of FARs for councils. These are:

- **Option 1** – Compares the relative wealth of the residents of each council's area using the New Zealand index of deprivation;
- **Option 2** – Uses a proxy of the relative wealth of councils' ratepayers, including corporate and non-resident ratepayers (the capital value of rateable land in the area) and a proxy for the number of ratepayers a council can obtain the local share of land transport costs using the ratio of:

$$\frac{\text{Net equalised rateable capital value}}{\text{Number of rating assessments}}$$

- **Option 3** – Uses both the ratio from Option 2 and index of deprivation;
- **Option 4** – Compares councils by both an objective proxy for the size of the land transport activities they undertake (lane kilometres of local road) and a proxy for the relative wealth of councils' ratepayers using the ratio of:

$$\frac{\text{Lane kilometres of local road}}{\text{Net equalised rateable capital value}}$$

- **Option 5** – Uses both the ratio in Option 4 and index of deprivation.

NZTA has considered the appropriate range for the overall NLTF co-investment rate to be from 50% (a 50:50 cost split) to 53% (the overall effective FAR over the last few years).

Implications for Northland Regional Council

The implications of the proposed options for the NRC is reflected in **Attachment 2** entitled “Table 1: Councils Indicative Funding Assistance Rate Under Each of the Options Using the Current Modelling Approaches.”

To gain a more accurate picture of the effect that each proposed option will have on the individual approved authorities, please compare the percentage figure contained in the column headed “Status Quo – Overall Effective Rate 2009/10 – 2012/2013” against the figures depicted under each option.

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Please note that those areas under the five proposed options that are shaded olive indicate that the approved authority would not be in the top 25% funding assistance range and therefore would not receive a higher funding assistance rate under that relevant option. The opposite obviously applies for those areas not shaded.

From the data provided, the following is noted with regard to the NRC:

Option	Present FAR	Proposed FAR	Recommendation
Option 1 @ 50% Overall Rate	56.3%	55%	Accept
Option 1 @ 53% Overall Rate	56.3%	60%	Accept
Option 2 @ 50% Overall Rate	56.3%	49%	Decline
Option 2 @ 53% Overall Rate	56.3%	52%	Decline
Option 3 @ 50% Overall Rate	56.3%	55%	Accept
Option 3 @ 53% Overall Rate	56.3%	60%	Accept
Option 4 @ 50% Overall Rate	56.3%	49%	Decline
Option 4 @ 53% Overall Rate	56.3%	52%	Decline
Option 5 @ 50% Overall Rate	56.3%	55%	Accept
Option 5 @ 53% Overall Rate	56.3%	60%	Accept

Attachment 3 provides a more detailed graphical picture of how each of the four approved authorities will be affected under each proposed option.

It is important to note that the NRC has to date managed to carry out its transport related activities with restricted national and local funding assistance, particularly on the operational side. As the costs of undertaking these activities have escalated with inflation, expenditure has been reduced accordingly. This tight fiscal situation has resulted in the NRC not being able to expand on the work it is presently undertaking and could potentially face the risk of having to cut back on activities in the future.

To compound the above situation, NZTA have indicated that the 2015-2018 funding period will again be extremely restrictive with 80% of identified national funding being directed to work not undertaken or completed during 2012-2015 and the remaining 20% being directed to those projects that meet the land transport objectives of the government as directed in the Government Policy Statement. They have also indicated that there will be no increase in funding levels in all of the work categories in the new funding period.

Based on the above, it is extremely important that the NRC make every effort to ensure that where possible it retains its NZTA subsidy levels as close to the existing levels as possible.

Northland Regional Council submission

Submissions on the proposed options as detailed in the Funding Assistance Rates (FAR) Review – Options Discussion Document close on Monday 3 March 2014.

Based on the information received and the content of this report, it is recommended that the NRC make a submission on the five options presented and that in its submission council supports the following options at the 53% co-investment level:

- Option 1;
- Option 3; and
- Option 5.

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By supporting the above options, the NRC will ensure that:

- If the 50% (50:50 cost split) funding level be adopted, there will potentially be a 1.3% annual decrease in NZTA subsidy; and
- If the 53% (the overall effective FAR over the last few years) funding level be adopted, there will potentially be a 3.7% annual increase in NZTA subsidy.

