

## **NORTHLAND REGIONAL COUNCIL**

### **Agenda**

For meeting to be held at the Kerikeri RSA, Cobham Road, Kerikeri,  
on Tuesday 15 April 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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There are no presentations

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<p><b>ACC</b> - Accident Compensation Corporation</p> <p><b>AHB</b> - Animal Health Board</p> <p><b>ALGIM</b> - Association of Local Government Information Management</p> <p><b>AMA</b> - Aquaculture Management Area</p> <p><b>BOI</b> - Bay of Islands</p> <p><b>BOPRC</b> - Bay of Plenty Regional Council</p> <p><b>CAPEX</b> - Capital Expenditure (budget to purchase assets)</p> <p><b>CBEC</b> - Community, Business and Environment Centre</p> <p><b>CDEM</b> - Civil Defence Emergency Management</p> <p><b>CEG</b> - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p><b>CEO</b> - Chief Executive Officer</p> <p><b>CIMS</b> - Co-ordinated Incident Management System (emergency management structure)</p> <p><b>CMA</b> - Coastal Marine Area</p> <p><b>CPCA</b> - Community Pest Control Areas</p> <p><b>CRI</b> - Crown Research Institute</p> <p><b>DHB</b> - District Health Board</p> <p><b>DOC</b> - Department of Conservation</p> <p><b>DOL</b> - Department of Labour</p> <p><b>DPMC</b> - Department of Prime Minister and Cabinet</p> <p><b>ECA</b> - Environmental Curriculum Award</p> <p><b>ECAN</b> - Environment Canterbury</p> <p><b>EE</b> - Environmental Education</p> <p><b>EECA</b> - Energy Efficiency Conservation Authority</p> <p><b>EEZ</b> - Exclusive Economic Zone</p> <p><b>EF</b> - Environment Fund</p> <p><b>EMA</b> - Employers and Manufacturers Association</p> <p><b>EMC</b> - Environmental Management Committee</p> <p><b>EOC</b> - Emergency Operations Centre</p> <p><b>EPA</b> - Environmental Protection Authority</p> <p><b>FDE</b> - Farm Dairy Effluent</p> <p><b>FNDC</b> - Far North District Council</p> <p><b>FNHL</b> - Far North Holdings Limited</p> <p><b>FPP</b> - First Past the Post – voting system for NRC elections</p> <p><b>GE</b> - Genetic Engineering</p> <p><b>GIS</b> - Geographic Information System</p> <p><b>GMO</b> - Genetically Modified Organism</p> <p><b>HASNO</b> - Hazardous Substances &amp; New Organisms Act</p> <p><b>HBRC</b> - Hawke's Bay Regional Council</p> <p><b>HEMP</b> - Hapū Environmental Management Plan</p> <p><b>Horizons</b> - Brand name of Manawatu-Wanganui Regional Council</p> <p><b>HR</b> - Human Resources</p> <p><b>IEMP</b> - Iwi Environmental Management Plan</p> <p><b>IPPC</b> - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p><b>IRIS</b> - Integrated Regional Information System: new computer system being developed collaboratively with other Regional Councils</p> <p><b>KDC</b> - Kaipara District Council</p> <p><b>KPI</b> - Key Performance Indicator</p> <p><b>LATE</b> - Local Authority Trading Enterprise</p> <p><b>LGA</b> - Local Government Act 2002</p> <p><b>LGNZ</b> - Local Government New Zealand</p> <p><b>LGOIMA</b> - Local Government Official Information and Meetings Act 1987</p> <p><b>LGOL</b> - Local Government Online</p> <p><b>LTP</b> - Long Term Plan</p> <p><b>LTFS</b> - Long Term Financial Strategy</p> <p><b>MCDEM</b> - Ministry of Civil Defence &amp; Emergency Mgmt</p> <p><b>MFE</b> - Ministry for the Environment</p> <p><b>MHWS</b> - Mean High Water Springs</p> <p><b>MNZ</b> - Maritime New Zealand</p> <p><b>MOH</b> - Ministry of Health</p> <p><b>MOT</b> - Ministry of Transport</p>	<p><b>MPI</b> – Ministry of Primary Industries</p> <p><b>MSD</b> - Ministry of Social Development</p> <p><b>NCMC</b> - National Crisis Management Centre</p> <p><b>NES</b> – National Environmental Standards</p> <p><b>NDHB</b> - Northland District Health Board</p> <p><b>NZRC</b> - New Zealand Refining Company (Marsden Point)</p> <p><b>NGO</b> - Non-Governmental Organisation</p> <p><b>NIF</b> - Northland Intersectoral Forum</p> <p><b>NIWA</b> - National Institute of Water and Atmosphere</p> <p><b>NORTEG</b> - Northland Technical Advisory Group</p> <p><b>NPC</b> - Northland Port Corporation</p> <p><b>NZCPS</b> - New Zealand Coastal Policy Statement</p> <p><b>NZTA</b> - New Zealand Transport Agency</p> <p><b>NZQA</b> - New Zealand Qualifications Authority</p> <p><b>NZWWA</b> - New Zealand Water and Wastes Association</p> <p><b>OFI</b> - Opportunity for Improvement</p> <p><b>ORC</b> - Otago Regional Council</p> <p><b>OSH</b> - Occupational Safety &amp; Health (now Ministry of Business, Innovation and Employment)</p> <p><b>PDF</b> - Portable Document Format</p> <p><b>PPE</b> - Personal Protective Equipment</p> <p><b>RAP</b> - Response Action Plan</p> <p><b>RAQP</b> - Regional Air Quality Plan</p> <p><b>RCP</b> - Regional Coastal Plan</p> <p><b>RFI</b> - Request for Information</p> <p><b>RFP</b> - Request for Proposal</p> <p><b>RTC</b> - Regional Transport Committee</p> <p><b>RLTS</b> - Regional Land Transport Strategy</p> <p><b>RMA</b> - Resource Management Act 1991</p> <p><b>RMG</b> - Resource Managers Group (Regional Councils)</p> <p><b>RMZ</b> - Riparian Management Zone</p> <p><b>ROI</b> - Return on Investment</p> <p><b>RPMS</b> - Regional Pest Management Strategy</p> <p><b>RPS</b> - Regional Policy Statement</p> <p><b>RSG</b> - Regional Sector Group</p> <p><b>RTO</b> - Regional Tourism Organisation</p> <p><b>RWASP</b> - Regional Water and Soil Plan</p> <p><b>SCAR</b> - SmartStream Council Activity Reporting</p> <p><b>SITREP</b> - Situation Report</p> <p><b>SMF</b> - Sustainable Management Fund</p> <p><b>SOE</b> - State of Environment (or) State Owned Enterprise</p> <p><b>SOLGM</b> - Society of Local Government Managers</p> <p><b>SPARC</b> - Sport &amp; Recreation New Zealand</p> <p><b>SRC</b> - Southland Regional Council (Environment Southland)</p> <p><b>STV</b> - Single Transferable Vote</p> <p><b>SWAG</b> - Surface Water Allocation Group</p> <p><b>SWPA</b> - Sustainable Water Programme of Action</p> <p><b>TA</b> - Territorial Authority: City &amp; District Councils</p> <p><b>TAC</b> - Technical Advisory Group</p> <p><b>Tier 1</b> - Site level plan or response for an oil spill</p> <p><b>Tier 2</b> - Regional level plan or response to an oil spill</p> <p><b>Tier 3</b> - National level plan or response to an oil spill</p> <p><b>TLA</b> - Territorial Local Authority – City &amp; District Councils</p> <p><b>TMP</b> - Treasury Management Plan</p> <p><b>TOR</b> - Terms of Reference</p> <p><b>TPK</b> - Te Puni Kōkiri (Ministry of Maori Development)</p> <p><b>TRAION</b> - Te Rūnanga a Iwi o Ngāpuhi</p> <p><b>TRC</b> - Taranaki Regional Council</p> <p><b>TROTR</b> - Te Rūnanga o Te Rarawa</p> <p><b>TUANZ</b> - Telecommunications Users Association of NZ</p> <p><b>WCRC</b> - West Coast Regional Council</p> <p><b>WDC</b> - Whangarei District Council</p> <p><b>WHHIF</b> - Whangarei Harbour Health Improvement Fund</p> <p><b>WRC</b> - Waikato Regional Council</p> <p><b>WWTP</b> - Wastewater Treatment Plant</p>
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**ISSUE: Chairman's Report to Council****ID:** A629004**To:** Council Meeting, 15 April 2014**From:** Bill Shepherd, Chairman**Date:** 4 April 2014

**Summary** The purpose of this report is to provide an update from the Chairman for March 2014. It concludes with the recommendation that the report be received.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<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:
  - Paul Binney and Andy Britton, NorthTec – catch up meeting.
  - Marine Sector Workshop at Northland Inc.
  - Sid Anderson – Carruth Street property.
  - Hearing for NRC submission on Local Government Act 2002 – Amendment Bill No. 3.
  - Peter Winder – rates collection.
  - Local Government Commission hearing for proposal for the formation of a Northland unitary authority.
  - UNISA Mayors and Chairs meeting hosted by Northland Regional Council.
  - Mita Harris, Northland Conservation Board Chair – catch up meeting.
- Ben Smith – Hikurangi Swamp.
- Environment Award lunch at O'Shea farm.
- Sharon Morgan, Deputy Mayor Whāngārei District Council, and Liz Hauraki – Hundertwasser.
- An ex-employee made a complaint to me about council's use of information about him. I employed an independent person to investigate the information in the complaint and the investigation found no wrongdoing on the part of council.

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**Correspondence:**

During March I sent out the following correspondence:

<b>Date</b>	<b>Addressed To</b>	<b>Subject</b>
26.03.14	Kevin Johnson	Moorings and Marinas Strategy for Northland

**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:**

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That the Chairman's report dated 4 April 2014 be received.

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**ISSUE: Chief Executive's Report to Council****ID:** A623063**To:** Council Meeting, 15 April 2014**From:** Malcolm Nicolson, Chief Executive Officer**Date:** 4 April 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.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**5.1 CROSS DISCIPLINARY PROJECTS*****Te Taitokerau Māori Advisory Committee***

To date, three written and one verbal response to the invitation from the council to participate have been received. In addition, one invitee has confirmed they would like to discuss the invitation further. An Additional staff role to support the activities of this committee is to be created.

***Waioara Northland Water***

Catchment groups in Mangere, Whāngārei and Doubtless Bay have been working towards confirming their uses and values for their catchments. Their next task will be to develop objectives for water management at a local level.

Staff are currently contacting catchment stakeholders with a view to recruiting members according to the Terms of Reference for each of two new priority catchment groups in Waitangi and Poutō.

A full report on the activities of Waioara Northland Water is provided in the April 2014 EMC agenda. Further information about the project is available on the [NRC Waioara Northland Water website](#) pages.

**5.2 RESOURCE MANAGEMENT****Proposed Regional Policy Statement**

The Court conference was held with all the parties in Paihia on 18 March 2014 to organise the appeal resolution process. As a result of that conference council has provided the Court with a proposed schedule of mediation meetings and it is likely they will take place within the next 2-3 months.

**Regional plans review project**

Staff continue with the review of the Regional Air Quality Plan, Regional Water and Soil Plan, and Regional Coastal Plan. Relevant technical staff within council have reviewed a first draft and this feedback is currently being responded to. The next

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phase is further internal peer reviewing with a final draft ready for key stakeholder engagement due early July 2014.

**Other resource management issues*****Far North District Council Plan Changes 14***

The FNDC reporting planner has responded to issues raised in the hearing and recommended that the initial recommendation remain largely intact. If this is supported by the commissioners and approved by the Far North District Council, the relief council sought is largely granted.

***Land use and subdivision applications***

During March 2014, 21 non-notified consent applications were received from the district councils. At the time of writing, no comments have been made on these applications.

***Moorings and Marinas Strategy***

On 26 March 2014, Ben Lee (Policy Specialist – Coastal) and Councillor Craig Brown gave a presentation at the Far North District Council meeting on the draft strategy.

Hearings will be held in Ōpua on 16 and 17 April 2014. The Hearings Committee is made up of councillors Dover Samuels, Craig Brown and David Sinclair.

**Consents*****Consents in Process***

During March 2014, a total of 64 decisions were issued. A copy of these decisions is circulated under separate cover. These decisions comprised:

0	Moorings
38	Coastal Permits
0	Air Discharge Permits
5	Land Discharge Permits
0	Water Discharge Permits
9	Land Use Consents
5	Water Permits
7	Bore Consents

The processing timeframes for the above consents ranged from:

- 314 to 1 calendar days, with the median time being 28 days;
- 42 to 1 working days, with the median time being 20 days.

28 Applications were received in March 2014.

Of the 145 applications in progress at the end of March 2014:

- 78 were received more than 12 months ago (most awaiting further information);
- 18 were received between 6 and 12 months ago (most awaiting further information);
- 49 less than 6 months.

***Appointment of RMA Hearing Commissioners***

No RMA hearings commissioners were appointed in March 2014.

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

The current level of notified application processing activities at the end of March 2014 is (by number):

▪ Applications Publicly/Limited Notified During Previous Month	4
▪ Progress on Applications Previously Notified	7
▪ Hearings and Decisions	0
▪ Appeals/Objections	4

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

**Environmental Monitoring*****Compliance and State of the Environment monitoring***

A summary of the results of monitoring for the period 1 March – 31 March 2014 is discussed below. Further details were reported to the Environmental Management Committee on 14 April.

***Air discharges***

Nine compliance assessments for air discharge consents, including six industrial site visits, were made during the reporting period with all assessments confirming consent compliance.

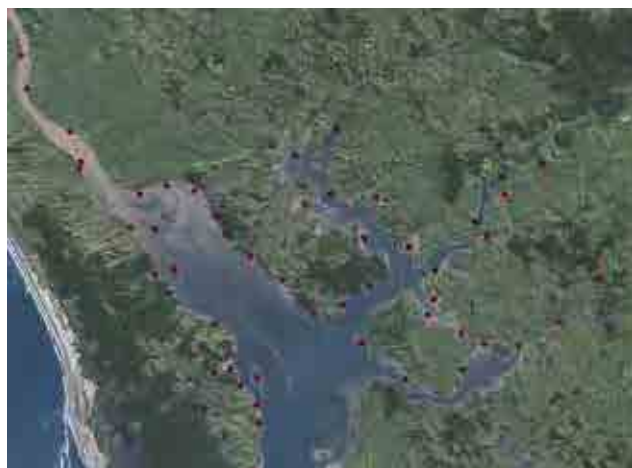
Thirty air quality related environmental incidents were received during the period, predominantly for burning and smoke nuisance complaints.

Ambient air monitoring results for PM<sub>10</sub>, sulphur dioxide and carbon monoxide at Robert Street, Whāngārei, showed compliance with the National Environmental Standard for Air Quality (NES) during February 2014. Monitoring results for PM<sub>10</sub> at the Bream Bay College, Ruakaka, also showed compliance with the NES during February 2014.

***Coastal***

A total of 102 consented activities were monitored during the reporting period, 82 of which were fully compliant, 13 non-compliant and seven significantly non-compliant. The majority of the inspections were in relation to coastal structures and marine farms. The significantly non-compliant activities related to the latter.

The Whāngārei, Bay of Islands and Kaipara Harbour water quality sampling runs were undertaken in March.



Indicative Kaipara Harbour sampling sites for this year's Estuary Monitoring Programme.

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Field work for this year's estuary monitoring programme also commenced. The ecological communities and sediment quality (concentrations of contaminants such as metals and nutrients) will be sampled at 40 – 50 intertidal sites in the Kaipara Harbour (Northland Region) to investigate its health.

Ruakaka, Whangaroa and Kerikeri Inlet sediment plates were also measured during the reporting period to assess the recent sedimentation at our long-term estuary monitoring sites.



Sediment traps were installed at three sites in the Waitangi Catchment, prior to ex-Tropical Cyclone Lusi, to capture sediment mobilised during the storm. The sediment collected will be analysed by NIWA to determine the sources of the sediment. NIWA should be able to determine the specific land uses (e.g. pasture, forestry, native bush) and the sub-catchments that contributed to the sediment mobilised by the storm.

Sediment trap deployed in Cyclone Lusi to determine the origin of sediment for a specific storm event.

***Hazardous Substances***

- A total of 129kg of waste chemicals were disposed of.
- Five hazardous substances incidents were investigated and resolved. A spill of approximately 600 litres of ready-mixed herbicide (glyphosate) was determined to have minor environmental effects and the remaining incidents were also found to have minor environmental effects or be attributed to natural phenomena.
- Twelve enquiries were received requesting information about potentially contaminated land, concerning a total of 26 sites. FNDC also requested assistance with consent applications regarding potentially contaminated land. NRC staff will be providing technical assistance at a workshop to be held in April regarding the NES for Contaminated Land, aimed specifically at contaminated land practitioners.

***Land use monitoring***

There were 35 monitoring events during the reporting period, 27 of which were fully compliant with resource consent conditions, four non-compliant and four significantly non-compliant (three forestry sites and one a civil earthworks site).

***Water quality and discharge monitoring***

A total of 49 consented activities were monitored, 44 of which were found to be fully compliant with resource consent conditions, three non-compliant and two significantly non-compliant, both relating to FNDC wastewater treatment plants (Taipā and Russell). There were operational issues at Russell, which have since been rectified. Ongoing non-compliance at Taipā is being worked on.

A Hikurangi Swamp Working Group meeting was held which did not raise any issues that required the NRC's attention.

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***Farm Dairy Effluent (FDE) Monitoring***

A separate FDE report was presented to the Environmental Management Committee on 14 April.

Follow up visits to a total of 182 significantly non-compliant farms have now been made, with seven still to do as at 1 April 2014. During the month the FDE team also made 44 visits to farms at the farmer's request.

***Environmental Incidents***

A summary of environmental incidents for the period 1 – 31 March 2014 was reported to the Environmental Management Committee on 14 April.

**Enforcement*****Abatement Notices***

There were four abatement notices issued during the reporting period. These were for:

- Earthworks in a significant indigenous wetland (2)
- FDE (2)

***Infringement Notices***

There were two infringement notices issued during the reporting period, both relating to FDE discharges.

***Other Enforcement*****Waitangi River (enforcement order– illegal diversion and earthworks)**

The Court ruled, on the papers, that one party was not liable for the costs because it was not satisfied that the council had established to the extent necessary that the party had instigated the diversion works. The case against the other party was adjourned. In light of the Court's ruling in relation to the first party, the council has subsequently withdrawn its enforcement order application against remaining party [because it was unlikely to satisfy the Court to the extent necessary that that party had instigated the diversion works also].

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

A joint memorandum was filed on 26 February 2014. A meeting was held on 2 April 2014 at NRC with the defendant, his lawyer and experts in an attempt to resolve outstanding disputed facts before the matter goes to a hearing in May 2014.

**Resource Consent Declarations – Doug's Opua Boatyard**

The Consents/Monitoring Senior Programme Manager attended the Court hearing on 19 March for the declarations sought by Douglas Schmuck regarding the resource consents for "Doug's Opua Boatyard" granted by the Far North District Council and Northland Regional Council. The Judge reserved his decision on the declarations.

**Biosecurity*****Enquiries***

Biosecurity officers logged 332 enquiries during March, 76% of which were animal pest enquiries. Enquiries were logged for more than 50 different species, including up to 20 different animal species and more than 30 different plants. Many enquiries

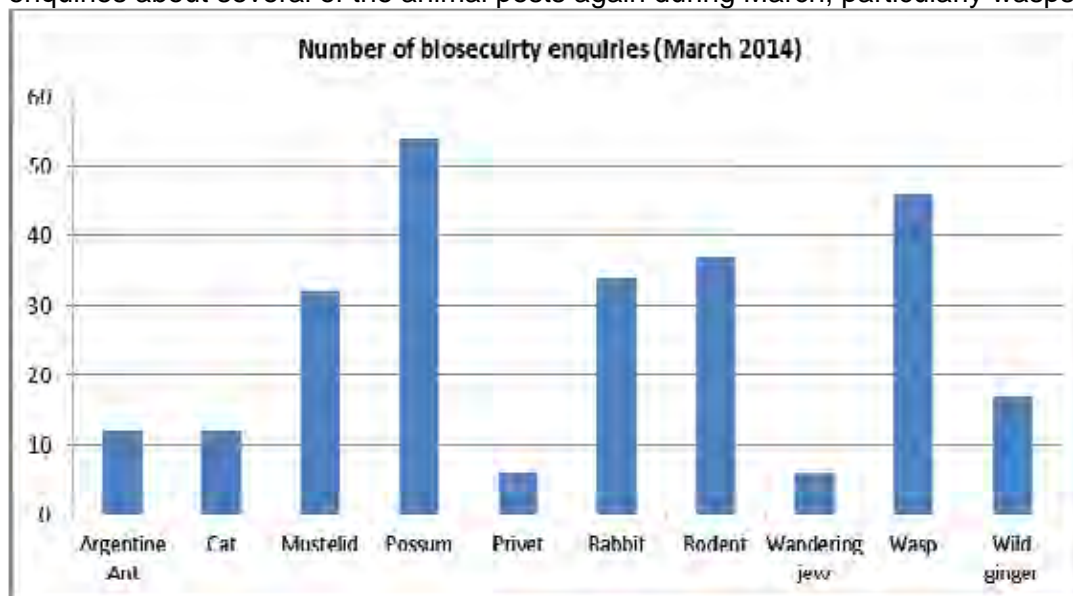
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received by the biosecurity team involve multiple species, and as each species requires its own advice, each is counted a separate enquiry for the purposes of reporting.

Subject	Number of enquiries (March 2014)
Animal	254
Disease	1
Freshwater	2
Marine	1
Plant	74
Public awareness/Education	0
Total	332

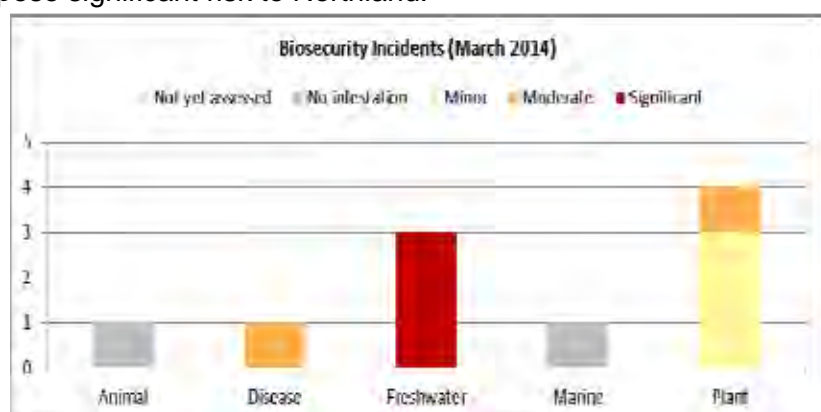
The species most common for enquiries during March are shown below. The number of possum enquiries remains consistently high, but there has been an increase in enquiries about several of the animal pests again during March, particularly wasps.

**Incidents**

Biosecurity incidents include:

- Potential breaches of Regional Pest Management Strategy (RPMS) rules;
- Potential new incursions of RPMS exclusion or eradication species
- Potential incursions of pest species not currently known in Northland, and not in the RPMS, but which may pose significant risk to Northland.

During the month of March, the Biosecurity team logged 10 incidents, the majority of which were freshwater weed and plant incidents.



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**Moderate and Significant Biosecurity Incidents (March 2014)**

Request date	Species	Description	Notes
05/03/2014	Salvinia	Salvinia in garden pond. George St, Hikurangi	Referred to Assure Quality for treatment as this species is part of a National Interest Pest Response (NIPR)
05/03/2014	Salvinia	Salvinia in bath tub in back garden. Received from neighbour. George St, Hikurangi	Referred to Assure Quality for treatment as this species is part of a National Interest Pest Response (NIPR)
05/03/2014	Water hyacinth	Water Hyacinth in pond, Kerikeri. Site discovered when owner visited NRC tent at field days.	Referred to Assure Quality for treatment as this species is part of a National Interest Pest Response (NIPR)
18/03/2014	Tree privet	Privet Whāngārei Heads Rd. Very large trees on neighbouring property causing health issues	Letter sent to owner regarding control requirements
24/03/2014	Kauri dieback	Kauri Dieback - KDC Reserve Arapohue Road	Five sites assessed and sampled because of a visual assessment from a fixed-wing aircraft. Samples taken and sent for testing, awaiting results

**Marine Biosecurity****Sabella**

During the MPI high risk port surveillance conducted by NIWA divers in early February, two new sites were found to have *sabella* in Whāngārei harbour. This represents a range extension from the two existing sites. Fanworm were found at Portland Cement wharves and Kissing Point marina. Divers concluded the removals at Kissing Point marina with 36 fanworm removed. A diver survey is currently being conducted on the structures at Portland Cement with only one fanworm found on the old wharf structures and Limestone Island wharf. The Ship Repair and Port Nikau structures are currently being checked again with results expected in the first week of April.

Snorkel inspections by NRC staff on the piles and pontoons in Marsden Cove marina found over 100 fanworm on the structures, ongoing snorkel checks of the structures in Stage 1 of Marsden Cove are recommended to take place at three monthly intervals and NRC are in negotiations for alternative treatments of the high fanworm density area behind the lock in Marsden Cove.

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**Other marine pests**

Delimitation of the *Undaria* (Japanese kelp) populations in Rangaunu Harbour took place from 17-19 April. NRC staff surveyed approximately 5 km of coastline (see map below) from Scheigis rock to Puwheke reef; leading out of Rangaunu Harbour from Rangiputa. *Undaria* was found to be widespread but patchy and in fairly low densities. Monitoring at least every six months is recommended before any management decisions are made.

**Vessels**

The tug Sea Pelican was inspected at Port Nikau. Divers found the vessel to be very clean with a single fanworm recovered from the waterline. The vessel left Northland 24 hours after the inspection. The owner has been notified that he may be subject to inspections if he returns to Northland. It was also noted by DOC that the number of large super yachts visiting the Poor Knights marine reserve seems to be increasing. These vessels require a special permit to do so from Maritime New Zealand however biosecurity provisions are not taken into account. MNZ is discussing options to include biosecurity in their approvals.

***Freshwater***

Staff are working with Mahurangi Technical Institute to develop a plan to remove the grass carp from Lake Swan. The grass carp have been in the lake for nearly five years, and appear to have been successful in eradicating the aquatic weeds hornwort and *egeria*. A final dive survey will be completed in May and if this is clear, the larger scale removal is likely to take place in November.

**Kai Iwi pest control and biodiversity monitoring plan - drafted**

Kai Iwi pest control and biodiversity monitoring plan – this will set out what animal pest control will be carried out over the next 12 months, as well as ongoing pest control requirements. Biodiversity monitoring will be carried out throughout the Kai Iwi lakes catchment to monitor what species are currently present and ideally any changes in biodiversity due to ongoing pest management over time.

***Pest Plants*****Lake Swan**

Whāngārei and Dargaville biosecurity staff assisted the Mahurangi Technical Institute with a reconnaissance trip for the removal of grass carp from Lake Swan, Pouto. Several trammel nets were set overnight and removed at day break to permit the transportation of live grass carp back to Mahurangi Technical Institute facilities.

Capture of the grass carp proved to be challenging - with two fish captured, estimated to weigh 6 and 8kg. Both of the near-five year old fish (released 14 May 2009) were in reasonable condition and suitable for breeding at the Mahurangi facilities.

A further attempt in November 2014 will be made to capture the majority of the grass carp, using pre-feed pellets, leaving a minimal number to manage any possible regrowth of the aquatic pest plant Hornwort.

**Land Management*****Engagement with Beef + Lamb New Zealand Inc***

Working closely with Beef + Lamb New Zealand Inc's new Environmental Extension Manager and the local Northland Extension Manager, NRC land management advisors are providing assistance with delivering workshops on good practice for sheep and beef farmers across Northland.

Targeted attendance at each workshop is 10-15 farmers, however the first of these workshops held during the week of 24 March saw 30 farmers participate; highlighting the willingness sheep and beef farmers are showing to engage as part of their role in implementing farming good practice.

***Environment Fund***

Four projects valued at \$11,209 were approved for funding in March. The year to date total project funding allocation is \$616,413 for land management and \$155,960 for biosecurity.

***Farm Water Quality Improvement Plans (FWQIP) as of 17 March 2014***

Status of FWQIP	Farm Type	Far North	Kaipara	Whāngārei	Total
Awaiting visit	Dairy	1			1
	Drystock	6			6
Completed	Dairy	37	4	51	92
	Drystock	33	6	28	67
	Lifestyle	1		5	6
	Other			2	2
<b>TOTAL (Completed)</b>					<b>167</b>
In progress	Dairy		4	13	17
	Drystock	13	11	1	25
<b>TOTAL (In Progress)</b>					<b>42</b>
<b>TOTAL</b>		<b>91</b>	<b>25</b>	<b>100</b>	<b>216</b>

***Integrated Kaipara Harbour Management Group (IKHMG)***

The IKHMG quarterly hui was held 11 March 2014. Key agenda items were:

- Review of the Flagship program. The program is now three years old and has met the milestones identified in the original MfE funding application. A proposal was tabled that the IKHMG design a framework to review the program in terms of what has been achieved to date and more importantly how to build an effective and relevant future. A number of potential future options were discussed. The resolution passed was that the flagship sub-committee will work with Annette Lees (contracted by Auckland Council) to develop a review framework.
- In May 2013 the Kaipara Harbour Sustainable Fisheries Management Group tabled a proposal "Fishing for the Future 2013" as an update of the 2003 report. A sub-committee was established to facilitate actioning the recommendations of this report.

***•Kaipara Harbour Joint Political Committee (KHJPC)***

KHJPC held a meeting on 5 March in Orewa. The action from the meeting was that:

*A letter to be written to the Ministry of Primary Industries and the Minister for Treaty of Waitangi Negotiations regarding the lack of information regarding all marine pest species in the Kaipara and the potential for those species to impact on the health of the fishery and the harbour. The letter to request that a study be undertaken and funded by MPI and that initial funds be set aside for a pest eradication programme.*

Additional updates were provided by Auckland Council (Freshwater Management Program), NIWA (Cumulative Effects Research Programme) and Peter Wilson from Te Uri O Hau (proposal for a native plant nursery at Te Arai)

***Soil Conservation – Poplar and Willow Nursery, Flyger Road***

Staff are continuing to monitor the giant willow aphid (*Tuberolachnus salignus*), whose numbers don't appear to have increased. Ladybird (potential bio-control) abundance had increased in the nursery. Wasps are numerous and still a significant health and safety risk as a result of the aphids.

A resource consent has been obtained for groundwater extraction for irrigation of the nursery. A contract is pending for the installation of the nursery irrigation system.

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***Flyger Road Properties Stock Exclusion Fencing***

The stock exclusion fencing tender for the Flyger Road properties was amended to reduce costs in line with available budget. A decision on the preferred tender has been made.

***Biodiversity***

This year's dry autumn gave an opportunity to undertake a baseline survey of the old bed of Lake Tangonge. The survey was requested by Te Rarawa Iwi, as part of planning for a restoration project targeting the water and wetland of the former lake bed, in an area which was part of the Treaty Settlement process.

The potential restoration area is very large so NRC Biodiversity Specialist Lisa Forester invited members of the Auckland Botanical Society to assist. Six botanists, three Iwi representatives and two local students headed out into the swamp for two days and split into groups to undertake the work. Species lists were completed and habitats mapped with GPS. The area of the former lake bed is low lying and despite a past history of grazing and disturbance, is still functioning as a wetland.

***CoastCare***

CoastCare visits were made to Long Beach, Tāpeka, Ahipara, Baylys Beach, Tauranga Bay, Hihi, Taipā, Tokerau Beach, Rangiputa, and Ruakaka to inspect progress of dune restoration and damage from ex-Tropical Cyclone Lusi.

**5.3 RIVER MANAGEMENT**

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***Awanui***

The Tarawhataroa grade control (to control bed scour) work is nearing completion. The mid-Awanui benching and setting back of stopbanks will be undertaken following this work. The contractor has made good progress with minimal disturbance from ex-Tropical Cyclone Lusi.

Mulching, spraying and flood gate maintenance is nearing 80% completion. Targeted flood gate renewal programme is underway and approximately 15% complete.



Grade Control on the Tarawhataroa Stream

***Awanui Preliminary Design and Hydraulic Model Improvements***

There are two main work streams for the proposed scheme upgrades. Staff intend to use the hydraulic model (after improvements are completed) to simulate scheme improvement options and produce flood maps. Consultation over the preliminary design work results will be undertaken with the Awanui River Liaison Committee before progressing to simulation of the scheme improvement options.

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***Preliminary design work***

Tonkin & Taylor (T&T) were contracted in May 2013 to undertake a preliminary design for flood scheme modifications.

The project has been delayed due to extensive review and adjustments made to the GHD catchment model. The model currently being used by T&T is a simplified channel model with limited extent. Its main advantage is faster run times for testing scheme options. Recent progress includes near completion (90%) of adjustments to the simplified channel model and preliminary results of stop bank heights required to pass a 330 m<sup>3</sup>/s flow through Kaitiāia.

Project Elements	Milestone	% Progress this month	Total % Progress To date	Issues / Comments
Stage 1 Design	Model adjustments	40%	90%	T&T Model Result Files not yet received from consultant.
	Awanui Channel Upgrade	50%	50%	T&T have provided preliminary results for a flow of 330 m <sup>3</sup> /s through Kaitiāia.
	Whangatane Spillway Design	10%	10%	The design work includes the intake and channel redesign to downstream of the Donald Road bridge.
Stage 2 Design	SH1 Spillways	0%	0%	The purpose of the spillways is to reduce SH1 overflow.
Stage 3 Design	Lake Tangonge Drainage Upgrade	0%	0%	A major component of this work includes assessment and design of a 2 <sup>nd</sup> Waihoe flood gate.

***Hydraulic Model Improvements***

The catchment model has already been calibrated, but design storm flows for the 1% AEP event are considered to be excessive. Model adjustments are required to reduce design storm flows, and enable the model to be used for both flood mapping and scheme simulations. GHD consultants have been commissioned to complete model adjustments and provide model flood map outputs by end of June 2014. The following table summaries the components of the project.

Project elements	Milestone
Scoping & Contractual	Under contract
Part 1 Model flow checks	Model Flow Checks
Part 2 Model Adjustments	Tarawhataroa Stream adjustments to remove baseflow
	Update DTM to reflect recent development
	Recalibration of the Lower Awanui past old Slackline gauge site including adjustment of model Qh relationship
Part 2 (continued)	Adjustments to Whangatane Spillway hydraulic parameters
	Adjustments to Lake Tangonge set up in model, including tributaries
Part 3 Design Storm Runs	Design Storm Runs

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**Kaeo-Whangaroa Rivers**

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

- Construction of timber floodwall on existing school stopbank (100% complete)
- Main Stopbank (95% completed)
- Deflection Bank (95% completed)

Ex-Tropical Cyclone Lusi has caused some delays with the programme in Kaeo. The contractor lost two days to prepare the site for “worst case scenario” and another 1.5 days after the storm. In addition, there was just enough rain to make drying the material to optimum moisture a problem for the contractor. However in the last week, the contractor has made good progress and the majority of the earthworks are completed. At the time of writing, it's expected the contractor will have completed the final grading and grassing of stopbanks in early April

The contract is now some six weeks behind for earthworks plus a further two and a half weeks for grass seeding, fence reinstatement, etc.

Staff have progressed to arbitration over a disputed invoice for archaeological monitoring and recording of the works. The invoice significantly exceeded the contracted amount.



Kaeo River spillway, main stopbank and school stopbank/floodwall.

**Kerikeri-Waipapa River**

The Kerikeri-Waipapa river maintenance works are nearing completion with work on the Whiriwhiritoa Stream and Kerikeri River at SH-10 Bridge complete with only final hydroseeding remaining. The contractor is currently working on gum tree removal along the Kerikeri River, then moving on to the Puketotara River near Country Corner for more tree clearing.

The Kerikeri River Liaison Committee met on 27 March with the committee supporting progressing the resource consent for the spillway design. In conjunction with the spillway work, the committee requested that a pre-feasibility study for a dam on the Kerikeri River be undertaken and funded from the targeted rate.

Residents in this catchment have made numerous enquiries in response to the flood mapping.

**Waitangi River**

Machine cleaning works to follow up from the targeted willow drill and kill are scheduled to begin in early April and a targeted willow-burn programme will be tested to see if sufficient drying of the dead willows would allow for efficient burning this season. Otherwise the dead willows will be removed next season and burned.

The Waitangi River Liaison Committee met on 27 March with the committee supporting continued work on targeted willow removal and gravel extraction.

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**Kaihu River**

The Kaihu River longreach digger works are complete and tree removal log-jam work is largely complete.

**Whāngārei Urban Rivers**

Whāngārei Urban Rivers maintenance works are largely complete, with only some gravel extraction and minor tree blockages remaining.



Gravel extraction downstream of Lower Tarewa Road Bridge

**Kotuku Street Dam**

An information sharing evening on the Kotuku Dam will be held on 16 April 2014 commencing 6pm at the NRC Water Street office.

Recent progress includes works on the utility relocation for the Kotuku Street Detention Dam. A temporary bridge, landings and manholes have been constructed – on either side of the stream. Excavation works are scheduled to begin the first week of April. The utilities that will be relocated are electricity, fibre, wastewater, gas and water which will be relocated in a common trench.



Kotuku Street Dam Utility Relocation – Temporary Stream Crossing

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**Minor River Works**

The minor river works programme is approximately 55% complete. The Pawarenga groynes have been completed with planting work remaining. The contract has been awarded for Waima/Otatara Marae Road river clearance and bund construction; works are scheduled to start week beginning 31 March 2014. The contract has been awarded for resource consent application preparation for gravel management at Waima, and Ngunguru, and for the spillway at Otiria and Kerikeri.

<b>River</b>	<b>Description of Work Programmed for Current Season</b>	<b>Proposed Date for Physical Works</b>
Awanui - Bells Hill Drains	Clean Drains	Complete
Manganuiowae Stream Broadwood	Stream bank protection on corner	April 2014
Pawarenga Streams	Clear vegetation and drains near Marae	Complete
Rotokakahi @ Pawarenga Bridge	Fence and plant river bank and provide erosion protection measures upstream of road bridge including Resource Consent. RC approved, quotes received.	Majority of work is completed, awaiting planting stage
Mangamuka	Rock armour bend adjacent to Church and Marae. Contractor has been given the go ahead.	Complete
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 gravel management resource consent	Complete
	Gravel island extraction	Complete
	Gravel extraction at Top Energy	On hold
	Willow spraying/removal	Ongoing
Waima	Tree removal and channel clearance at Otatara Marae Bridge. Bund construction around marae.	Under construction
	Gravel management resource consent	May- June 2014
	Gravel extraction SH12 bridge	April 2014
Whirinaki	Supply Rock for armouring near school	Complete
	Gravel management SH12 bridge	Complete
Awapokonui/Pakanae	Weed spray from SH12 Bridge upstream	1 <sup>st</sup> round complete 2 follow up spray to be completed in spring
Waimamaku	Tree Removal	Complete
Otiria	Spillway Resource Consent - (awaiting model result)	May – June 2014
Ngunguru	Gravel management resource consent	May-June 2014
Otaika	Willow spraying/removal/mulch log clearance	April 2014
Ruakaka	Mangrove removal at bridge	Complete
Waipu	Fallen tree removal at the Braigh	Complete
Contingency	Emergency/Flood Damage Response/ Project Contingencies	N/A

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**Natural Hazards**

New Zealand Aerial Mapping have been contracted to undertake the LIDAR survey for Waipu, Whāngārei, Dargaville and Ruawai areas. The flights are expected to take place in April. This data is being acquired to support future flood mapping and coastal hazard assessments.

With the flood maps now in circulation, a large number of queries have been received from engineering consultants making assessments of various sites on behalf of land owners.

**Hydrology*****MetService Northland Radar Project***

On 26 March, the MetService Observations Manager along with a representative from the MetService Board attended a blessing by local kaumatua at the radar site.

The next step will be construction with the radar scheduled to become operational about the end of May.

***Rainfall, Ground Water and River Flows***

By late February dry conditions in the Far North and western areas had further declined and extended slightly further inland. This trend continued throughout early and mid-March. On 15 and 16 March there was an expectation that ex Tropical Cyclone Lusi would bring significant relief to the severe dry areas in the west and parts of the Far North. There was considerable uncertainty with the direction of this system as it approached Northland, eventually tracking to the west of the region bringing gale force easterly winds and moderate to heavy rainfall to the far north and eastern areas from Kaeo to Whāngārei. Typically, these eastern driven events produce more rain in the eastern and central areas of the region with the western areas being more sheltered.