Due to the limited time available for the compilation of the submission, it is recommended that the Chief Executive Officer be granted approval to authorise the release of the submission.

Regional implications

NRC staff have analysed the implications of the review on the four approved authorities in Northland. The results are depicted in the table below.

Approved Authority	Suitable Options	Unsuitable Options
Far North District Council	1, 2, 3 + 5	4
Kaipara District Council	1, 4 + 5	2 + 3
Northland Regional Council	1, 3 + 5	2 + 4
Whāngārei District Council	1	2, 3, 4 + 5

Note: State highways are not included in the review and are therefore not included above.

Although this report contains a recommendation that the NRC submit in favour of Options 1, 3 and 5, from the perspective of Northland retaining as much of its existing subsidies as possible, it is apparent that the most suitable option for Northland as a whole is **Option 1**.

A report on this matter is to be tabled at the Regional Transport Committee (RTC) meeting to be held on 12 February 2014. This report includes a recommendation that the RTC put forward a regional submission in support of Option 1 as the most suitable option for the region.

It is further recommended that in its submission, the NRC support the submissions of the Far North, Whāngārei and Kaipara District Councils.

Legal compliance and significance assessment:

The activities detailed in this report are provided for in the council's 2012-2022 Long Term Plan, and as such are in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002.

This issue is considered to be potentially significant because the outcome of the decisions could have:

1. The potential for the reduced financial assistance rate for the Northland Regional Council;
2. Hinder the ability of the Northland Regional Council to financially progress new land transport related projects;

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3. Hinder the ability of the Northland Regional Council to effectively carry out its statutory responsibilities.
4. Be potentially controversial.

Recommendations:

1. That the report, "Funding Assistance Rates (FAR) Review – Options Discussion Document" by Chris Powell, Transport Operations Senior Programme Manager, dated 8 January 2014, be received.
 2. That the council approves the compilation of a draft regional submission supporting Option 1; Option 3 and Option 5 as contained in the NZ Transport Agency document entitled "Funding Assistance Rates (FAR) Review – Options Discussion Document".
 3. That in its submission, the Northland Regional Council supports the submissions of the Far North, Whāngārei and Kaipara District Councils.
 4. That approval is given to the Chief Executive Officer to approve and sign the final submission prior to its release.
-

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ISSUE: Maritime Department: Issue of Updated Warrants**ID:** A608352**To:** Council Meeting, 28 January 2014**From:** Tony Phipps, Operations Director, Jim Lyle, Regional Harbourmaster and Chidambaram Surendran, Deputy Harbourmaster**Date:** 14 January 2014

Summary The purpose of this report is to seek the council's approval for the issue of updated warrants to seven officers in the Maritime Department, necessitated by recent amendments to the Maritime Transport Act 1994 (MTA). The report also seeks council's approval for the delegation of certain powers given to the council by the MTA to be delegated to the harbourmasters. It concludes with the recommendation that the council approve the issue of the warrants, and the delegation of powers as proposed.

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input checked="" type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

Background:

The Regional Harbourmaster, Deputy Harbourmaster and the five Maritime Officers currently hold warrants issued under the provisions of the Local Government Act 1974 (LGA), which enables them to exercise powers and carry out the various functions related to maritime safety.

In October 2013, maritime related functions and powers that were previously included in the LGA were repealed and included in the Maritime Transport Act 1994 (MTA) by government. These changes were made to address a long standing need to consolidate the powers and functions of harbourmasters and their maritime teams across the country into one piece of legislation. While many of the functions and powers were transferred from the LGA to the MTA almost word-for-word, the new legislation has provided clarity on certain issues and has accorded amended or additional powers to regional councils and harbourmasters. Existing staff warrants thus need to be revoked, and re-issued under the provisions of the MTA.

a) Proposed powers and functions of Regional and Deputy Harbourmasters

It is proposed to issue warrants with the following powers and functions to Jim Lyle, Regional Harbourmaster and Chidambaram Surendran, Deputy Harbourmaster:

- Section 33F: Harbourmasters' general powers including the powers to - enter/remain on ships and maritime facilities; give directions to ships on movement, securing, mooring and cargo handling; cause the removal of a hazard to navigation; require a person in charge of a ship or a person committing an offence to give his/her name and address; require the owner of a ship involved in an offence to give all information; control maritime traffic;

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- Section 33J: remove and deal with any wreck that is a hazard to navigation;
- Section 33L: remove, store, sell, or otherwise dispose of abandoned ships;
- Section 33P and 423: issue infringement notices; and
- Section 33H: powers of entry in relation to any ship, building or place.