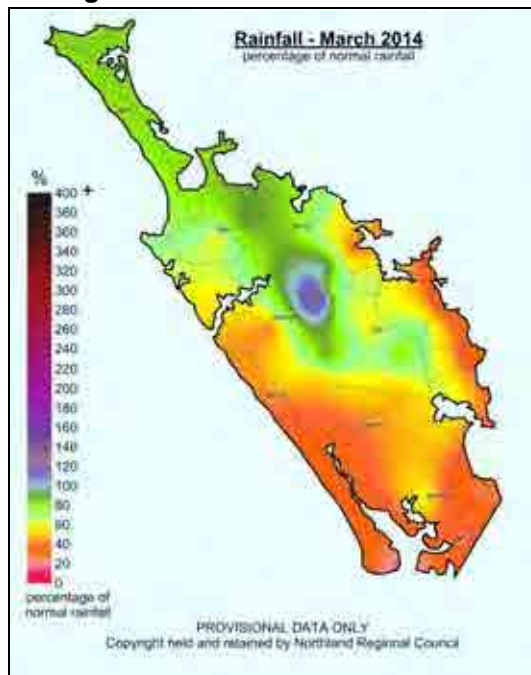
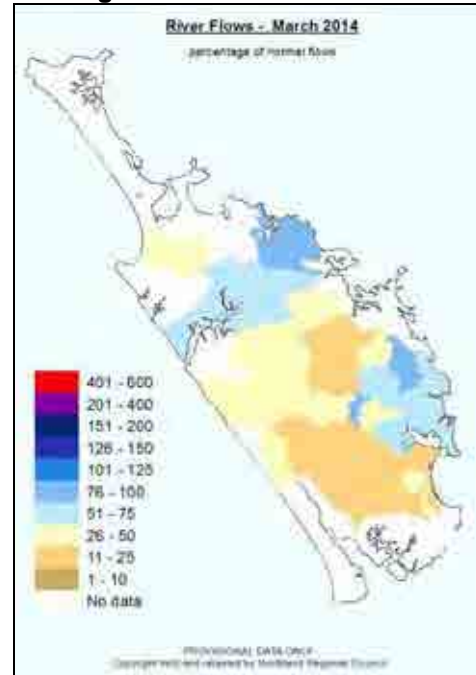
As the MetService predicted, 80 to 100 mm was recorded in the eastern areas with maximum wind gust reaching 139 km/hr at Cape Reinga and 81.5 km/hr at Whāngārei Airport. Rainfall amounts varied considerably in western areas; Hokianga 14 to 25 mm, Tutamoe 66mm, Dargaville 18mm, Te Kopuru 18mm, Ruawai 20.5mm and Pouto Point 3.5mm.

Dry conditions prevailed through the remainder of March, interrupted occasionally with isolated showers. Groundwater levels and river flows were once again below normal for March. Given the current dry conditions in some isolated western areas there is still a high risk that low rainfall will continue over April. The immediate forecast provides no long term relief for the dry western areas which are confined to showers and moderate rainfall amounts.

A more detailed update will be reported to the Environmental Management Committee meeting on 14 April 2014.

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**Fig 1: Rainfall March 2014****Fig 2: River Flows March 2014****Water Takes Compliance Monitoring****Far North District**

The FNDC continue to operate with a water shortage direction issued by NRC for the Opononi and Ōmāpere public water supplies. Water restrictions continue to be implemented in the Opononi and Ōmāpere area.

FNDC and NRC are closely monitoring low flows in the Petaka Stream, a public water supply for the Rāwene community. It is likely that FNDC will apply for a water shortage direction as flows in the Petaka Stream are rapidly declining to the point where FNDC will no longer meet the residual flow requirement set by resource consent. Water restrictions have been implemented in the Rāwene area.

During mid-March flows in the Awanui River at Kaitāia approached the residual flow requirement for the Kaitāia public water supply take. However rainfall from ex-Tropical Cyclone Lusi and subsequent rainfall had significantly increased flows in the catchment.

**Whāngārei District**

Several major pasture irrigators were requested to cease taking water from rivers as flows reached resource consent flow requirement limits. Moderate rainfall and showers at times throughout March enable consent holders to continue when flows increased above the resource consent flow requirements. No issues have been reported by the WDC with regard to the public water supply takes.

**Kaipara District**

The KDC continue to implement water conservation strategies and restrictions for Dargaville as low flows in the Waiparataniwha Stream and Kaihu River impact on the public water supply takes. A water shortage direction has been issued to KDC to enable continued supply from these sources.

## 5.4 ECONOMIC DEVELOPMENT

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### **Northland Regional Growth Study**

As a follow on from the “[Northland: Potential for Primary Industry Growth](#)” programme announced last year by Minister Guy and reported on at the November 2013 Council meeting, Minister Steve Joyce is expected to announce in April the commencement of a series of regional growth reports aimed at identifying significant economic opportunities to increase employment and incomes in regions with existing primary sector specialisations. The initial three reports will cover Northland, Bay of Plenty and Manawatu-Wanganui. In addition to identifying opportunities, the reports will also identify constraints to these developments and actions/investments that need to be taken to deal with these constraints at both the local and national level.

The Northland project working group includes two officials each from MBIE and MPI, David Wilson and Wayne Hutchinson from Northland Inc., and Darryl Jones, council’s Economist. The working group has developed the Request for Proposals (RFP) for the study (which will be used as a blueprint for the other regional studies), will select the successful tenderer and oversee the development of the report. This will help ensure that the final output from the report will be of use to the local as well as central government agencies/business sectors. MBIE have engaged with the regional economic development agency in the development of the project as a “model” for the process in other region. Bill Shepherd, Council Chairman, will be a member of a regional advisory committee that the successful tenderer will consult with in the development of the report.

## 5.5 HAZARD MANAGEMENT

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### **Civil Defence and Emergency Management**

#### ***MetService warnings and activations***

The MetService issued severe weather warnings for rain (80 – 100 mm ) and wind (120kphr in exposed places) in Northland from ex Tropical Cyclone Lusi over the weekend of 14, 15 and 16 March. The Northland CDEM Group, Far North, Whāngārei and Kaipara District Council’s monitored the impact of the storm over the three day period.

Leading into the event there was intense national media interest its likely impact. Locally, media releases were distributed as required to ensure that accurate and timely information was provided. .

The gale force winds caused power outages across the region with lines companies Northpower and Top Energy dealing with moderate numbers of outages. The storm surge at the Paihia wharf damaged a restaurant on the wharf and the sea wall that adjoins Williams Road. A number of incidents involving trees over road ways were dealt with by roading authorities. There were no flooding issues related to this event.

#### ***Youth and Emergency Services***

As reported to the February council meeting, the Kaikohe YES Workgroup, made up of representatives from Red Cross, St John, NZ Fire Services, Rural Fire, Coastguard, the CDEM Group, FNDC, MSD and NZ Police have now agreed a programme and have received nomination from 16 young people to be involved in the programme.

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Final planning is almost complete and the programme will commence in early May for 5 weeks with a final days exercise and graduation dinner planned for 7 June.

***Community Response Plans***

The implementation of eCRP's is continuing and a number of existing plans currently being reviewed. The eCRP concept was also reported to the National CEG Chairs meeting and to the CDEM Managers meeting. There has been very positive feedback on the concept and the alignment with the "Get ready Get thru" brand.

***Resilience fund***

Applications from the Northland CDEM Group for the Resilience Fund for the 2014/15 year have been submitted to MCDEM for consideration. The applications have been made under the following headings -

- EMIS implementation – \$85,000
- Tsunami Mapping and review - \$30,000
- Data Contact Management - \$27,000
- Far North District Resilience and Capability - \$30,000

MCDEM have yet to advise the outcome of these applications.

***Emergency Management Information System (EMIS)***

A week long block of training on the EMIS was held during late March with 12 personnel attending a 3 day Super User Course, 19 personnel attended the two half day Welfare courses and 11 police and fire service personnel attended a half day induction. Further EMIS training and refresher courses will be held in the coming months.

***Welfare Forum***

A national two day Welfare Forum was held in Auckland on 19 and 20 March. Ten personnel from the Northland region attended workshop and contributed to the ongoing development of the CDEM Welfare arrangements. Feedback from those that attended from Northland has been very positive and proved an excellent opportunity to become familiar with and understand how other regions are developing their welfare arrangements or otherwise.

***CEG Chairs and Group Managers Meeting***

The CEG chair and the National Group Managers meetings were held in Wellington in late March and were attended by Mr Tony Phipps and Ms Victoria Randall. Both meetings were opportunities for MCDEM to provide information and updates on progress on various projects including the Monitoring and Evaluation programme, resilience funding and professional development opportunities.

There are currently very limited short course opportunities available in New Zealand for CDEM Professionals. MCDEM have in the past offered the opportunity for staff to attend Australian Emergency Management courses. Victoria Randall and Claire Nyberg have been nominated and accepted by MCDEM onto two separate courses to be held in Melbourne in late May. The costs associated with these courses are partly funded by the hosts (accommodation and food) and there are no course fees.

## 5.6 TRANSPORT

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### Regional Transport Management

#### ***Dust on Unsealed Roads***

The finalised copy of the “Draft Regional Dust from Unsealed Roads Mitigation Strategy” (Strategy) will be tabled at the 2 April 2014 Regional Land Transport Committee (RTC) meeting for approval.

Reports were received during the month that trucks had been prevented for operating along a section of Pipiwai Road by residents protesting against the continuing dust problems.

#### ***Northland Forestry Route Management Strategy***

The NZ Transport Agency (NZTA) in partnership with the road controlling authorities is undertaking a Forestry Route Management Strategy (strategy) in Northland.

#### ***Increased Financial Assistance in Regional Development Funding and for Management/ Maintenance of Forestry Roads***

With the continued high and in some cases increasing use of roads used for the conveyance of forestry product, the road controlling authorities are facing the prospect of having to source additional funding to ensure these roads remain fit for purpose.

A report will be tabled at the 2 April 2014 Regional Transport Committee (RTC) meeting recommending that the RTC provide support to the compilation of the Northland Forestry Route Management Strategy and where applicable approve the content of this strategy for use in support of the application for the required funding through the National Land Transport Programme 2015-2018.

In addition to the support of an application for national funding assistance through the National Land Transport Programme 2015-2018, the RTC approve the compilation of an application to the Ministry of Economic Development for the re-instatement of the Regional Development Fund.

#### ***Financial Assistance Rate Review***

The Northland Regional Council submitted on the NZ Transport Agency’s Financial Assistance Rates (FAR Review – Options Discussion Document. This submission, approved by the Chief Executive Officer, was forwarded to NZTA on 28 March 2014.

At the February 2014 RTC meeting it was agreed that a regional submission be made supporting the submissions of the individual approved authorities. This submission, approved by the Chair of the RTC was forwarded to NZTA on 28 March 2014.

#### ***Regional Land Transport Plan – 2015-2018***

In accordance with a recommendation from the 12 February 2014 RTC meeting, a workshop has been convened for all RTC representatives to fully apprise them of all aspects of the Government Policy Statement, The National Land Transport Programme and the Regional Land Transport Plan process and content. This workshop is scheduled to follow the April 2014 meeting. This workshop will include a discussion on the policy requirements for the Regional Land Transport Plan.

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***Regional Public Transport Plan***

Staff have recently undertaken a gap analysis of the existing Regional Public Transport Plan 2011-2017 (RPTP). This gap analysis compares the content of the existing RPTP with the requirements of the Land Transport Management Act 2003 which includes the Passenger Transport Operating Model and the various NZ Transport Agency (NZTA) policies and procedures which includes procurement of services, rules for urban buses, fare recovery ratios, units of operation, provision of services, etc.

The existing RPTP was compiled during the amendment of the Land Transport Management Act 2003, the compilation of the passenger Transport Operating model and the various amendments to the NZTA policies and procedures and therefore contains many of the new requirements. This gap analysis will assist in determining what changes are required in order for the present RLTP to meet all requirements.

NRC staff are working closely with NZTA staff on this review.

**Passenger Transport Administration*****Total Mobility***

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
<b>February 2013</b>	1020	\$13,029	\$16,666	-\$3,637	\$110,053	\$133,328	\$23,275

Total Mobility usage continues below projected levels. This reduction in client travel could be attributed to the Northland District Health Board, having registered as a private hire operator with NZTA, are now operating a fleet of vans. It is believed that the DHB are offering conveyance of dialysis patients. It is not known at this stage if transport assistance is being offered to other NDHB patients.

***City Link Whāngārei***

These figures include Gold Card and exclude GST. Budgeted revenue calculated on proposed fare increase which was not implemented.

<b>March 2014</b>	Month Actual	Budget	Variance	March 2013
Passenger numbers	\$25,635	28,923	-\$3,288	\$27,153
Farebox revenue (GST excl)	\$50,381	\$61,434	-\$11,053	\$56,619

Only farebox revenue from cash ticket sales are reflected above. The E-Purse revenue from the new smartcard use is presently being reconciled by Snapper Services and Ritchies.

**SuperGold Card Scheme**

	Month Actual	Monthly Budget	Variance	Average 2012/13
March 2014	\$5,153	\$4,613	+\$540	\$4,790

***CityLink Whāngārei***

The Snapper Card system became operational on Monday 3 March 2014. There have been some implementation issues, predominantly with the onboard readers which has resulted in a number of passenger complaints. These issues are being worked through with the bus operator and Snapper Services Limited.

Daily services continue to suffer disruptions due to ongoing road works being undertaken in and around the city. These disruptions will be further exacerbated with the planned work to be undertaken on Bank Street which serves two of the routes carrying the highest patronage. These continued disruptions could potentially lead to declining passenger numbers and farebox revenue.

The NRC may be obliged to pay for additional trips to minimise the disruptions to the peak passengers.

***Road Safety update***

The **National** road toll for 2014 year to date is 67 compared to 66 for the same period in 2013.

The **Northland** road toll for year to date in 2014 is four (three in the Far North and one in Whāngārei district).

The State Highway network has been having some major road works carried out on sections of the highway which will improve greatly safety, traffic flows and journey time. These include – State Highway 1 and 14 intersection, State Highway 1 and Portland intersection and Brynderwyns resurfacing.

However these works have caused some considerable disruptions to motorists especially the State Highway 1 and Portland intersection for heavy freight vehicles. For the logging truck sector these delays have impacted on numbers of loads delivered, in turn affecting forestry loaders, port/ship loaders and driving hours for the drivers. Freight sector representatives have met with NZTA to try to minimise these issues and how to avoid such significant conflicts occurring in the future.

State Insurance is currently reviewing its management of driver reviver stops at Easter and Labour Weekend holiday breaks. They have postponed the Easter Stop and will be releasing further information in the near future as to how these stops are to be managed going forward.

There is one fatigue stop being held on Thursday 17 April 2014 for northbound motorists on State Highway 1 at Uretiti, just prior to Easter Weekend.

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

Staff investigated a bilge oil discharge suspected to have come from a fishing vessel at Opuā wharf. Maritime New Zealand officials also inspected the vessel - further investigation and monitoring of vessel is on-going.

***Port and Harbour Safety***

Two hot work permits were issued during this period.

Twelve cruise ships were piloted safely into and out of the Bay of Islands.

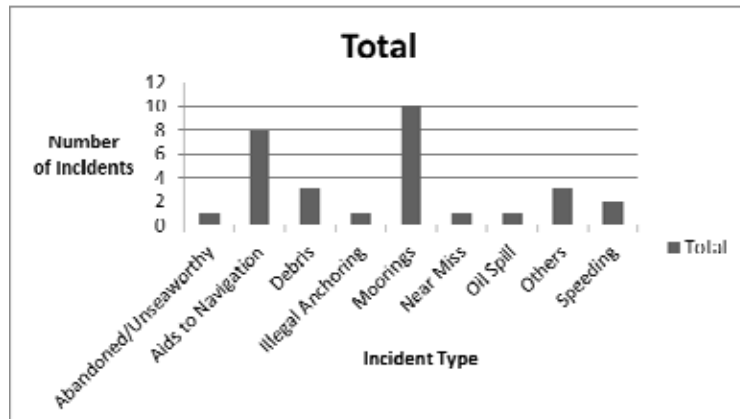
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The harbourmaster worked closely with a project team to facilitate the movement of a large super yacht hull from Culham yard to Ship Repair yard in the Hātea River to enable further works on the vessel to be carried out.

### ***Maritime Incidents, Enforcement and Safety***

Staff dealt with 29 maritime incidents during this period. The passage of ex-Tropical Cyclone Lusi resulted in a number of vessels breaking loose from moorings, dragging moorings or running aground. Some of those incidents remain open for follow-up actions. Reports of debris after the storm were also dealt with.



A near-miss between two charter vessels in the Bay of Islands was investigated and a verbal warning was issued to one of the skippers.

An abandoned yacht left on a mooring was sold by auction (as per the provisions of the Maritime Transport Act 1994) after a number of attempts to contact the owner were unsuccessful. An old vessel in an unseaworthy condition, tied up to a commercial wharf in Whāngārei was inspected by the harbourmaster and further action is in progress. Another vessel reportedly anchored in Whangaruru harbour for a prolonged period of time is also being investigated.

Two speeding incidents were investigated – one written warning was issued and the second offender could not be identified.

### ***Aids to Navigation***

A number of aids to navigation and their fittings were affected by the passage of Cyclone Lusi during the month. Kerikeri inlet cocked hat beacon day mark was damaged and replaced. Whale rock day mark and light were replaced. Ski lane poles in Paihia were repaired and repositioned. Hat island beacon was damaged and has been temporarily marked. Brampton buoy, Kerikeri Brothers buoy and Albert Channel buoy required re-positioning.

Preparatory work is underway for planned aids to navigation improvement works in Rangaunu and Houhora to be carried out this year.

### ***Moorings***

As part of streamlining and improving mooring administration, mooring contractors are now required to report to staff about moorings booked for service or recently serviced but awaiting payment (hence inspection certificate not issued). This will avoid warning letters being sent out to licence holders who actually try to comply with the servicing requirements.

The cancellation of licences due to overdue inspection and/or unpaid fees is ongoing with 40 licences cancelled or surrendered and another 15 in the process of cancellation and file closure. Three moorings were removed from English Bay after the licences were cancelled for non-compliance with inspection requirements.

A new specialist mooring contractor is expected to be up and running at the end of this year. This will hopefully result in healthy competition between mooring contractors in the region, reducing the number of complaints received about the cost of mooring maintenance and quality improvements. This will also allow greater frequency of contractor visits to harbours around the coast and hence improve our ability to manage and resolve problems.

## 5.7 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:

- *Kaikohe to trial Youth in Emergency Services scheme* (release on behalf of Northland Civil Defence Emergency Management Group)
- Estuary catchment care focus for NRC teacher workshop
- Zero average general rates increase tipped under Draft Annual Plan
- Reform ball now in Local Government Commission's court; NRC
- Regular Pest watch and Land Management columns
- Heavy rain, strong winds likely for Northland (*release on behalf of Northland Civil Defence Emergency Management Group*)
- Strong winds batter Northland (*release on behalf of Northland Civil Defence Emergency Management Group*)
- Relief as bad weather heads away from Northland (*release on behalf of Northland Civil Defence Emergency Management Group*)
- \$20,000 schools' Environmental Curriculum Awards open
- Info sharing evening on dam, other Whāngārei flood work
- Estuary environmental education opportunities explored

As requested at the March 2014 Council meeting, staff are working with our media monitoring service to establish the best way to track NRC's media placement. We hope to have established a process and reporting in time for the June 2014 meeting

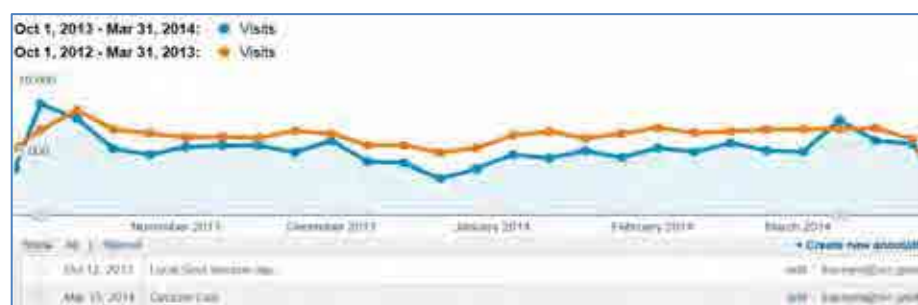
#### Publications completed during March:

- Improving water quality on your property (Land/Waiora Northland Water brochure aimed at lifestyle block owners)
- Regional Report, April 2014. Major articles include key aspects of the Draft Annual Plan, local government reform, recently-completed floodworks projects (Kaeo and Rust Ave bridge), the Northland Field Days, Project Possum and CoastCare
- Draft Annual Plan (summary document and full version)

### Online Channels

#### Visits to the NRC website

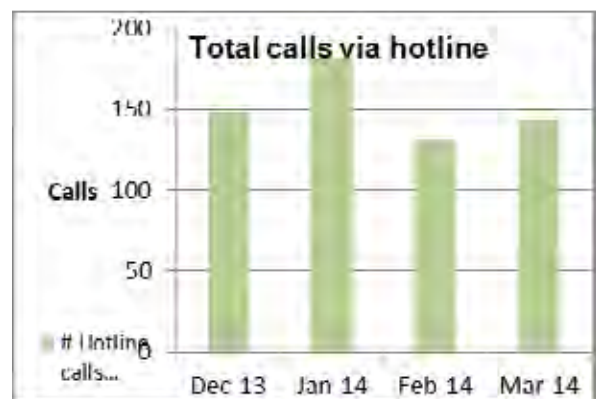
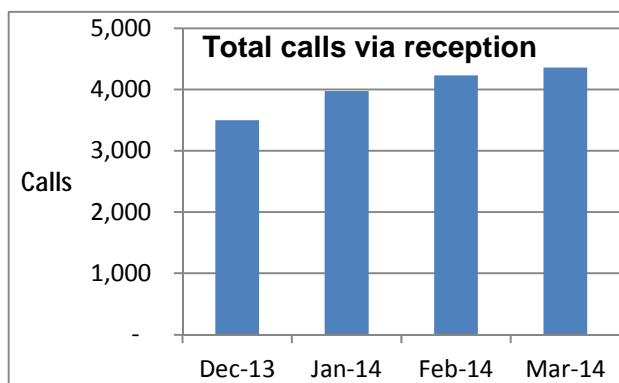
(Compared to the same period last year):



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Key Performance Indicators	Dec-13	Jan-14	Feb-13	Mar-13
<b>WEB</b>				
PDF documents downloaded (Transactions)	1,636	1,685	2,122	2,419
\$ Print value of documents downloaded	\$9,685	\$7,892	\$10,391	\$9,220
E-payments made	26	12	7	11
GIS Service - Number of unique visitors	579	540	407	492
GIS Service - Number of visits	882	815	636	793
# subscription customers (cumulative)	884	893	909	918
<b>SOCIAL MEDIA (cumulative)</b>				
# Twitter followers	616	625	641	655
# NRC Facebook fans	362	366	372	385
# CDEM Facebook fans	587	604	613	783
# CoastCare Facebook fans	112	115	116	116

**Customer Services****Recent Events****New Zealand Dairy Industry Awards dinner – 28 March**

Councillor Joe Carr presented the Northland Regional Council Leadership Award to Mike and Donna Carroll at the 2014 Northland Dairy Industry Awards. The couple were also awarded the Farm Manager of the Year 2014. The council is a regional sponsor for these awards.

**Upcoming Events**

Event	Date	Location	Description	Staff Contact
<b>April</b>				
Kotuku Dam – Information Sharing Evening	16 April	NRC, Whāngārei	Update on the Kotuku Dam project for interested members of the public.	B Howse
NZDIA Sharemilker/Equity Farmer of the Year 2014 field day	16 April	Whāngārei	This field day showcases the winner's farm to industry professionals and members of the public.	N Stubbing
Northland Road Safety Association Fatigue Stops	Easter – 17 April	Uretiti, SH 1 North, 12.30 – 5.30pm	Northland Road Safety Association fatigue stop to provide rest break for driver and passengers over Easter Weekend	I Crayton-Brown
Whāngārei Catchment Group meeting	29 April	Whāngārei	Meeting to progress local implementation of NPS for Freshwater Management	B Tait

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Civil Defence Forum	30 April	Capitaine Bougainville Theatre, Forum North	Public showcase for developments in Civil Defence and emergency management	K Abbott
Kerikeri-Waipapa River Liaison Committee	Late April/early May (TBC)	TBC	To discuss impacts of recent studies on spillway design	J Camuso
<b>May</b>				
Ballance Farm Environment Awards Supreme Award Winners field day	May (TBC)	Whāngārei	This field day showcases the winner's farm to industry professionals and members of the public.	N Stubbing

**Iwi Liaison*****Environmental Management Plan Fund***

During March, council received the third milestone report – Hapu engagement Report -from the Patuharakeke Iwi Trust Board who were successful in gaining funding to review their hapū environmental management plan.

***Joint Iwi Monitoring Fund***

The Ngati Hau Trust Board's contract to test for heavy metals in water and sediment is nearly complete.

Early results for samples taken to March 2014 indicate that of those metals tested for, chromium, copper and zinc have elevated levels above the national standards. A final report including an analysis of all relevant data associated with the project is expected to be completed by September.

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

The impact of urbanisation on water quality was investigated by assessing waterway health in two contrasting Whāngārei Harbour catchment waterways.

***Northland Regional Council Environmental Curriculum Awards***

Applications opened in March for the \$20,000 Northland Regional Council 2014 Environmental Curriculum Awards programme. Schools can apply for funding for environmental education projects until the closing date on 13 May, 2014.

***Northland Regional Council Teacher Workshop***

Northland Regional Council's 2014 teacher workshop – caring for our estuary catchment – was held at Ngunguru. The workshop gave teachers tools for estuary catchment-themed environmental education and aligns with *Waiora Northland Water*. More than 1000 students are taught by the 21 teachers who attended.

**Enviroschools*****Northland Seaweed 2014***

New Zealand Association for New Zealand Seaweed events were held during the first week of March. These included: CoastCare days at Ahipara, Baylys Beach and Long Beach, beach clean-ups, whale rescue training and community guided kayak and snorkel days. Beach clean-up kits were provided to schools and community groups around the region in conjunction with Enviroschools, with over 1,000 people participating

***Train the Trainer workshop***

On 28 March, a “Train the Trainer” workshop was held to support the Project Possum and WaiFencing activities. This workshop focused on best practice professional development and health and safety.

***Facilitation of Enviroschools communities***

During March, the Enviroschools facilitators worked directly with 19 school communities from throughout Northland.

**Human Resources*****Staff Matters*****Terminations**

Emma Simpson, Environmental Monitoring Officer – SOE Analysis resigned during the month and finished her employment with Council on 6 March 2014. Emma left to relocate to Auckland as her husband had obtained employment there.

Vaughan Cooper, Commercial Property and Infrastructure Manager resigned during the month and finished his employment with the Council 7 March 2014. Vaughan left to take up a position with Northland Inc Ltd.

Mike Nager, Environmental Monitoring Officer – Opuia finished his employment with Council on 19 March 2014.

Diane Evans, Planning and Policy Team Admin/PA finished her fixed term employment on 21 March 2014.

**Appointments**

Carol Nicholson, Environmental Monitoring Officer had her part time, fixed term employment made permanent with effect from 10 March 2014.

**Vacancies**

Applications for the fixed term positions of Accounts Officer, Payments Officer and Commercial Property Manager closed on 13 March 2014. Short listed applicants for interview have been identified for all positions. Interviews for the position of Payments Officer were held on 25 March 2014 and for Accounts Officer on 28 March 2014. Interviews for Commercial Property Manager will be held on 9 and 11 April 2014. A decision on all these positions will be made shortly.

Applications for the position of Corporate Planner closed on 20 March 2014. Interviews with short listed applicants will be held on 2 and 4 April 2014. A decision is expected shortly.

Reference checks have been conducted on the preferred applicant for the position of Independent Member of Audit and Risk Committee and a recommendation is going to Council. Interviews for the position of Director of Northland Inc Ltd will be held on 1 April 2014.

Evania Laybourn, Planning and Policy Team Admin/PA commenced parental leave on 17 March 2014. Evania is expected to return to work on a part time basis after approximately 3 – 6 months.

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**Employment Relations**

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

**Staff Establishment**

<b>STATUS</b>	<b>March 2014</b>	<b>Feb 2013</b>	<b>Feb 2014</b>
Full Time Permanent	129	130	131
Part Time (FTE)	10	11.4	10.4
Fixed Term (incl Part Time FTE)	7.3	6.4	7.9
Students/TFG and Temps	2	3	3
Vacancies	7	7	5
<b>TOTAL FTE</b>	<b>155.3</b>	<b>157.8</b>	<b>157.3</b>

**Staff Turnover**

Staff turnover as at the end of March 2014 for the past 12 months was 8%.

**Health and Safety**

There were no serious harm incidents/accidents during the month. There were also no incidents or near misses reported during the month. Ongoing health and safety related training and education is continuing.

A separate item on this agenda provides information on the Health and Safety Reform Bill.

**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.

**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:**


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That the Chief Executive Officer's report dated 4 April 2014 be received.

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**ATTACHMENTS**

1. Detailed information – Consents decisions and progress on notified applications in process, objections and appeals.

## 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 March 2014 is circulated to councillors under separate cover.

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

### NOTIFIED APPLICATIONS

#### Applications Publicly/Limited Notified During Previous Month

Applicant	Proposal	Notification Period	Comment
Far North Holdings Limited APP.008385.31.01	Ōpua Marina Stage 2 extension	2 April 2014 to 16 May 2014	Publicly notified.
Far North District Council APP.001108.01.03	Replacement discharge consents for Paihia WWTP	17 February 2014 to 17 March 2014	Limited notified to two Iwi groups. No submissions received.
Waipapa Sawmill APP.031351.01.01	New consent for discharges to air from timber drying process	11 March 2014 to 8 April 2014	Limited notified to two adjacent property owners that had not provided written approval.
Far North District Council APP.003848.01.03	Replacement consent for Russell stormwater network	20 March 2014 to 20 April 2014	Limited notified to all property owners affected by flooding based on the 10 year Average Recurrence Interval (1 in 10 year flood event).

#### Progress on Applications Previously Notified

Applicant	Proposal	Progress
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	<b>Boar Hill/Cattlemount:</b> Four submissions received on each set of applications, one in opposition, one in support and two neutral. Two submitters wish to be heard. <b>Piroa:</b> Five submissions received: one in opposition wishing to be heard and four in support not wishing to be heard.  Agreement reached with the applicant on draft conditions. As a result of discussions with submitters wishing to be heard, all but one has withdrawn their wish to be heard. The Department of Conservation has indicated that it will withdraw its wish to be heard but the council has yet to receive formal confirmation of this.

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<b>Applicant</b>	<b>Proposal</b>	<b>Progress</b>
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 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.
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 is now anticipated by the end of June 2014.
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. One submitter wishing to

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<b>Applicant</b>	<b>Proposal</b>	<b>Progress</b>
		be heard has withdrawn its wish to be heard on the take from the existing bore. The other submitter wishing to be heard has not responded and has been difficult to contact. The consent processing officer will continue to attempt to contact this submitter.
Northland Regional Council (Biosecurity Department) APP.036500.01.01	Region wide resource consent application for control and eradication of <i>Sabella spallanzanii</i> (Mediterranean Fanworm)	Limited notified to the seven marinas in Northland on 30 January 2014, with the submission period closing on 28 February 2014. Two submissions received; one in support not wishing to be heard, and one neutral but wishing to be heard. The council is in discussions with the heard submitter to attempt resolution of issues and avoid a formal hearing.
Juken New Zealand Limited APP.008975.01.05 APP.007062.01.04	Replacement discharge to air consents for Kaitiāia Northland and Triboard Mills	Limited notified to adjacent properties on 4 February 2014, with the submission period closing on 6 March 2014. Three submissions received: two in support and one neutral, none wishing to be heard.

**APPEALS/OBJECTIONS**

<b>Applicant</b>	<b>Proposal</b>	<b>Progress</b>
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.
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 held in early December 2013. Awaiting Court decision.
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. An informal meeting between the parties on 29 January 2014 has resulted in the applicant and appellant agreeing to review and consider options towards resolution with a further meeting scheduled in April 2014.



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**ISSUE: Update on Health and Safety Reform Bill****ID:** A627491**To:** Council Meeting, 15 April 2014**From:** Murray Rowlands, Health and Safety Advisor**Date:** 26 March 2014

**Summary** The purpose of this report is to inform the council about the Health and Safety Reform Bill recently introduced to Parliament. It provides an overview of key changes and an assessment of its impacts, once enacted, on council activity. It concludes with the recommendation that the report be received.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Report:**

In August 2013 the government announced its intent to pursue significant health and safety reforms, following the work of the Independent Taskforce on Workplace Health and Safety and the Royal Commission on the Pike River Coal Mine Tragedy. The reform programme has gained momentum in recent months with the establishment of [WorkSafe NZ](http://www.business.govt.nz/worksafe)<sup>1</sup> in December 2013, the new stand-alone Crown regulator dedicated to health and safety, and the introduction to Parliament on 10 March 2014 of the Health and Safety Reform Bill.

The Bill has been referred to the Transport and Industrial Relations Committee which is now considering submissions and is expected to report back to the House in mid-September. The Bill will create the new Health and Safety at Work Act, replacing the Health and Safety in Employment Act 1992. It is expected to pass into law by the end of the year and will come into force in April 2015.

In broad terms, key elements of reform as provided in the Bill will be to:

- Put more onus and legal requirements on managers and company directors (including elected members) to manage risks and keep their workers safe.
- Require greater worker participation so workers are more involved in health and safety in their workplace.
- Establish stronger penalties, enforcement tools, graduated offence categories and court powers.

The Ministry of Business, Innovation and Employment has prepared an information document (**Attachment A**) about the Reform Bill.

<sup>1</sup> <http://www.business.govt.nz/worksafe>

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More specifically, the anticipated impacts of the legislative reform on local government and Northland Regional Council in particular, are:

- WorkSafe NZ has once again put the Approved Codes of Practice (ACOP) for Health and Safety in Forest Operations December 2012 under review. An Independent Forestry Safety Review Panel will identify factors that lead to injury and fatalities in the forestry sector and recommend a package of practical measures that could reduce injuries and fatalities. The Bill provides that forestry owners, managers and contractors must do more to protect workers on the bush line.
- Health and Safety representatives will be able to issue Provisional Improvement Notices (PINs) under **clause 92** to the person who is or is likely to contravene provisions of the Act or regulations (see **Attachment B** for relevant excerpts from the Bill).
- The Reform Bill strengthens the requirements in relations to volunteers by largely aligning them with other workers and gives rise to an offence or other liability where an employer fails to do so; this will have a significant impact on council's operations and they may likely reconsider the use of volunteers. The current submission from Local Government New Zealand (LGNZ) recommends retaining the current framework.

Councillors should be aware that the Bill exempts elected members from the liability of the duties of officers of a Person Conducting a Business or Undertaking<sup>2</sup> (PCBU) – (details provided in **Attachment B**).

The exemption means elected members (acting in that capacity) will not be held liable for injuries incurred by council staff when undertaking their duties. The sector argued that elected members must be regarded differently from company directors or similar classes of people with management responsibilities for PCBUs. The distinction arises from the separation between governance and operational management under the Local Government Act, in which elected members provide political guidance and employ a Chief Executive, who in turn employs all other staff and holds operational responsibilities, including health and safety. Under this model, there would be an inherent difficulty in elected members being able to satisfy themselves that compliance with health and safety posed no risk to them personally. The risk of liability could also act as a disincentive for some people to seek elected office.

The sector has noted, however, that the exemption could pose a risk to council officers if an elected council voted against a Chief Executive's recommendation for increased funding. Further analysis is being done to assess whether this is an issue that needs to be addressed, e.g. by amending the Local Government Act 2002 to require councils to empower their Chief Executive to fulfill workplace health and safety legislation.

LGNZ has prepared a submission on the Bill which staff have reviewed and agree with. Staff will continue to monitor the Bill's progress and report back to the council in due course.

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<sup>2</sup> This deliberately broad term, PCBU, has been introduced to address the limited scope of current legislation on fixed workplace settings, i.e. to encompass a broader spectrum of working arrangements.

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**Legal compliance and significance assessment:**

The provision of information is part of the council's day to day operations and is in accordance with the council's decision making process and sections 76-82 of the Local Government Act 2002. The information itself and the implications of the information being accepted are considered to be of low significance in terms of council's significance policy.

**Recommendation(s):**

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That the report, "Update on Health and Safety Reform Bill", by Murray Rowlands, Health and Safety Advisor, dated 26 March 2014, be received.

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## Questions and Answers – Health and Safety Reform Bill

### What is the purpose of Bill?

The Health and Safety Reform Bill reforms New Zealand's workplace health and safety system, following the work of the Independent Taskforce on Workplace Health and Safety and the Royal Commission on the Pike River Coal Mine Tragedy.

The Bill is part of Working Safer, a major package of changes to the health and safety system that has already resulted in the establishment of WorkSafe New Zealand.

It will create the Health and Safety at Work Act to replace the Health and Safety in Employment Act 1992. It will also amend the Hazardous Substances and New Organisms Act 1996 and the Accident Compensation Act 2001 to give effect to the Working Safer reforms.

### How was the Bill developed?

Cabinet agreed that the new Act should be based on the Australian Model Work Health and Safety Act (Model Law), with necessary modifications to take the New Zealand context into account. The Bill was therefore drafted based on the Model Law but also carries over some provisions of the Health and Safety in Employment Act (such as the ability for private prosecutions to be taken, and the provisions for Health and Safety Medical Practitioners).

The Bill also takes into account:

1. public feedback received on the exposure draft of the Bill released for consultation in October 2013,
2. consultation with WorkSafe New Zealand and other government agencies.

### Where can I find out detailed information about the Bill?

The Bill is available on the NZ Legislation website [www.legislation.govt.nz](http://www.legislation.govt.nz). Type 'Health and Safety Reform Bill' into the search bar at the top of the homepage.

A timeline for implementation and an overview of the wider Working Safer reform package is available on the MBIE website: [www.mbie.govt.nz/what-we-do/workplace-health-and-safety-reform](http://www.mbie.govt.nz/what-we-do/workplace-health-and-safety-reform)

Feedback received on the exposure draft and our response will also be available soon on the MBIE website.

### What are the key aspects of the Bill?

The Bill is made up of the following six parts:

- Part 1:           Outlines the preliminary provisions of the new Act – its purpose, commencement, application, definitions and key principles.



- Part 2: Outlines the duty framework of the new Act. Specifically, Part 2 imposes a primary duty on a person conducting a business or undertaking (PCBU), to ensure, so far as is reasonably practicable, the health and safety of the PCBU's workers and other people associated with the work carried out by PCBU. It imposes a positive due diligence duty on Officers of PCBUs (i.e., those in governance roles) to ensure the PCBU complies with its health and safety duties. Duties are also placed on workers and other people in workplaces.  
Part 2 also outlines graduated offence categories and penalties for breaches of the duties.
- Part 3: Creates duties which provide for better levels of participation by workers in matters of health and safety, and helps workers to have the knowledge and ability to keep them and their colleagues safe.
- Part 4: Establishes an effective enforcement regime with a wider range of enforcement tools for the regulator and the Courts.
- Part 5: Provides a regime for the effective sharing of information among participants in the health and safety system, and requires the development of a Health and Safety at Work strategy.
- Part 6: Makes amendments to the WorkSafe New Zealand Act 2013, Hazardous Substances and New Organisms Act 1996, Accident Compensation Act 2001, Employment Relations Act 2000 and other Acts to ensure a consistent and robust health and safety regulatory system.

### **What are the next steps?**

After being introduced to Parliament, the Health and Safety Reform Bill will go through the usual legislative process, including select committee consideration of public submissions. Once the Bill is passed (expected by the end of 2014), there will be a further period of time before the new Act comes fully into force to allow supporting regulations to be finalised, and for people to have time to understand what they need to do to comply. When the new law comes into force, it will replace the Health and Safety in Employment Act 1992. The Government's intention is for this to be 1 April 2015.

Changes to the law will be supported by education and information for all parties.

### **How will the changes be implemented?**

A suite of regulations is required to support the new Act. Proposals about what the first phase of regulations will contain will be released for consultation early next month, and the regulations developed in phases.



## Phase 1

Regulations to be developed in the first phase will cover:

- General risk and workplace management
- Worker participation and representation
- Work involving hazardous substances
- Major hazard facilities; and
- Work involving Asbestos.

In addition, regulations recently made under the current Act covering:

- mining
- petroleum exploration and extraction
- adventure activities; and
- levy funding rates

will be transferred into the new regime, with only the necessary drafting amendments.

Finally, the remainder of the existing work health and safety regulations (some made under other Acts) will be carried over under the new Health and Safety at Work Act so they can continue in force until being more systematically reviewed in phase 2, namely the:

- *Health and Safety in Employment Regulations 1995* (other than the provisions proposed to be replaced by regulations relating to general risk and workplace management)
- *Health and Safety in Employment (Pressure Equipment, Cranes and Passenger Ropeways) Regulations 1999*
- *Health and Safety in Employment (Pipelines) Regulations 1999*
- *Amusement Devices Regulations 1978* (made under the *Machinery Act 1950*); and
- *Geothermal Energy Regulations 1961* (made under the *Geothermal Energy Act 1953*).

Timings: A discussion document for the first phase of regulations will be released for consultation in early April 2014. The regulations in the first phase are expected to be made by the end of 2014 and to come fully into force with the new Act (intended to be 1 April 2015).

## Phase 2

Regulations to be developed in the second phase will cover:

- Hazardous work
- Plant and structures
- Geothermal operations
- Quarries; and
- Any further requirements for work involving hazardous substances.

Timings: Regulations in the second phase are expected to be in place within 2 years of the new Act coming into force.



## Questions and Answers – Wider package of reforms

### What are the roles of MBIE and WorkSafe New Zealand in workplace health and safety?

The Ministry of Business, Innovation and Employment (MBIE) is primarily responsible for work health and safety strategy and policy development, legislation and regulations and works closely with WorkSafe New Zealand.

WorkSafe NZ is responsible for developing guidance and approved codes of practice as well as providing education to workplace participants and enforcement of the law.

### Who will be responsible for health and safety at work under the new law?

A person conducting a business or undertaking (PCBU) is to ensure, so far as is reasonably practicable, the health and safety of workers and others affected by the work. Moving to the PCBU concept ensures that the duties lie with those people in the best position to control risks to health and safety at work, and that those duties are appropriate to their role at work.