Of the above, sections 33J and 33L are powers accorded by the MTA to the regional council. Council's approval is sought to delegate these powers to the Regional and Deputy Harbourmasters by including these sections in their warrants, so that these two officers are able to deal with wrecks and abandoned vessels without having to seek council approval on each occasion.

The other sections are powers directly accorded to harbourmasters by the MTA, by virtue of their appointment to those roles.

b) Proposed powers and functions of Maritime Officers

It is proposed to issue warrants with the following powers and functions to five Maritime Officers, namely, Blake Cameron, Peter Dodds, Craig Gardner, Peter Thomas and Ross Watters:

- Section 33F(1)(a): enter and remain on any ship;
- Section 33F(1)(b): enter and remain on any maritime facility or on any land or property of a port;
- Section 33F(1)(g): require any person in charge of any ship or seaplane to stop and to give his/her name and address;
- Section 33F(1)(h): require any person found committing an offence against the Act or other regulations/rules/bylaws made under the Act to stop and to give his/her name and address;
- Section 33F(1)(i): require the owner of a ship or seaplane involved in an alleged offence, to give all information in the owner's possession or obtainable by the owner, that may lead to the identification of another person who is alleged to be the offender; and
- Sections 33H: powers of entry in relation to any ship, building or place.

The above powers are accorded to enforcement officers by the MTA by virtue of their appointment to those roles.

Legal compliance and significance assessment:

In relation to section 79 of the Local Government Act 2002, this issue is considered to be of low significance under council policy as it is part of the normal day-to-day operations of the council. The activities detailed in this report are in accordance with council's 2012-2022 Long Term Plan approved in accordance with council's decision making requirements of sections 76-82 of the Local Government Act 2002.

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Recommendations:

1. That the report “Maritime Department: Issue of Updated Warrants” by Tony Phipps, Operations Director, Jim Lyle, Regional Harbourmaster and Chidambaram Surendran, Deputy Harbourmaster, dated 14 January 2014, be received.
 2. That the council approves the delegation of powers under sections 33J and 33L of the Maritime Transport Act 1994 to Jim Lyle, Regional Harbourmaster and Chidambaram Surendran, Deputy Harbourmaster.
 3. That the council approves the issue of fresh warrants with powers under Sections 33F, 33J, 33L, 33P, 423 and 33H of the Maritime Transport Act 1994 as proposed to Jim Lyle, Regional Harbourmaster and Chidambaram Surendran, Deputy Harbourmaster.
 4. That the council approves the issue of new warrants with powers under Sections 33F(1)(a), 33F(1)(b), 33F(1)(g), 33F(1)(h), 33F(1)(i) and 33H of the Maritime Transport Act 1994 as proposed to five Maritime Officers, namely, Blake Cameron, Peter Dodds, Craig Gardner, Peter Thomas and Ross Watters.
 5. That the council revokes all existing warrants for Maritime department staff authorised under the Local Government Act 1974.
-

ISSUE: Business with the Public Excluded**ID:** A611745**TO:** Council Meeting, 28 January 2014**FROM:** Chris Taylor, Council Secretary**SUMMARY:** The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

Recommendations:

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reason\Grounds
9.1.1	Confidential Minutes of the Audit and Risk Committee – 26 November 2013	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.
9.1.2	Confidential Minutes of the Council Meeting – 10 December 2013	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.
9.2	Request for Compensation of Costs	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to allow the council to carry on, without prejudice or disadvantage, negotiations, including commercial and industrial negotiations (section 7(2)(i)).