This means:

- **Small to Medium-sized Enterprises (SMEs):** There is very little change to their duties, because of the more direct influence they already have on health and safety of their workers in a business of that size
- **Larger business:** The obligations of principals and companies that sub-contract out work are clearer and obligations cannot be contracted away
- **Workers** are covered no matter the working relationship (broader than employer-employee)
- **Upstream parties** involved in the supply of goods and services will have more explicit obligations relating to the things that are within their sphere of influence e.g. designers, manufacturers, importers and suppliers of plant.

### How will the PCBU approach work in practice?

PCBUs will have the duty to engage with workers and to have participation practices regarding health and safety matters.

There is also a duty owed to other people affected by the work being done. Specific duties extend to upstream participants in the supply chain (e.g. PCBUs that are designers, manufacturers, importers and suppliers of plant, substances, and structures that will be used in a workplace).

The duties of a PCBU are all associated with the carrying out of work. The definition of a 'workplace' is a place where work is carried out for a business or undertaking and includes any place where a worker goes, or is likely to be, while at work. The definition of a 'worker' is a person who carries out work in any capacity for a person conducting a business or undertaking.

**Examples:**

There may be multiple businesses or undertakings and therefore multiple PCBUs involved in work at the same location. The following are all examples of PCBUs in different worksites/ working arrangements

- The owner of a multi-tenanted shopping centre, the manager of the shopping centre, each of the businesses operating from shops in the shopping centre and those carrying out ancillary activities such as cleaning, security and shopping trolley collection.
- The forest manager, the principal logging contractor on a forestry site, sub-contractors engaged by the principal contractor (such as logging crew operators, logging transporters), sub-contractors engaged by those sub-contractors (including self-employed contractors in the logging crews), as well as the forest owner or the wood buyer engaging any of the above.
- A service station owner, the service station operator (if different from the owner), the mechanic (if running a separate business), the PCBU carrying out the supply of gas cylinders to the public at the service station and the operator of an attached fast-food outlet.

**What will directors' duties be under the new law?**

The proposed law will create a due diligence duty so that those in governance roles must proactively manage workplace health and safety. Directors and other officers of a PCBU will be required to exercise due diligence to ensure that the PCBU complies with its duties. A due diligence duty supports the new regime, because officers set the direction and provide leadership in health and safety for their organisation, including making resource decisions.

The due diligence duty will include directors and equivalent governance positions in other types of corporate entities. Although all officers will have the due diligence duty, the Bill exempts particular types of officers from being able to be prosecuted for a breach of the duty. These are:

- anyone acting on a voluntary basis who receives only out-of-pocket expenses, such as an unpaid director of a company
- members of a school board of trustees and
- members elected to local authorities and community and local boards.

The due diligence duty will be individual to the officer. If the officer exercises due diligence, they are not liable regardless of the conduct of the PCBU or other officers.

The due diligence duty will be defined to match the governance role of the officers. It will include, for example, a requirement that the officer take reasonable steps to:

- gain an understanding of the nature of the operations of the PCBU and generally the hazards and risks associated with those operations, and
- ensure the PCBU has, and implements, processes for complying with its duties.



Failure to comply with a due diligence duty could result in prosecution and a fine, the maximum level of which would be determined by whether or not the officer's failure exposed a person to a risk of death or serious injury or illness. An officer would only face a term of imprisonment if he or she was also proven to have been reckless as to the risk – which means that there must be proof that the officer had foreseen dangerous consequences that could well happen, together with an intention to continue the course of conduct regardless).

In comparison to the current law, the new law will be fairer to officers and more consistent with their governance role. Currently, officers are automatically liable for the failure of a body corporate if they directed, authorised, assented to, acquiesced in, or participated in, the failure.

### **What will the penalties be under the new regime?**

There will be a new tiered liability regime and overall, a significant increase in the maximum penalty levels over the current law to sanction and deter duty holders from breaching their workplace health and safety duties. The use of graduated categories of offences and penalties will provide better guidance to the Courts about appropriate fine levels.

The Australian tiered model which will be used as a basis of the new offences and penalty regime is as follows:

- **Category 1 Reckless conduct:** applies to a person who has a health and safety duty and, without reasonable excuse, engages in conduct that exposes an individual to a risk of death or serious injury or illness, and is reckless as to the risk. The maximum penalty for an individual PCBU or officer is \$600,000 (or \$300,000 for an individual who is a worker or other person) or five years' imprisonment, or both, and for a body corporate is \$3 million.
- **Category 2 Failure exposing to serious risk:** applies to a person who fails to comply with their health and safety duty, and the failure exposes an individual to a risk of death or serious injury or illness. The maximum fine for an individual PCBU or officer is \$300,000 (or \$150,000 for an individual who is a worker or other person) and for a body corporate is \$1,500,000.
- **Category 3 Failure:** applies to a person who fails to comply with their health and safety duty. The maximum fine for an individual PCBU or officer is \$100,000 (or \$50,000 for an individual who is a worker or other person) and for a body corporate is \$500,000.

This compares to current New Zealand law, where the offence broadly equivalent to category 1 carries a maximum fine of \$500,000 and 2 years imprisonment or both, while conduct that would contravene category 2 or 3 would carry a maximum fine of \$250,000.

### **What enforcement tools will there be?**

The regulator's tools under the proposed new law include powers to:

- issue guidance, warnings and make information available



- enter workplaces for the purpose of informing and securing compliance and gathering information, supplemented by powers to obtain search warrants
- issue improvement notices, prohibition notices, non-disturbance notices, and to take remedial action and seek injunctions where they are not complied with
- accept enforceable undertakings from duty holders given in connection with a contravention or alleged contravention
- issue infringement notices without prior warning
- bring prosecutions.

The enforceable undertaking is new. The other tools are broadly the same as the tools available now. Currently, infringement notices can only be issued after a formal warning has been given, which has resulted in few being issued. This prior warning requirement will be removed.

### **What are the changes for worker participation?**

The proposals will strengthen the legal framework for worker participation. This will not be overly onerous – it is about what is appropriate for the size of the firm and level of risk. The worker participation part of the Bill will include a general duty to involve and engage with workers on health and safety matters. All duty holders will be required to have worker participation practices appropriate to the workplace.

Guidance will be developed that gives clarity on what is required by firm size and level of risk. SMEs will be able to use informal processes to engage with and involve their workers, appropriate to their small size.

For all workplaces:

- if workers want to have health and safety representative/s, the duty-holder must engage with the representative/s, allow them time off for training, pay for training, provide time and resources to perform their role, and give them information
- the legislation will specify powers and functions for representatives and committees, including the powers for trained health and safety representatives to direct unsafe work to cease (balanced by safeguards against improper use) and issue a provisional improvement notice to an employer requiring them to address a health and safety concern in the workplace, and
- if the workers and/or PCBU want to have a health and safety committee, the PCBU must consult with the committee, allow the committee time to perform its role, and give the committee information.

### **What are the changes relating to regulatory agencies sharing information?**

The Bill carries over the existing power for the Prime Minister to designate other regulatory agencies (e.g the Civil Aviation Authority and Maritime NZ) to be the workplace health and safety regulator in place of WorkSafe NZ for particular industries, sectors, types of work or circumstances.



Minor changes have been made, in consultation with the relevant agencies, to make the designation process more flexible (e.g some functions can be left with WorkSafe NZ) and to ensure overlaps are dealt with effectively (e.g consent is required before an agency acts within the scope of another's designation), while ensuring the designation process doesn't affect the validity of the proceedings.

**What are the changes relating to hazardous substances?**

Responsibility for regulation specific to the use of hazardous substances that affect human health and safety in the workplace will be transferred to the workplace health and safety regulatory framework and enforced by WorkSafe New Zealand.

Primary regulation of hazardous substances (i.e. approving their importation and manufacture, classification, and setting of basic controls that apply regardless of setting) will remain in the Hazardous Substances and New Organisms Act 1996 (HSNO Act).

**What are the HSNO changes that affect the Environmental Protection Authority (EPA)?**

The Environmental Protection Authority will continue to have responsibility for substance approval and the setting of general base controls for use (packaging, labelling, safety data sheet), non-workplace controls and environment controls.

The EPA will have a new function of enforcing HSNO controls for substances being introduced into the market.

**What does the joint approach to injury prevention and incentive programmes between ACC and WorkSafe entail?**

ACC and WorkSafe will agree a joint action plan of workplace injury prevention activities at least once every three years.

The already announced proposed Safety Star Rating scheme will continue to be developed, taking into account the legislative changes in the reform package. The scheme will deliver a credible standard to enable businesses' health and safety practices and outcomes to be compared.

### Excerpts from Health & Safety Reform Bill

#### 13 Meaning of PCBU

1. In this Act, unless the context otherwise requires, a person conducting a business or undertaking or PCBU—
  - a. means a person conducting a business or undertaking—
    - i. whether the person conducts a business or undertaking alone or with others; and
    - ii. whether or not the business or undertaking is conducted for profit or gain; but
  - b. does not include—
    - i. a person conducting a business or undertaking to the extent that the person is employed or engaged solely as a worker in, or as an officer of, the business or undertaking;
    - ii. a volunteer association;
    - iii. an occupier of a home to the extent that the occupier employs or engages another person solely to do residential work;
    - iv. a person, or class of persons, that is declared not to be a PCBU for the purposes of this Act or any provision of this Act by regulations.
2. In subsection (1)(b)(ii), volunteer association means a group of volunteers working together for 1 or more community purposes where none of the volunteers, whether alone or jointly with any other volunteers, employs any person to carry out work for the volunteer association.

#### 14 Meaning of worker

- (1) In this Act, unless the context otherwise requires, a **worker** means a person who carries out work in any capacity for a PCBU, including work as—
  - a. an employee; or
  - b. a contractor or subcontractor; or
  - c. an employee of a contractor or subcontractor; or
  - d. an employee of a labour hire company who has been assigned to work in the business or undertaking; or
  - e. an outworker (including a homemaker); or
  - f. an apprentice or a trainee; or
  - g. a person gaining work experience or undertaking a work trial; or
  - h. a volunteer; or
  - i. a person of a prescribed class.

#### 39 Duty of officers

1. If a PCBU has a duty or an obligation under this Act, an officer of the PCBU must exercise due diligence to ensure that the PCBU complies with that duty or obligation.
2. In this section, due diligence includes taking reasonable steps—
  - a. to acquire, and keep up-to-date, knowledge of work health and safety matters; and
  - b. to gain an understanding of the nature of the operations of the business or undertaking of the PCBU and generally of the hazards and risks associated with those operations; and
  - c. to ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and

**Attachment B****ITEM: 5.8**

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safety from work carried out as part of the conduct of the business or undertaking; and

- d. to ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information; and
- e. to ensure that the PCBU has, and implements, processes for complying with any duty or obligation of the PCBU under this Act; and
- f. to verify the provision and use of the resources and processes referred to in paragraphs (c) to (e).

**47 Liability of certain office holders**

1. An office holder listed in subsection (2) does not commit an offence under section 42, 43, or 44 for a failure to comply with the duty imposed by section 39 (duties of officers).
2. The office holders are—
  - a. a member of a community board appointed or elected under the Local Electoral Act 2001;
  - b. a member of the governing body of a local authority elected under the Local Electoral Act 2001;
  - c. a member of a local board elected under the Local Electoral Act 2001;
  - d. a trustee of board of a school appointed or elected under the Education Act 1989.

3. In subsection (2)—

**community board** means a board established under section 49(1) of the Local Government Act

**local authority** has the same meaning as in section 5(1) of the Local Government Act 2002

**local board** has the same meaning as in section 4(1) of the Local Government (Auckland Council) Act 2009

**board** and **trustee**, in relation to a school, have the same meanings as in section 92(1) of the Education Act 1989.

**42 Offence of reckless conduct in respect of health and safety duty**

1. A person commits an offence against this section if the person—
  - a. has a health and safety duty under subpart 1 or 2; and
  - b. without reasonable excuse, engages in conduct that exposes any individual to whom that duty is owed to a risk of death or serious injury or illness; and
  - c. is reckless as to the risk to an individual of death or serious injury or illness.
2. For the purposes of subsection (1), if the person is an officer of a PCBU, the individual to whom the duty is owed is an individual to whom the PCBU owes the duty.
3. A person who commits an offence against subsection (1) is liable on conviction,—
  - a. for an individual who is not a PCBU or an officer of a PCBU, to a term of imprisonment not exceeding 5 years or a fine not exceeding \$300,000, or both;
  - b. for an individual who is a PCBU or an officer of a PCBU, to a term of imprisonment not exceeding 5 years or a fine not exceeding \$600,000, or both;
  - c. for any other person, to a fine not exceeding \$3 million.

**43 Offence of failing to comply with health and safety duty that exposes individual to risk of death or serious injury or illness**

1. A person commits an offence against this section if the person—
  - a. has a health and safety duty under subpart 1 or 2; and
  - b. fails to comply with that duty; and
  - c. that failure exposes any individual to a risk of death or serious injury or illness.
2. A person who commits an offence against subsection (1) is liable on conviction,—
  - a. for an individual who is not a PCBU or an officer of a PCBU, to a fine not exceeding \$150,000;
  - b. for an individual who is a PCBU or an officer of a PCBU, to a fine not exceeding \$300,000;
  - c. for any other person, to a fine not exceeding \$1.5 million.

**44 Offence of failing to comply with health and safety duty**

1. A person commits an offence against this section if the person—
  - a. has a health and safety duty under subpart 1 or 2; and
  - b. fails to comply with that duty.
2. A person who commits an offence against subsection (1) is liable on conviction,—
  - a. for an individual who is not a PCBU or an officer of a PCBU, to a fine not exceeding \$50,000;
  - b. for an individual who is a PCBU or an officer of a PCBU, to a fine not exceeding \$100,000;
  - c. for any other person, to a fine not exceeding \$500,000.
3. Despite subsection (2), if the duty or obligation of a PCBU is imposed under a provision other than a provision of subpart 1 or 2, the maximum penalty under subsection (2) for an offence by an officer against subsection (1) in relation to the duty or obligation is the maximum penalty fixed under the provision creating the duty or obligation for an individual who fails to comply with the duty or obligation.

**92 Provisional improvement notices**

- (2) This section applies if a health and safety representative reasonably believes that a person is contravening, or is likely to contravene, a provision of this Act or regulations.
- (3) The health and safety representative may issue a provisional improvement notice requiring the person to—
  - a. remedy the contravention; or
  - b. prevent a likely contravention from occurring; or
  - c. remedy the things or activities causing the contravention or likely to cause a contravention.
- (4) However, the health and safety representative must not issue a provisional improvement notice to a person unless he or she has first consulted the person.
- (5) A health and safety representative must not issue a provisional improvement notice in relation to a matter if an inspector has already issued an improvement notice or a prohibition notice in relation to the same matter.



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**ISSUE: Confirmation of Minutes – 11 March 2014****ID:** A630278**To:** Council Meeting, 15 April 2014**From:** Chris Taylor, Council Secretary**Date:** 4 April 2014

**Summary** The purpose of this report is to present the unconfirmed minutes of the extraordinary council meeting held on 11 March 2014. It concludes with the recommendation that council confirms the minutes as a true and correct record.

<b>Report Type:</b>	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<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:**


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That the minutes of the extraordinary council meeting held on 11 March 2014 be confirmed as a true and correct record.

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## NORTHLAND REGIONAL COUNCIL

Minutes of the extraordinary meeting of the council  
held in the Council Chamber, 36 Water Street, Whāngārei,  
on Tuesday 11 March 2014,  
commencing at 10.00 am

**Present:**

Chairman, Bill Shepherd  
Deputy Chairman, Graeme Ramsey  
Councillors:  
John Bain  
Dennis Bowman  
Craig Brown  
Joe Carr  
Paul Dimery  
Dover Samuels  
David Sinclair

**In Attendance:****Full Meeting**

Deputy CEO/Operations Director  
General Manager – Planning and Policy  
Finance Manager  
Management Accountant  
Council Secretary

**Part Meeting**

Geospatial Co-ordinator

The Chairman declared the meeting open at 10.10 am.

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

That the apologies from Chief Executive Officer, Malcolm Nicolson, 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.

## **Opportunity to Enter an Agreement with LINZ to Procure Aerial Photography (Item 3.1)**

**A618500**

**Report from General Manager - Planning and Policy, Kathryn Ross, and Geospatial Co-ordinator, Dianne Zucchetto.**

**Moved (Samuels/Brown)**

1. That the report "Opportunity to Enter an Agreement with LINZ to Procure Aerial Photography" by Kathryn Ross, General Manager - Planning and Policy, and Dianne Zucchetto, Geospatial Co-ordinator, dated 28 February 2014, be received.
2. That council delegates to the Chief Executive Officer authority to enter into a Memorandum of Understanding during 2013/14 to acquire up to date aerial imagery as part of a shared service with the Northland councils, Northpower and LINZ (and any other party that wishes to contribute to the project).
3. That council delegates to the Chief Executive Officer authority to enter into contracts on behalf of council during 2013/14 to ensure the acquisition of the aerial imagery can be completed during 2014/15.

**Carried**

## **Kotuku Dam Services Relocation Tender – Recommendation from the Audit and Risk Committee (Item 3.2)**

**A620137**

**Report from Council Secretary, Chris Taylor.**

**Moved (Carr/Brown)**

1. That the report "Kotuku Dam Services Relocation Tender– Recommendation from the Audit and Risk Committee" by Chris Taylor, Council Secretary, dated 28 February 2014, be received.
2. That council approve the recommendation from the Audit and Risk Committee that the tender for Kotuku dam services relocation be awarded to United Civil Construction for \$283,567.96 (excl. GST), and that the Vector and Northpower quotes be accepted for \$102,210.00 (excl. GST) with that work to be contracted directly to the council.

**Carried**

**Northland Inc. Draft Statement of Intent (Item 3.3)****A620741****Report from Council Secretary, Chris Taylor.****Moved (Brown/Bain)**

1. That the report "Northland Inc. Draft Statement of Intent" by Chris Taylor, Council Secretary, dated 4 March 2014, be received.
2. That the Northland Inc. Limited "Draft Statement of Intent 1/7/2014 – 30/6/2017" be received.
3. That the Chief Executive Officer, in consultation with the economic development working party, be delegated authority to provide feedback to Northland Inc. on its Draft Statement of Intent 2014 – 2017.

**Carried****Approval to Consult on the Draft Annual Plan 2014/15 (Item 3.4)****A620420****Report from General Manager – Planning and Policy, Kathryn Ross, and Finance Manager, Simon Crabb.****Moved (Brown/Bain)**

1. That the report "Approval to Consult on the Draft Annual Plan 2014/15" by Kathryn Ross, General Manager - Planning and Policy, and Simon Crabb, Finance Manager, dated 2 March 2014, be received.
2. That the council approves the release of its Draft Annual Plan 2014/15 (including the Proposed amendments to the Navigation, Water Transport and Maritime Safety Bylaw Charges 2013) for formal public consultation for the period 31 March 2014 to 1 May 2014.
3. That the council delegates to the Chief Executive Officer the authority to make any necessary minor formatting, typographical and administrative changes to council's Draft Annual Plan 2014/2015 prior to formal public consultation and the production of the summary.

**Carried****Minor items not on the agenda (as per Standing Order 3.7.6):**

Council indicated its support to establish a working party to more fully assess the Appointed Members' Allowances Policy and agreed to a supplementary paper being included in the 18 March 2014 council agenda to this effect.

**CONCLUSION**

The meeting concluded at 10.56 am.



**ITEM: 6.2**

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**ISSUE: Confirmation of Minutes – 18 March 2014****ID:** A630283**To:** Council Meeting, 15 April 2014**From:** Chris Taylor, Council Secretary**Date:** 4 April 2014

**Summary** The purpose of this report is to present the unconfirmed minutes of the council meeting held on 18 March 2014. It concludes with the recommendation that council confirms the minutes as a true and correct record.

<b>Report Type:</b>	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<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:**


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That the minutes of the council meeting held on 18 March 2014 be confirmed as a true and correct record.

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## NORTHLAND REGIONAL COUNCIL

Minutes of the ordinary meeting of the council  
held in the Council Chamber, 36 Water Street, Whāngārei,  
on Tuesday 18 March 2014, commencing at 1.00 pm

**Present:**

Chairman, Bill Shepherd  
Deputy Chairman, Graeme Ramsey  
Councillors:  
John Bain  
Dennis Bowman  
Craig Brown  
Joe Carr (from 1.05 pm)  
David Sinclair

**In Attendance:****Full Meeting**

Deputy CEO/Operations Director  
General Manager – Planning and Policy  
Finance Manager  
Council Secretary

**Part Meeting**

Northland Inc. Chief Executive Officer  
Programme Manager – Resource Management  
Policy Analyst

The Chairman declared the meeting open at 1.04 pm.

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

That the apologies from Chief Executive Officer, Malcolm Nicolson, for non-attendance and Councillors Samuels and Dimery for a “short leave of absence” be received.

**Carried**

*Secretarial Note: Councillors Samuels and Dimery were delayed sufficiently to miss the duration of the meeting.*

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

It was advised that councillors should make declarations item-by-item as the meeting progressed.

**Supplementary Item for the Council Meeting (Item 2.0A)****ID: A623008****Report from Council Secretary Chris Taylor.****Moved (Ramsey/Sinclair)**

That as permitted under section 46(A) of the Local Government Official Information and Meetings Act 1987, the supplementary item "Appointed Members' Allowances Policy – Working Party" be received.

**Carried****Presentation – Auckland Harbour Clean Up (Item 3.1)****ID: A622191****Report from Council Secretary Chris Taylor.**

Sir Bob Harvey, Chairman of the Auckland Waterfront Development Agency and Hayden Smith, Sea Cleaners, were in attendance and provided a presentation about the work done to clean up Auckland Harbour and the possibility of extending that work into Northland.

**Moved (Ramsey/Sinclair)**

That council support, in principle, advancing the extension of SeaCleaners work into Northland; with Whāngārei and the Bay of Islands being initial priorities.

**Carried****Matters arising from Item 3.1:**

Councillor Sinclair, as council's representative on the Whāngārei Harbour Catchment Advisory Group, and Councillor Brown undertook to "champion" this initiative.

**Chairman's Report to Council (Item 4.0)****ID: A619952****Report from Chairman Bill Shepherd.****Moved (Brown/Bain)**

That the Chairman's report dated 6 March 2014 be received.

**Carried****Chief Executive's Report to Council (Item 5.0)****ID: A618838****Report from Chief Executive Officer Malcolm Nicolson.****Moved (Brown/Sinclair)**

That the Chief Executive Officer's report dated 6 March 2014 be received.

**Carried**

**Matters arising from Item 5.0:**

Deputy CEO, Tony Phipps, undertook to give consideration as to how control of the Giant Willow Aphid in Northland could be incorporated within the Pest Management Strategy.

Councillor Carr stressed that every opportunity must be utilised to update council on the development of an Awanui Flood Model including, but not limited to, the CEO's report and Council Action Sheet.

*Secretarial Note:*

*It was advised later in the meeting that council officers were progressing with commissioning GHD to undertake the additional scope of work. Some preliminary results were available and a full update would be provided at the next meeting of the Awanui River Management Liaison Committee.*

Acting GM Communications, Kathryn Ross, undertook to review the information included in the "Media and Publications" section of the report to better convey what items were being debated generally and what references were made to NRC.

**Confirmation of Minutes – 28 January 2014 (Item 6.1)**

**ID: A620906**

**Report from Council Secretary Chris Taylor.**

**Moved (Brown/Sinclair)**

That the minutes of the council meeting held on 28 January 2014 be confirmed as a true and correct record.

**Carried**

**Regional Transport Committee Minutes – 12 February 2014 (Item 6.2)**

**ID: A621270**

**Report from Council Secretary Chris Taylor.**

**Moved (Bain/Ramsey)**

That the minutes of the Regional Transport Committee meeting held on 12 February 2014 be received.

**Carried**

**Audit and Risk Committee Minutes– 18 February 2014 (Item 6.3)**

**ID: A621309**

**Report from Council Secretary, Chris Taylor.**

**Moved (Sinclair/Bain)**

That the minutes of the Audit and Risk Committee meeting held on 18 February 2014 be received.

**Carried**

## **Confirmation of Minutes – Extraordinary Council Meeting 18 February 2014 (Item 6.4)**

**ID: A620985**

**Report from Council Secretary, Chris Taylor.**

**Moved (Brown/Bowman)**

That the minutes of the extraordinary council meeting held on 18 February 2014 be confirmed as a true and correct record.

**Carried**

## **Environmental Management Committee Minutes – 24 February 2014 (Item 6.5)**

**ID: A620665**

**Report from Committee Secretary, Peternel McLean.**

**Moved (Carr/Brown)**

1. That the minutes of the Environmental Management Committee meeting held on 24 February 2014 be received.
2. That council approves the changes to the Northland Regional Pest Management Strategies 2010-2015 as proposed.

**Carried**

## **Confirmation of Minutes – Extraordinary Council Meeting 24 February 2014 (Item 6.6)**

**ID: A621256**

**Report from Council Secretary Chris Taylor.**

**Moved (Ramsey/Brown)**

That the minutes of the extraordinary council meeting held on 24 February 2014 be confirmed as a true and correct record.

**Carried**

## **Regional Policy Committee Minutes –24 February 2014 (Item 6.7)**

**ID: A621682**

**Report from Committee Secretary Diane Evans.**

**Moved (Ramsey/Brown)**

That the minutes of the Regional Policy Committee meeting held on 24 February 2014 be received.

**Carried**

**Northland Civil Defence Emergency Management Group Minutes –  
4 March 2014 (Item 6.8)****ID: A621495****Report from CDEM Senior Programme Manager, Graeme MacDonald.****Moved (Carr/Sinclair)**

That the minutes of the Northland Civil Defence Emergency Management Group meeting held on 4 March 2014 be received.

**Carried****Financial Report to 25 February 2014 (Item 7.1)****ID: A614532****Report from Financial Accountant Angela Hobden.****Moved (Brown/Sinclair)**

That the report "Financial Report to 25 February 2014" by Angela Hobden, Financial Accountant, dated 5 March 2014, be received.

**Carried****Northland Inc. Limited Financial Report to 31 January 2014 (Item 7.2)****ID: A621276****Report from Finance Manager Simon Crabb.****Moved (Sinclair/Brown)**

That the report "Northland Inc. Limited Financial Report to 31 January 2014" by Simon Crabb, Finance Manager, dated 5 March 2014, be received.

**Carried****Delegation to the Chief Executive Officer the Powers to Appoint  
Council Enforcement Officers (Local Government Act 2002,  
Resource Management Act 1991) (Item 8.1)****ID: A618372****Report from Operations Director Tony Phipps.****Moved (Ramsey/Bowman)**

1. That the report "Delegation to the Chief Executive Officer the Powers to Appoint Council Enforcement Officers (Local Government Act 2002, Resource Management Act 1991)" by Tony Phipps, Operations Director, dated 20 February 2014, be received.

2. That council delegate to the Chief Executive Officer the power to authorise delegations and issue warrants to council enforcement officers under section 32A of the Local Government Act 2002 and section 38 of the Resource Management Act 1991.

**Carried**

**Matters arising from Item 8.1:**

There was general agreement that, to ensure a transparent process was maintained, all appointments to Council Enforcement Officers must be listed in the Chief Executive Officer's report.

**Evaluation of the Merits of Supporting a National Marine Park Proposal for Northland's East Coast (Item 8.2)**

**ID: A593862**

**Report from Programme Manager – Resource Management, Justin Murfitt, and Policy Analyst, Michael Day.**

**Moved (Bain/Sinclair)**

1. That the report "Evaluation of the Merits of Supporting a National Marine Park Proposal for Northland's East Coast" by Justin Murfitt, Programme Manager - Resource Management and Michael Day, Policy Analyst, dated 20 February 2014, be received.
2. That council does not proceed with undertaking a full business case assessment of the national marine park proposal.
3. That the Regional Policy Committee includes marine spatial planning with the process for the plan review.

**Carried**

**Matters arising from Item 8.2:**

It was stressed that council's original intent was to establish a recreational park and not a "no-take" area and this must be taken into account in any marine spatial planning.

**Appointment of NRC Representative to Joint Working Party on Council Priorities and Shared Services (Triennial Agreement) (Item 8.3)**

**ID: A621007**

**Report from Policy Advisor Vibeke Wright.**

**Moved (Ramsey/Bowman)**

1. That the report "Appointment of NRC Representative to Joint Working Party on Council Priorities and Shared Services (Triennial Agreement)" by Vibeke Wright, Policy Advisor, dated 4 March 2014, be received.

2. That the Chairman Bill Shepherd and the Chief Executive Officer be appointed as the Northland Regional Council's representatives on the Joint Working Party on Council Priorities and Shared Services.

**Carried**

### **Request for Confirmation of Council's Late Submissions Policy (Item 8.4)**

**ID: A621036**

**Report from General Manager – Planning and Policy Kathryn Ross.**

**Moved (Sinclair/Ramsey)**

1. That the report "Request for Confirmation of Council's Late Submissions Policy" by Kathryn Ross, General Manager – Planning and Policy, dated 4 March 2014, be received.
2. That council re-adopts its "Late Submissions Policy" and reviews it each triennium following the adoption of its Long Term Plan.

**Carried**

### **Submission on the Proposed Auckland Unitary Plan (Item 8.5)**

**ID: A620638**

**Report from Programme Manager – Resource Management, Justin Murfitt.**

**Moved (Ramsey/Brown)**

1. That the report "Submission on the Proposed Auckland Unitary Plan" by Justin Murfitt, Programme Manager - Resource Management, dated 3 March 2014, be received.
2. That staff assess the need to attend hearings on the Proposed Auckland Unitary Plan after considering submissions and recommendations thereon to the hearings panel.
3. That should attendance at the hearings be warranted, council delegates authority to the General Manager - Planning and Policy to appear and present evidence on behalf of council.

**Carried**

**Regional Software Holdings Limited (RSHL) 2014/15 Draft  
Statement of Intent and Six Monthly Report to 31 December 2013  
(Item 8.6)**

**ID: A621297**

**Report from Finance Manager Simon Crabb.**

**Moved (Bain/Carr)**

1. That the report "Regional Software Holdings Limited (RSHL) 2014/15 Draft Statement of Intent and Six Monthly Report to 31 December 2013", by Simon Crabb, Finance Manager, dated 5 March 2014, be received.
2. That the Regional Software Holdings Limited Draft Statement of Intent 2014/15 be received.
3. That the Regional Software Holdings Limited Six Monthly Report to 31 December 2013 be received.
4. That the Chairman provides any necessary feedback to Regional Software Holdings Limited on its Draft Statement of Intent 2014/15 by 30 April 2014 and reports any feedback or the non-provision of feedback to the Audit and Risk Committee in May 2014.

**Carried**

**Appointed Members' Allowances Policy (Supplementary Item 8.7)**

**ID: A622922**

**Report from Council Secretary Chris Taylor.**

**Moved (Bain/Ramsey)**

1. That the report "Appointed Members' Allowances Policy", by Chris Taylor, Council Secretary, dated 13 March 2014, be received.
2. That a working party, consisting of Chairman Shepherd, the Chief Executive Officer and Councillors Carr and Brown, be established to more fully assess the Appointed Members' Allowances Policy and report back to council with a recommendation.

**Carried**

## Business with the Public Excluded (Item 9.0)

ID: A611745

Report from Council Secretary Chris Taylor.

### Moved (Ramsey/Brown)

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	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)).
9.2.1	Confidential Minutes of the Council Meeting – 28 January 2014	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.
9.2.2	Confidential Minutes of the Audit and Risk Committee – 18 February 2014	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.
9.3	Kotuku Dam Land Acquisition Update	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 2.58 pm.



**ITEM: 7.1**

Page 1 of 2

**ISSUE: Financial Report to 25 March 2014****ID:** A630077**To:** Council Meeting, 15 April 2014**From:** Angela Hobden, Financial Accountant**Date:** 3 April 2014

**Summary** The purpose of this report is to present the dashboard results for the nine months ended 25 March 2014 for councillors' information. It concludes with the recommendation that this report be received.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:**

The council report for the year to date (YTD) shows a net operating surplus of \$4.710M against a budgeted net surplus of \$2.672M, resulting in an overall favourable variance for the year to date of \$2.038M before transfers (to) or from Special Reserves. This variance arises from the total expenditure for the nine months being behind budget by \$1.439M or 7%, and the total revenue being ahead of budget by \$598K or 3%.

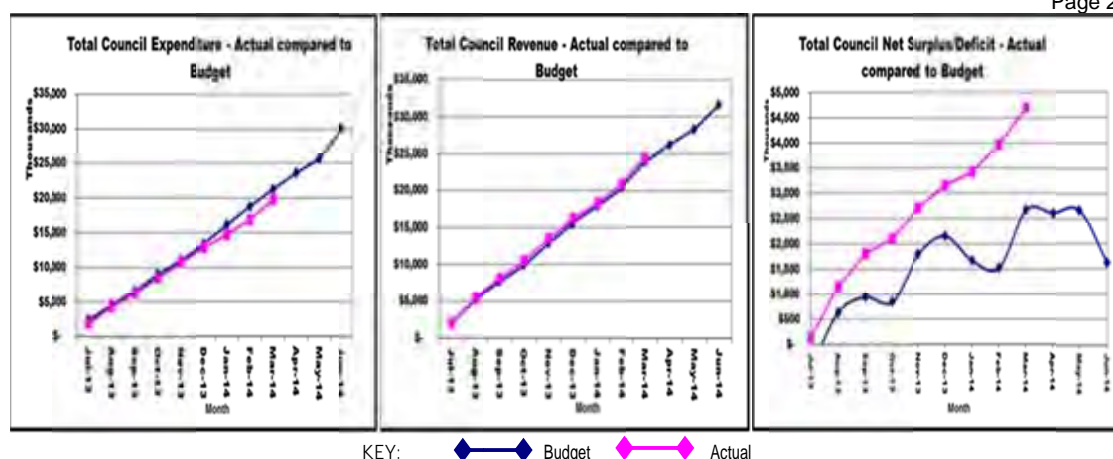
This is, in part, due to the receipt of the final dividend from Northland Port Corporation which is 1 cent per share more than anticipated for the year or \$221K. The use of this additional dividend will be considered by council as part of council deliberations on the draft Annual Plan 2014/15 so that decisions can be made in the context of submissions, current pressures on resources and the drive to keep rate increases low.

We are conducting a quarterly variance analysis of all activities for the nine months to the end of March so that we can more closely predict the end of year result. This will be reported to the Audit and Risk Committee in May prior to the council deliberations on the draft annual plan.

<b>SUMMARY OPERATING RESULTS</b>			
	<b>000's ACTUAL YTD</b>	<b>000's BUDGET YTD</b>	<b>000's VARIANCE YTD</b>
Revenue (including other gains)	\$ 24,501	\$ 23,902	\$ 599
Expenditure	\$ 19,791	\$ 21,230	\$ 1,439
<b>NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES</b>	<b>\$ 4,710</b>	<b>\$ 2,672</b>	<b>\$ 2,038</b>

**ITEM: 7.1**

Page 2 of 2



YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
<span style="color: red;">●</span> = negative (unfavourable) variance over 10%			
<span style="color: orange;">●</span> = negative (unfavourable) variance under 10%			
<span style="color: green;">●</span> = positive (favourable) variance			
	FAV / UNFAV		FAV / UNFAV
Resource Management	<span style="color: green;">●</span>	Transport	<span style="color: green;">●</span>
River Management	<span style="color: green;">●</span>	Community Representation and Engagement	<span style="color: orange;">●</span>
Economic Development	<span style="color: orange;">●</span>	Support Services and Commercial	<span style="color: green;">●</span>
Hazard Management	<span style="color: green;">●</span>		

YTD CAPITAL EXPENDITURE BY COUNCIL ACTIVITY		
	\$'000's	Brief Description of Major Items Purchased
Monitoring	\$ 74	Analysis Equipment \$48K Instruments \$6K telemetry
Biosecurity	\$ 7	GPS \$4K Probes 15K Field Cable \$1K
Emergency Management	\$ 1	Optical equipment \$5K, Floating Dock \$1K Sub pump \$1K
Land & Biodiversity	\$ 5	42" TV and bracket
River Management	\$ 2,514	Geovane & brushcutter
Commercial Investments	\$ 42	Kotuku St properties and Public Works Act land, Kaeo Stopbanks
Harbour Safety & Navigation	\$ 58	Water reticulation Flyger Rd
Oil Pollution response	\$ 2	Beacons \$28K, Salvage Pump \$1K, Vessel elec \$28K, Scan Kit \$1
Information Systems	\$ 302	Canvas Cover, load straps & signwriting
Community representation	\$ 16	IRIS \$83K, Hware \$99K, Generator \$93K, T1 Packs \$8K, Sware \$19
Support Services and Commercial	\$ 487	Display Wall
<b>TOTAL CAPITAL EXPENDITURE YEAR TO DATE</b>	<b>\$ 3,508</b>	9 new vehicles, s/writing etc, shelving, air con, solar power, seismic

INVESTMENT PORTFOLIO YEAR TO DATE PERFORMANCE
At 25 March 2014 the investment portfolio has made a return of \$6.901M against a budgeted return of \$6.323M.

**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:**

That the report "Financial Report to 25 March 2014" by Angela Hobden, Financial Accountant, dated 3 April 2014, be received.

**ITEM: 7.2**

Page 1 of 2

**ISSUE: Northland Inc. Limited Financial Report to 28 February 2014 and 2013/14 Quarter Four Funding****ID:** A625994**To:** Council Meeting, 15 April 2014**From:** Simon Crabb, Finance Manager**Date:** 4 April 2014

**Summary** The purpose of this report is to present Northland Inc. Limited's financial statements for the eight months ending 28 February 2014 and to seek approval for council to pay operational funding to Northland Inc. Limited for the Quarter Four (April to June 2014) period of the 2013/14 financial year.

<b>Report Type:</b>	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:****Financial Report**

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

- Brief commentary explaining the year to date financial results to 28 February 2014 (**Appendix one**).
- Northland Inc. Limited - Profit and Loss Budget Performance Report to 28 February 2014 (**Appendix two**).
- Northland Inc. Limited - Balance Sheet Statement as at 28 February 2014 (**Appendix three**).
- Northland Inc. Limited – Cash flow for 2013/14 (**Appendix four**).

In the 2013/14 Annual Plan council agreed to provide Northland Inc. Limited up to \$1M funding from the Investment and Growth Reserve for operational activities and a further \$100K funding from rates for tourism related activities.

At the end of February 2014 council had paid its first, second and third quarter instalments totaling \$750,000 plus GST from the Investment and Growth Reserve and \$75,000 plus GST from rates. Council also paid \$159,652 plus GST to Northland Inc. Limited in December 2013 to reimburse extraordinary costs incurred on their transition and the audit of the Oyster Shell project.

The Northland Inc. Limited forecasted year end operating result is ahead of (better than) budget and is forecast to bring the organisation's equity into a positive position of \$6,216 at 30 June 2014. Therefore it is recommended that council pay \$250,000 plus GST to Northland Inc. Limited from the Northland Regional Council Investment and Growth Reserve and \$25,000 plus GST from rates for quarter four operations in line with the 2013/14 Annual Plan, upon receipt of an invoice from Northland Inc. Limited.

**ITEM: 7.2**

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 Plan 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.

**Recommendations:**

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1. That the report "Northland Inc. Limited's Financial Report to 28 February 2014 and 2013/14 Quarter Four Funding" by Simon Crabb, Finance Manager, dated 4 April 2014, be received.
  2. That council pay Northland Inc. Limited \$250,000 + GST from the Northland Regional Council Investment and Growth Reserve for Quarter Four operational activities and \$25,000 + GST funded from rates revenue for Quarter Four tourism related activities, upon receipt of an invoice from Northland Inc. Limited.
-



## Report to NRC

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Report By:  
Dated:  
Subject:

David Wilson  
28/03/2013

## Financial

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**Attached** are the following reports;

### **Financial Reports**

#### **Profit & Loss Budget Performance to 28 February 2014**

Report Summary; (notes also on spread sheet)

Revenue is tracking over budget by \$186,699 due to the reimbursement of costs from NRC and \$5,000 from KDC for the NIF project and \$15,000 from WDC for the Digital project and the early invoicing out of the website priority listings, offset by the non-funding expected from KDC \$10,000.

Expenditure is under budget by \$12,602 due to savings in wages \$17,291 and overhead \$9,348, offset by increased activity in the project area \$21,745.

- Wages:
  - Tourism wage actual is due to contractors rate being higher than budgeted salaries and extra cover for Paihia office, the over spend against budget will be offset by savings due in last quarter.
  - Overheads are under budget by \$9,348  
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 and unbudgeted travel expense for extension on the digital project and the newly formed twin coast project
  - Communications is a timing issue.

- Project Expenses are over budget \$21,745  
Over budget items;  
Consultant – mileage for contractor was not included in the budget.  
Activities – over spend in Investment and Digital areas.

Overall Summary;

The extra funding from NRC & WDC is evident in the variance \$199,304.

### **Profit & Loss Budget Performance Year End Forecast 2014**

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, extended funding from WDC for digital but is offset against expected non funding from KDC \$10,000 & uncertain funding from the Hewlett Street project \$35,000.

Expenditure is forecasted to track over budget by \$34,117 The additional reimbursement from NRC has allowed further possible expenditure in project areas.

Overall Summary;

The yearend forecast surplus of \$193,173 will bring the organisation back to positive equity with a buffer of \$6,216.

Investment salary area includes a new position for Apr-June. Corporate salary area includes cover for front desk Apr – June.

The extra funding from NRC has been assigned to the shortfall in income = \$36,842 to extra expenses of \$34,117 leaving a variance of \$88,695 to offset against inherited deficit.

### **Balance Sheet as of February 28, 2014**

Notes are detailed on the report.

### **Cash Flow forecast**

- The cash flow reflects actuals against forecast to 28 February 2014.
- Note the creditors and debtors have been added to the forecast column to compare forecast against actual more accurately.
- With the addition of the reimbursement from NRC the actuals shows positive cash flow position to year end. March will need to be managed carefully.

### **Recommendation**

- The Profit & Loss Budget Performance to 28 February 2014 be received
- The Balance Sheet as of February 28, 2014 be received
- The Cash Flow forecast to June, 2014 be received

	Jul '13 - Feb14	YTD Budget	Variance	Year End			Notes
				Forecast Est	Annual Budget	Variance	
Ordinary Income/Expense							
Income							
Project Income							
Callaghan Innovations	38,333	38,333	-0	57,500	57,500	0	
Far North Holdings	55,000	55,000	0	55,000	55,000	0	
MSD	5,000	5,000	0	5,000	5,000	0	
Kaipara District Council	5,000	10,000	-5,000	5,000	10,000	-5,000	1
Far North District Council	5,000	5,000	0	5,158	5,000	158	
Industry	21,985	0	21,985	26,000	73,000	-47,000	2
NRC	989,652	830,000	159,652	1,264,652	1,105,000	159,652	3
NZTE	115,000	115,000	0	172,500	172,500	0	
Tourism NZ	15,062	20,000	-4,938	30,000	30,000	0	4
Whangarei District Council	105,000	90,000	15,000	125,000	110,000	15,000	5
<b>Total Project Income</b>	<b>1,355,032</b>	<b>1,168,333</b>	<b>186,699</b>	<b>1,745,810</b>	<b>1,623,000</b>	<b>122,810</b>	
<b>Total Income</b>	<b>1,355,032</b>	<b>1,168,333</b>	<b>186,699</b>	<b>1,745,810</b>	<b>1,623,000</b>	<b>122,810</b>	
Expense							
Depreciation	10,168	13,885	-3,717	20,828	20,828	0	
Wages							
Investment	9,581	25,333	-15,752	37,093	57,000	-19,907	6
Business Grow	111,192	120,008	-8,816	180,008	180,008	0	7
Sectors	25,345	24,782	563	25,345	24,782	563	
Tourism	167,894	157,409	10,485	231,035	236,114	-5,079	8
Corporate	147,858	151,703	-3,845	243,882	238,304	5,578	9
Interim CEO	21,574	21,500	74	21,574	21,500	74	
<b>Total Wages</b>	<b>483,444</b>	<b>500,735</b>	<b>-17,291</b>	<b>738,937</b>	<b>757,708</b>	<b>-18,771</b>	
Overheads							
General Administrative							
Kiwisaver	10,185	13,929	-3,744	17,150	20,894	-3,744	10
FBT	0	0	0	9,000	9,000	0	
ACC	2,664	4,179	-1,515	2,664	4,179	-1,515	11
Accounting	0	0	0	3,675	3,675	0	
Audit Fees	3,188	0	3,188	45,185	25,000	20,185	12
Bank Charges	660	600	60	900	900	0	
Insurance	5,722	6,500	-778	10,621	10,621	0	
IT Support	12,134	12,060	74	17,291	17,291	0	
Legal Fees	55,000	55,000	0	56,000	55,000	1,000	13
Meeting Expenses	2,179	2,000	179	3,000	3,000	0	
Subscription/Publications	11,625	14,113	-2,488	14,113	14,113	0	14
Sundry	5,813	5,419	394	8,138	8,138	0	
Telephone & Fax	13,442	13,316	126	19,178	19,178	0	
Travel Costs	6,557	5,502	1,055	8,253	8,253	0	
Vehicle Costs	21,759	16,267	5,492	35,384	24,400	10,984	15
<b>Total General Administrative</b>	<b>150,928</b>	<b>148,885</b>	<b>2,043</b>	<b>250,552</b>	<b>223,642</b>	<b>26,910</b>	
Leases							
Operating Leases	10,097	14,579	-4,482	21,243	21,243	0	16
Vehicle Leases	7,331	11,203	-3,872	10,919	16,804	-5,885	17
<b>Total Leases</b>	<b>17,427</b>	<b>25,782</b>	<b>-8,355</b>	<b>32,162</b>	<b>38,047</b>	<b>-5,885</b>	
Marketing							
Communications	9,875	6,000	3,875	9,875	10,000	-125	18
<b>Total Marketing</b>	<b>9,875</b>	<b>6,000</b>	<b>3,875</b>	<b>9,875</b>	<b>10,000</b>	<b>-125</b>	
Office Supplies							
Postage	489	1,467	-978	684	2,200	-1,516	
Stationery	3,313	4,334	-1,022	5,652	6,501	-849	
<b>Total Office Supplies</b>	<b>3,802</b>	<b>5,801</b>	<b>-1,999</b>	<b>6,336</b>	<b>8,701</b>	<b>-2,365</b>	
Premises costs							
Cleaning	3,854	4,191	-337	4,587	5,471	-884	19
Electricity	4,396	6,592	-2,196	6,576	8,592	-2,016	20
Rates	1,376	5,709	-4,333	1,376	7,876	-6,500	21
Rent	37,456	35,503	1,953	55,120	48,905	6,215	22
<b>Total Premises costs</b>	<b>47,083</b>	<b>51,995</b>	<b>-4,912</b>	<b>67,659</b>	<b>70,844</b>	<b>-3,185</b>	
<b>Total Overheads</b>	<b>229,115</b>	<b>238,463</b>	<b>-9,348</b>	<b>366,584</b>	<b>351,234</b>	<b>15,350</b>	
Director Expenses							
Fees	32,164	32,333	-169	55,062	48,500	6,562	23
Meeting Expenses	2,196	2,200	-4	3,000	3,000	0	
Travel Costs	10,183	14,000	-3,817	14,438	21,000	-6,562	24
<b>Total Director Expenses</b>	<b>44,542</b>	<b>48,533</b>	<b>-3,991</b>	<b>72,500</b>	<b>72,500</b>	<b>0</b>	
Project Direct Costs							
Consultants	45,316	42,000	3,316	71,275	66,000	5,275	25
Activity Costs	255,796	237,367	18,429	293,963	261,700	32,263	26
<b>Total Project Direct Costs</b>	<b>301,112</b>	<b>279,367</b>	<b>21,745</b>	<b>365,238</b>	<b>327,700</b>	<b>37,538</b>	
<b>Total Expense</b>	<b>1,068,381</b>	<b>1,080,983</b>	<b>-12,602</b>	<b>1,564,087</b>	<b>1,529,970</b>	<b>34,117</b>	
<b>Net Ordinary Income</b>	<b>286,652</b>	<b>87,350</b>	<b>199,301</b>	<b>181,723</b>	<b>93,030</b>	<b>88,693</b>	
Other Income/Expense							
Other Income							
Interest Received	3	0	3	2	0	2	
FBT contribution	5,235	5,235	0	11,448	11,448	0	27
Oyster Shell Project Income	31,613	0	31,613	31,613	0	31,613	
<b>Total Other Income</b>	<b>36,851</b>	<b>5,235</b>	<b>31,616</b>	<b>43,063</b>	<b>11,448</b>	<b>31,615</b>	

	Jul '13 - Feb14	YTD Budget	Variance	Year End			Notes
				Forecast Est	Annual Budget	Variance	
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	5,238	5,235	3	11,450	11,448	2	
Net Income	291,890	92,585	199,304	193,173	104,478	88,695	28
Notes							
1 Forecast	budgetted amount not expected, \$5k for NIF						
2 Forecast	\$35k budgeted for Hewlett Street work - uncertain						
3 Forecast	extraordinary costs recovered from NRC						
4 YTD	timing						
5 Forecast	extra funding for digital project						
6 Forecast	inclusive of new position Mar - June						
7 YTD	timing monthly budget includes portion of bonus						
8 YTD	incorporates tracking overspend and current staff, improves in forecast						
9 Forecast	incorporates new ea position starting Apri						
10 YTD	due to employees being paid on contract for first six months now on employment contracts						
11 YTD	payment to ACC actual						
12 YTD	dispersment charges not budgeted,						
12 Forecast	includes extra audit fee as advised by ANZ \$16k						
13 Forecast	allowed extra \$1k for legal fees over budget						
14 YTD	timing						
15 YTD	damage repairs and maintenance on older vehicles, return of a leased car - costs for wear and tear, un budgeted veh cost for digital & todh projects						
16 YTD	timing						
17 Forecast	allowed for Interest on NRC leased vehicle in Feb-June + existing leased car						
18 YTD	timing						
19 Forecast	Staff undertaking cleaning of office in Paihia						
20 YTD	timing						
Forecast	electricity in Paihia part of rent						
21 Forecast	savings on premise in Paihia, whg cost in rent budget						
22 Forecast	increase for Paihia office & whg office rent increase from 1 Feb						
23 Forecast	includes two new directors Apr-Jun						
24 Forecast	est savings in travel						
25 Forecast	travel component not budgeted						
26 Forecast	savings in tourism offset against additional spend in investment and digital						
27	offset against wages						
28 YTD	due to extra funding from NRC						
Forecast	ahead of budget surplus needed of \$186957						
Summary							
NRC extra funding covers	less income	36,842					
	increase in exp	34,117					
	variance	88,695					
		159,654					

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**Northland Inc Ltd**  
**Balance Sheet**  
**As of February 28, 2014**

Item: 7.2  
Appendix 3

	Feb, 28 14	Closing Balance Jun 30, 13	Movement	notes
<b>ASSETS</b>				
<b>Current Assets</b>				
Accelerator Account	4,107	1,358	2,749	
Project Account	15	14	1	
Cheque Account	36,911	26,990	9,921	
Petty Cash	200	200	0	
<b>Total Chequing/Savings</b>	<b>41,232</b>	<b>28,562</b>	<b>12,670</b>	
Accounts Receivable				
Accounts Receivable	165,304	135,800	29,504	1
<b>Total Accounts Receivable</b>	<b>165,304</b>	<b>135,800</b>	<b>29,504</b>	
<b>Other Current Assets</b>				
Accounts Receivable -yearend adj	0	22,725	-22,725	
Prepayments	3,729	3,800	-71	
<b>Total Other Current Assets</b>	<b>3,729</b>	<b>26,525</b>	<b>-22,796</b>	
<b>Total Current Assets</b>	<b>210,265</b>	<b>190,887</b>	<b>19,378</b>	
<b>Fixed Assets</b>				
Leased Equipment at Cost	49,105	49,105	0	
Accumulated Deprec Lease Eq	-47,513	-44,455	-3,058	
<b>Total Leased Equipment</b>	<b>1,592</b>	<b>4,650</b>	<b>-3,058</b>	
Office Equipmet				
Office Equipment at Cost	71,208	71,958	-750	
Accumulated Deprec OE	-39,621	-36,191	-3,430	
<b>Total Office Equipmet</b>	<b>31,587</b>	<b>35,767</b>	<b>-4,180</b>	
Vehicles				
Vehicles at Cost	49,986	28,043	21,943	2
Accumulated Deprec	-11,232	-7,552	-3,680	
<b>Total Vehicles</b>	<b>38,755</b>	<b>20,491</b>	<b>18,264</b>	
<b>Total Fixed Assets</b>	<b>71,934</b>	<b>60,908</b>	<b>11,026</b>	
<b>TOTAL ASSETS</b>	<b>282,199</b>	<b>251,795</b>	<b>30,404</b>	
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
NRC Oyster Commitment	0	0	0	
Accounts Payable	90,968	220,982	-130,014	3
<b>Total Accounts Payable</b>	<b>90,968</b>	<b>220,982</b>	<b>-130,014</b>	
<b>Other Current Liabilities</b>				
Accuonts Payable - Year End adj	0	75,719	-75,719	
NRC Loan	24,364	0	24,364	
Accruals	15,000	41,954	-26,954	4
Income in Advance	19,745	82,688	-62,943	5
Current Portion of Leases	1,157	5,465	-4,308	
GST	5,604	-46,060	51,664	
Holiday Pay Accrued	20,428	58,004	-37,576	
<b>Total Other Current Liabilities</b>	<b>86,298</b>	<b>217,770</b>	<b>-131,472</b>	
<b>Total Liabilities</b>	<b>177,265</b>	<b>438,752</b>	<b>-261,487</b>	
<b>Equity</b>				
Contributed Capital	100	100	0	
Equity	-148,612	28,004	-176,616	
Retained Surplus/Deficit	-38,445	-38,445	0	
Net Income	291,890	-176,616	468,506	
<b>Total Equity</b>	<b>104,933</b>	<b>-186,957</b>	<b>291,890</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>282,199</b>	<b>251,795</b>	<b>30,403</b>	

**notes**

- 1 Recievables are mainly made up of Current: NZTES\$16.5k/Callaghan\$5.5k/FNHL \$15k/KDC \$15k/WDC \$32k  
aged 1 mth: FNHL \$34945/WDC \$28750  
and website income \$18k
- 2 Sale of oldest vehicle & purchase of new CEO vehicle
- 3 Payables are made up of, Infomtrics \$56k and rest feb invoices
- 4 Accruals are made up of \$15k fbt liability 2013
- 5 Income in advance is made up of NIF \$16.7k/Far North Brox \$2.9k,

<b>Northland INC</b>																				
<b>Cash Flow 2013/14</b>																				
	<b>December</b>		<b>January</b>		<b>February</b>		<b>March</b>		<b>April</b>		<b>May</b>		<b>June</b>		<b>Jul 13 - Jun14</b>			<b>Annual Budget</b>	<b>notes</b>	
	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast</b>	<b>actual</b>	<b>Forecast YTD</b>	<b>actual YTD</b>	<b>Variance YTD</b>			
<b>Income</b>																				
Corporate									287,500						885,500	885,500	-	1,173,000		
Bus Grow Income	22,042	22,042	22,042	22,042	22,042	22,042	22,042		22,042		22,042		44,084		154,290	154,292	2	264,500		
Tourism Income	7,000	7,531	2,875	2,587	53,375	43,282	21,850		69,000		17,250		10,350		241,500	225,987	(15,514)	359,950		
Investment Income									40,250						-	-	-	40,250		
Sector Income							28,750								-	-	-	28,750		
Interest						2									-	3	3	-		
extraordinary Income		183,600													-	187,115	187,115	-	sale of veh & NRC reimb	
<b>Total Income</b>	<b>29,042</b>	<b>213,173</b>	<b>24,917</b>	<b>24,629</b>	<b>75,417</b>	<b>65,326</b>	<b>72,642</b>	<b>-</b>	<b>418,792</b>	<b>-</b>	<b>39,292</b>	<b>-</b>	<b>54,434</b>	<b>-</b>	<b>1,281,290</b>	<b>1,452,897</b>	<b>171,607</b>	<b>1,866,450</b>		
<b>Expenses</b>																				
<b>Corporate</b>																				
Salaries	31,619	35,557	19,000	19,178	19,000	19,957	19,000		24,351		19,000		19,000		178,453	183,526	5,073	259,804	gst content	
Specific Costs	11,156	18,164	6,891	2,758	6,891	6,688	6,891		13,554		13,557		13,557		76,355	79,027	2,672	123,913		
Share of Overheads	9,920	11,760	6,997	4,902	6,983	8,895	8,609		6,983		7,891		21,261		71,936	73,593	1,658	116,679		
<b>Bus Grow</b>																				
Salaries	12,304	12,308	12,304	12,308	12,304	11,692	12,304		18,456		12,304		33,869		103,067	102,136	(931)	180,008		
Specific Costs	1,917	1,917	1,917	1,917	1,917	1,917	1,917		1,917		1,912		1,917		15,336	15,336	(0)	23,000		
Share of Overheads	6,935	8,105	4,871	3,378	4,862	6,165	5,983		4,862		5,488		14,901		49,775	50,754	979	81,009		
																-	-			
<b>Tourism</b>																				
Salaries	30,178	35,672	22,596	11,167	22,596	24,956	15,591		15,591		15,591		15,590		173,751	175,563	1,812	236,114		
Specific Costs	47,245	41,798	5,080	10,328	5,080	1,047	5,080		5,080		5,080		5,080		113,945	102,444	(11,501)	134,263		
Share of Overheads	9,814	10,636	6,394	4,434	6,380	8,090	7,852		6,380		7,201		19,556		65,322	66,606	1,284	106,312		
<b>I &amp; G</b>																				
Salaries	10,550	10,550					7,082		7,082		7,082		7,084		10,550	10,550	-	57,000		
Specific Costs	48,685	48,685	-						0		0		-		98,620	98,620	(0)	80,500		
Share of Overheads	2,415	2,617	1,573	1,091	1,570	1,991	1,932		1,570		1,772		4,799		16,074	16,391	317	26,148		
<b>Sector</b>																				
Salaries															24,782	24,781	(1)	24,782		
Specific Costs	7,590	14,283	12,991	14,173	7,590	16,183	7,590		7,590		7,590		7,581		131,454	149,384	17,930	161,805	digital & mileage	
Share of Overheads	979	1,137	613	474	611	865	768		611		699		1,960		6,475	7,119	645	10,513		
<b>total expenses</b>	<b>231,307</b>	<b>253,189</b>	<b>101,227</b>	<b>86,108</b>	<b>95,783</b>	<b>108,446</b>	<b>100,599</b>	<b>-</b>	<b>114,026</b>	<b>-</b>	<b>105,167</b>	<b>-</b>	<b>166,155</b>	<b>-</b>	<b>1,135,895</b>	<b>1,155,830</b>	<b>19,935</b>	<b>1,621,849</b>		
GST estimate			47,888	37,090			1,451				51,687				104,692	49,904	(54,788)	130,736		
FBT contribution	954		954		954		954		954		954		954		7,632					
unbudgettd projects		10,562		(5,069)		(5,149)														
<b>SUB TOTAL OPERATING CASHFLOWS</b>	<b>(201,311)</b>	<b>(50,578)</b>	<b>(123,244)</b>	<b>(93,500)</b>	<b>(19,412)</b>	<b>(37,971)</b>	<b>(28,454)</b>	<b>-</b>	<b>305,720</b>	<b>-</b>	<b>(116,608)</b>	<b>-</b>	<b>(110,767)</b>	<b>-</b>	<b>48,334</b>	<b>247,163</b>	<b>206,460</b>	<b>113,865</b>		
Prior year debtors				(733)																
Prior year creditors	54,561	54,120	7,500	4,375	5,000	5,000	5,000		5,000		7,500		5,000							
<b>total prior year</b>	<b>54,561</b>	<b>54,120</b>	<b>7,500</b>	<b>3,642</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>5,000</b>	<b>-</b>						
<b>TOTAL OPERATING CASHFLOWS</b>	<b>(255,872)</b>	<b>(104,698)</b>	<b>(130,744)</b>	<b>(97,142)</b>	<b>(24,412)</b>	<b>(42,971)</b>	<b>(33,454)</b>	<b>-</b>	<b>300,720</b>	<b>-</b>	<b>(124,108)</b>	<b>-</b>	<b>(115,767)</b>	<b>-</b>						
<b>OPENING BALANCE</b>	<b>224,124</b>	<b>285,842</b>	<b>(31,749)</b>	<b>181,144</b>	<b>(162,493)</b>	<b>84,002</b>	<b>(186,905)</b>	<b>41,031</b>	<b>(220,359)</b>	<b>7,577</b>	<b>80,361</b>	<b>308,297</b>	<b>(43,747)</b>	<b>184,189</b>						
<b>Operating surplus/(deficit)</b>	<b>(255,872)</b>	<b>(104,698)</b>	<b>(130,744)</b>	<b>(97,142)</b>	<b>(24,412)</b>	<b>(42,971)</b>	<b>(33,454)</b>	<b>(33,454)</b>	<b>300,720</b>	<b>300,720</b>	<b>(124,108)</b>	<b>(124,108)</b>	<b>(115,767)</b>	<b>(115,767)</b>						
<b>Non operating surplus/(deficit)</b>																				
<b>CLOSING BALANCE</b>	<b>(31,749)</b>	<b>181,144</b>	<b>(162,493)</b>	<b>84,002</b>	<b>(186,905)</b>	<b>41,031</b>	<b>(220,359)</b>	<b>7,577</b>	<b>80,361</b>	<b>308,297</b>	<b>(43,747)</b>	<b>184,189</b>	<b>(159,513)</b>	<b>68,422</b>						

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**ISSUE: The Local Governance Statement****ID:** A629463**To:** Council Meeting, 15 April 2014**From:** Kathryn Ross, General Manager – Planning and Policy, and Chris Taylor, Council Secretary**Date:** 1 April 2014

**Summary** The purpose of this report is to enable council to formally consider and approve the content of the Local Governance Statement. The report concludes with the recommendations that council:

- i. Receive the report.
- ii. Undertake a review of the Consultation Policy and the Māori Liaison Policy as part of the Long Term Plan 2015-2025 process and in conjunction with the Te Taitokerau Māori Advisory Working Party/Committee.
- iii. Delegate authority to the General Manager – Planning and Policy and the Council Secretary to update the administrative content of the Local Governance Statement on an ongoing basis to ensure the Statement remains current.

<b>Report Type:</b>	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

**Background:**

The Local Governance Statement (the Statement) provides a central repository outlining:

- Council's functions;
- Council's governance arrangements;
- How council engages with its communities and makes decisions; and
- How the community can be involved so that it can have a say on important matters and effectively influence how council does things.

Further to that, the Local Governance Statement is a requirement under the Local Government Act 2002 and must contain, *but is not limited to*, the following:

- (a) The functions, responsibilities, and activities of the local authority; and
- (b) Any local legislation that confers powers on the local authority; and
- (ba) The bylaws of the local authority, including for each bylaw, its title, a general description of it, when it was made, and, if applicable the date of its last review under section 158 or 159 [of the Local Government Act 2002]; and
- (c) The electoral system and the opportunity to change it; and
- (d) Representation arrangements, including the option of establishing Māori wards or constituencies, and the opportunity to change them; and
- (e) Members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct); and

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- (f) Governance structures and processes, membership, and delegations; and
- (g) Meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders); and
- (h) Consultation policies; and
- (i) Policies for liaising with, and memoranda or agreements with, Māori; and
- (j) The management structure and the relationship between management and elected members; and
- (k) Equal employment opportunities policy; and
- (l) Key approved planning and policy documents and the process for their development and review; and
- (m) Systems for public access to it and its elected members; and
- (n) Processes for requests for official information.

Council was briefed on the content of the Local Governance Statement at a workshop on 25 March 2014 and it was agreed that staff would update all administrative material within the statement to ensure a revised version was uploaded to the council's website by 12 April 2014 to meet legal requirements. This revised version is on our website at <http://www.nrc.govt.nz/governance>.

As was advised at the 25 March 2014 workshop it would be most efficient for council to review the Consultation Policy and Māori Liaison Policy as part of the new Significance and Engagement Policy (within the Long Term Plan 2015-2025 process) and also with the assistance of the Te Taitokerau Māori Advisory Working Party/Committee and to delegate authority to update the administrative content of the Local Governance Statement on an ongoing basis to ensure the public document remains current to the General Manager – Planning and Policy and the Council Secretary.

Council may also wish to highlight additional information to be included in future revisions of the Local Governance Statement to ensure it is a "fit for purpose" document.

**Legal compliance and significance assessment:**

The preparation and public availability of a Local Governance Statement is a requirement of all local authorities under section 40 of the Local Government Act.

This matter has been assessed against the council's significance policy and is deemed to be of low significance.

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**Recommendations:**

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1. That the report “The Local Governance Statement” by Kathryn Ross, General Manager – Planning and Policy, and Chris Taylor, Council Secretary, dated 1 April 2014, be received.
  2. That council approves undertaking a review of the Consultation Policy and the Māori Liaison Policy as part of the development of the new Significance and Engagement Policy (within the Long Term Plan 2015-2025 process) and in conjunction with the Te Taitokerau Māori Advisory Working Party/Committee.
  3. That council delegates authority to the General Manager – Planning and Policy and the Council Secretary to update the administrative content of the Local Governance Statement on an ongoing basis to ensure the Statement remains current.
-



**ITEM: 8.2**

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**ISSUE: Northland Inc. Contract Approvals****ID:** A622883**To:** Council Meeting, 15 April 2014**From:** Malcolm Nicolson, Chief Executive Officer**Date:** 13 March 2014

**Summary** The purpose of this report is to present to the council a recommendation of the Economic Development Subcommittee that the current need for Northland Inc. to seek approval for new contracts is no longer required.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Report:**

In September 2013 the council agreed<sup>1</sup>, at the request of Audit New Zealand, to provide Northland Inc. with a “letter of comfort” to confirm its on-going funding of the council-controlled organisation. As part of its decision on this matter, the council also resolved that Northland Inc. would be required to seek specific council approval prior to becoming contractually liable to any financial commitments or obligations that extended beyond June 2014.

The Economic Development Subcommittee has been reviewing and deciding these requests from Northland Inc. under delegated authority. At its meeting held on 11 March 2014, the subcommittee resolved to recommend to the council that the requirement for approval is no longer required, because the council has now funded the deficit in Northland Inc.

**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 the effect of the decision does not trigger the policy criteria, it being an administrative function that is no longer required.

<sup>1</sup> See council agenda for meeting held 17 September 2013, item 8.2 “Northland Inc. – Going Concern at 30 June 2013”

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**Recommendations:**

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1. That the report, "Northland Inc. Contract Approvals" by Malcolm Nicolson, Chief Executive Officer, dated 13 March 2014, be received.
  2. That Northland Inc. be informed the council no longer requires the company to seek its approval for new contracts that can be funded by approved budgets.
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**ITEM: 8.3**

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**ISSUE: 2014 Local Government New Zealand Conference****ID:** A622914**To:** Council Meeting, 15 April 2014**From:** Cr Bill Shepherd, Council Chairman**Date:** 13 March 2014

**Summary** The purpose of this report is to bring to councillors' attention the upcoming Local Government New Zealand (LGNZ) Conference. It concludes with the recommendation that the report be received and that council resolve which elected representatives, along with the Chief Executive, shall be delegated to represent the Northland Regional Council at the LGNZ Conference.

<b>Report Type:</b>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision	<input checked="" type="checkbox"/>
<b>Purpose:</b>	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	<input checked="" type="checkbox"/>
<b>Significance:</b>	High	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Low	<input checked="" type="checkbox"/>

**Report:**

The [LGNZ conference](#)<sup>1</sup> is being held between 20-22 July in Nelson.

The conference programme includes both international and domestic speakers who will cover a range of topics including building communities, economic development and council financial performance, and innovation. There will be concurrent sessions led by LGNZ experts covering topics of interest to both councils and communities.

The West Coast Regional Council and Tasman District Council are also organising (subject to sufficient interest from attendees) a pre-conference Regional Sector Group tour, to showcase key areas of regional council responsibility on the West Coast, and water management and conservation challenges in Tasman. The tour begins with a flight to Westport on Friday, 18 July, and includes tours on Saturday of the Stockton Mine, key horticultural production area on the Waimea Plains, and water resources.

The conference is a chance to network, share ideas and learn about the work our counterparts are doing in local government.

**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 to 82 of the Local Government Act 2002.

With reference to section 79 of the Local Government Act 2002, this matter is considered to be of low significance under council policy as it is a matter of day to day operations provided for in the council's Long Term Plan.

<sup>1</sup> See: <http://www.lgnz.co.nz/home/news-and-media/2014-lgnz-conference-and-lgnz-excellence-awards/>

**ITEM: 8.3**

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**Recommendations:**

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1. That the report “2014 Local Government New Zealand Conference” by Bill Shepherd, Chairman, dated 13 March 2014, be received.
  2. That the Chief Executive and Councillor(s) \_\_\_\_\_  
\_\_\_\_\_ represent the Northland Regional Council at the 2014 LGNZ Conference.
  3. That the Chief Executive advises the Tasman District Council whether Northland Regional Council participants will join the pre-conference tour.
-

**ITEM: 8.4**

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**ISSUE: Northland Sailor of the Year 2013****ID:** A624238**To:** Council Meeting, 15 April 2014**From:** Jim Lyle, Regional Harbourmaster**Date:** 28 March 2014

**Summary** The purpose of this report is to update council on the outcome of the search for a suitable recipient for the Northland Sailor of the Year 2013 award. It concludes with the recommendation that the council approve the deferral of the award for 2013.

<b>Report Type:</b>	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
<b>Purpose:</b>	<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 checked="" type="checkbox"/> Other
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:**

Council will recall that during the December 2013 council meeting, the Harbourmaster requested the nomination of a councillor to the selection committee of the Northland Sailor of the Year Award for 2013.

The award is a means of encouraging outstanding excellence in yachting activities within the Northland community and is given for all or any acts or services, which either directly or indirectly have the effect of promotion, advancement or betterment of the sport of yachting.

**Discussion:**

Nominations for potential recipients were received from the Northland Yachting Association local yacht clubs. The selection committee has examined the nominees and found that whilst there is an outstanding group of sailors developing their skills and competing at an international level, there is no stand-out nominee that can be considered for this prestigious award for 2013.

In past years, the award has not been given if a suitable nominee was not found. In keeping with the tradition of only presenting this award for outstanding accomplishments and contributions to the sport of yachting, and as none of the nominees were stand-out candidates this year, it is recommended that the award be permanently deferred until next year. Nominees will once again be sought at the end of the 2014 calendar year for council's consideration.

**Legal compliance and significance assessment:**

With reference to section 79 of the Local Government Act 2002, this item is considered to be of low significance under council policy as it is part of the normal day to day operations of the council.

**ITEM: 8.4**

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**Recommendations:**

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1. That the report "Northland Sailor of the Year 2013" by Jim Lyle, Regional Harbourmaster, dated 28 March 2014, be received.
  2. That council approve the decision of the committee to defer the Northland Sailor of the Year Award for 2013.
-

**ITEM: 8.5**

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**ISSUE: Northland Regional Council 2014 Environmental Curriculum Awards****ID:** A594296**To:** Council Meeting, 15 April 2014**From:** Susan Botting, Environmental Education Officer**Date:** 1 April 2014

**Summary** The purpose of this report is to appoint two councillors to select the Northland Regional Council 2014 Environmental Curriculum Award winning schools. It concludes with the recommendation that the report is received and two councillors be confirmed as members of the judging sub-committee for the 2014 Environmental Curriculum Awards.

<b>Report Type:</b>	Normal operations	<input type="checkbox"/>	Information	<input type="checkbox"/>	Decision	<input checked="" type="checkbox"/>
<b>Purpose:</b>	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 checked="" type="checkbox"/>	Other	<input type="checkbox"/>
<b>Significance:</b>	High	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	Low	<input checked="" type="checkbox"/>

**Report:**

The Northland Regional Council annually offers Northland schools up to \$2,000 each through its Northland Regional Council Environmental Curriculum Awards. This award is offered to recognise effective environmental education in the north. The award fund totals \$20,000.

The Northland Regional Council 2014 Environmental Curriculum Awards process is now underway. More than 150 Northland schools have been sent the relevant details. The 2014 application season opened on Thursday 20 March 2014. Applications for the awards close on Tuesday 13 May 2014.

As in past years, a judging sub-committee is needed to select successful applicants. The sub-committee will meet to carry out the selection process. NRC councillors and the Environmental Education Officer, Susan Botting, will visit successful winners at their schools and present the awards.

These awards recognise achievement in environmental education through demonstrated action. They particularly support efforts in line with the council's work and the Ministry of Education Guidelines for Environmental Education in New Zealand Schools.

**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. As such, it does not trigger any criteria in council's significance policy and therefore is considered to be of low significance.

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**Recommendations:**

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1. That the report "Northland Regional Council 2014 Environmental Curriculum Awards" by Susan Botting, Environmental Education Officer, dated 1 April 2014, be received.
  2. That Crs \_\_\_\_\_ and \_\_\_\_\_ be confirmed as members of the judging sub-committee for the Environmental Curriculum Awards 2014.
-

**ISSUE: Investment and Growth Reserve: Proposal for Funding – Economic Development Opportunities from Better Water Management**

**ID:** A629906

**To:** Council Meeting, 15 April 2014

**From:** Darryl Jones, Economist

**Date:** 7 April 2014

**Summary** The purpose of this report is to bring before council an application for funding from the Investment and Growth Reserve (IGR) to finance a study looking at the economic development opportunities from better water management in Northland. It concludes with the recommendation that the proposal be funded from the IGR.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
<b>Purpose:</b>	<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 type="checkbox"/> Other
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:**

On 25 March 2014, a proposal for funding from the Impact Investment Funding category of the IGR was received from Northland Inc. Limited (NINC) (**Appendix 1**). The proposal involves a region wide study of the economic development opportunities for Northland from better water management, specifically focusing on the potential for new water infrastructure. The project is divided into three stages: regional benefits; regional analysis and feasibility of catchment areas, with a total project cost estimated at \$420,000 spread over two years. Rather than funding the whole project through the IGR, the proposal involves applying to the Ministry of Primary Industries Irrigation Acceleration Fund (IAF) for 50% of the cost. Consequently, the application is to use \$220,000 from the IGR to fund the study.

The IAF's primary purpose is to support regional scale rural water infrastructure proposals. Each approved work programme will be a joint investment between the Crown and defined applicant with an appropriate legal status. Contributions by the applicant must be equal to or greater than the Crown IAF funding – that is, the Crown contribution is based around a sliding scale and capped at a maximum of 50% of 1:1 cost sharing of qualifying expenditure.

In addition to funding half the study cost from the IGR, NINC has also requested that they have an ongoing involvement in the project, including the development of the RFP. This is a consequence of the reference in the proposal that the Project Officer for the study be appointed from within council.

NINC also recommended that council give consideration to developing a communication plan for the project given the number of stakeholders and interested parties in the project

**ITEM: 8.6**

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**Discussion:*****Assessment of the proposal***

Officers have assessed the proposal against the IGR criteria and conclude that it is eligible for funding from the IGR through the Impact Investment Funding category (**Appendix 2**).

Officers also consider that it is an opportune time to seek funding through the MPI IAF. Three of the driest years for rainfall in the region over the past 70 years have occurred in the past four years. When Minister Nathan Guy visited the Dargaville area on 1 April 2014 to discuss the drought situation with local farmers, he specifically encouraged Northland communities to access the IAF. Questions, assertions and requests around bulk water storage and irrigation will continue to be raised and an up to date analysis and report on the issue is needed to respond.

Given the need for an applicant to the IAF to provide at least 50% of the expenditure for the study, the IGR is a logical source of funding given the difficulty of the “community” to come up with the necessary cash required.

To be eligible for IAF funds, a proposal needs to address one of the following three areas: regional rural water infrastructure, community irrigation schemes and strategic water management studies. The proposal under consideration falls under the third area. Grants for strategic water management studies can be used for technical reports, including water resource assessments, environmental/economic/social impact reports, consultations, promotional and communication activities, etc.

There are sufficient funds in the IGR to meet council's share of the estimated project cost, i.e. \$210,000. However, given that the costs are estimates and the content of the project has yet to be agreed with MPI, there may be some variation in the actual cost of the project. Officers therefore recommend that the potential maximum provided from the IGR be raised to \$240,000 to include a contingency to cover any potential increase in project costs. Should the final cost to the IGR exceed this value, a follow-up report will be prepared and brought to council for consideration.

Officers recommend that the study include an assessment of the Kerikeri and Maungatapere irrigation schemes, both of which are currently significantly underutilised. Such an assessment should investigate why the current schemes are not being well utilised, identify barriers to increased utilisation and options for overcoming those barriers. This assessment could be incorporated into report “1g. History of Irrigation in Northland”, which already envisages a review of the status/utilisation of the existing dairy farm irrigation infrastructure built in the 90s.

***Project management***

The IAF criteria requires the applicant to have a single point of contact once the project has been initially approved and developed up into a business plan. The question arises as to whether that should be council or NINC. The proposal as it stands suggests that council should be that contact, with NINC providing support.

Officials support this arrangement and recommend that council staff work with NINC in the initial application to the IAF and discuss with MPI the most appropriate person to appoint based on their experience to date with carrying out such studies. It should be noted that the co-funding component provided by the applicant can include a labour component, i.e. staff costs valued at pro-rata direct salary costs including leave entitlements, etc. and ACC levies.

**ITEM: 8.6**

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The IAF team is responsible for managing the commitment of funds to programmes and will monitor contract spending against forecast to ensure that the IAF scheme runs within its overall budget.

***Communication plan***

Officers support the development of a communication plan for the project given the level of interest in the study and to ensure that any media releases etc., are tied in appropriately with the Waiora Northland Water project. Furthermore, promotional and communication activities are eligible for funding under the IAF criteria for Strategic Water Management Studies. This could be an additional component that can be built into the current project proposal through consultation with MPI.

**Conclusion:**

The proposal should be supported in principle and council should agree to use the IGR to fund up to a \$240,000 contribution to the study. Some of the details of the study and project management need to be further refined with input from MPI, staff and NINC to ensure that the study delivers maximum value and meets MPI criteria. It is therefore recommended that council delegate the finalisation of the application to the council's Chief Executive Officer.

**Legal compliance and significance assessment:**

The activities detailed in this report are in accordance with the Investment and Growth Reserve criteria, the Long Term Plan 2012-2022, and council's decision making process as prescribed in 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:**

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1. That the report "Investment and Growth Reserve: Proposal for Funding – Economic Development Opportunities from Better Water Management" by Darryl Jones, Economist, dated 7 April 2013, be received.
2. That council agree to make available up to \$240,000 (plus any applicable GST) from the IGR for the irrigation infrastructure project conditional on matching funding being received through the IAF, and delegates authority to release these funds when this condition is met to the Chief Executive Officer.
3. That council delegates to the Chief Executive Officer authority to submit an application to the IAF with a commitment of council funds of up to \$240,000 (plus any applicable GST). Should a higher level of funding be required, a further paper will be brought to council for consideration.
4. That council staff work with NINC in consultation with MPI to refine the application to ensure it has the optimum chance of success against the IAF criteria and determine an appropriate project management structure for the study including the appointment of a single point of contact.

**ITEM: 8.6**

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5. That council staff work with NINC to develop an appropriate communication plan for the project that will be included as part of the study work programme.
-



**ITEM: 8.7**

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**ISSUE: Appointed Members' Allowance Policy Review****ID:** A629745**To:** Council Meeting, 15 April 2014**From:** Vibeke Wright, Policy Advisor**Date:** 3 April 2014

**Summary** The purpose of this report is to present the recommendations of council's working party on the review of its Appointed Members' Allowance Policy. It concludes with the recommendation that the report be received and that council approve amendments to the policy, noting that further review of the policy may be required to address future circumstances that may arise as a result of changes or additions to the council's governance structure.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:**

In January 2014, the council considered and approved changes to a 2004 policy for the payment of allowances to appointed (i.e. non-elected) members of its committees. The policy review was prompted by "growth" in the council's governance structure, which over the years has seen the number of appointed members increase with the establishment of subcommittees, i.e. by the impact the 2004 policy could have on council finances. The effect of the policy changes agreed in January was to limit the availability of meeting and travel allowances to appointed members of the council's standing committees only.

Since that time it has become apparent that the policy may impact on the council's ability to attract and retain external members with valuable input to sub-ordinate decision making bodies, which could hamper the progress of key council projects, e.g. implementation of the NPS for Freshwater Management via its catchment subcommittees and working groups, or the river liaison committees.

Therefore the council established a working group at its March 2014 meeting to reconsider the policy. The working group – comprised of the Chair, and Councillors Carr and Brown – met later in the month.

As a result of its deliberations (which included discussions with some appointed committee members affected by the new policy) the working group has number of immediate recommendations it wishes to make.

However, it also notes that the number of subcommittees and working groups is likely to continue to increase, and that this in turn is likely to introduce new policy questions in respect of appointed members' allowances. For example, these "subordinate bodies" often require a flexible approach to membership, (co-)chairmanship, and

**ITEM: 8.7**

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meeting frequency. It is difficult at this juncture to anticipate the full gamut of circumstances the allowances policy may be required to accommodate. The working group therefore wishes the council to note that further review of the policy may be required to address future circumstances that may arise as a result of changes or additions to the council's governance structure.

**Recommendation 1 – Broaden eligibility**

Under the policy revision agreed in January 2014, the travel and meeting allowances are only available to appointed members of standing committees. The working group believes the significant projects being progressed via working groups and subcommittees means that appointed members who chair these bodies should be included within the ambit of the policy, provided the chair's appointment has been confirmed by the council.

Note: A consequential effect of this recommendation, if accepted, is that the terms of reference of some subcommittees and working groups will need to be amended to provide that, where an appointed member is made the chair of the subcommittee or working group, this will need to be confirmed by the whole council.

**Recommendation 2 - More clearly defined exceptions**

The January 2014 policy revision provides for the two following circumstances in which an appointed member could apply for an exception to be made for their particular circumstances.

1. Appointed members who are ineligible to claim the allowances may make a case for "financial hardship". The working group believes it is not clear about what allowances may be claimed or to what value, and recommends they should be limited to the meeting and travel allowances provided in the policy.
2. Any appointed member may also make a case for additional allowances or expenses reimbursement on account of special circumstances. The working group recommends this provision is retained, but that as a guiding principle, the meeting and travel allowances should only be exceeded in exceptional circumstances.

**Recommendation 3 - Appointed members remunerated by other organisations**

Both the original 2004 policy and the January 2014 policy restricted allowances from appointed members whose participation on committees is remunerated by other organisations. The working party recommends this provision be retained, but with the clarification that the level of remuneration is a matter for agreement between the member and the organisation.

**Recommendation 4 – Vehicle mileage allowance**

For the purposes of clarity, the working party recommends the policy should be specific that the annual cap and minimum distance provisions for mileage allowance are the same as those in the Elected Members' Expenses and Allowances Policy.

The schematic providing a decision making process based on the working group's recommendations, and a revised policy reflecting the working group's recommendations appears as **Attachment A**. Staff have also made consequential but non-substantive changes to the original policy.

**ITEM: 8.7**

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**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:**

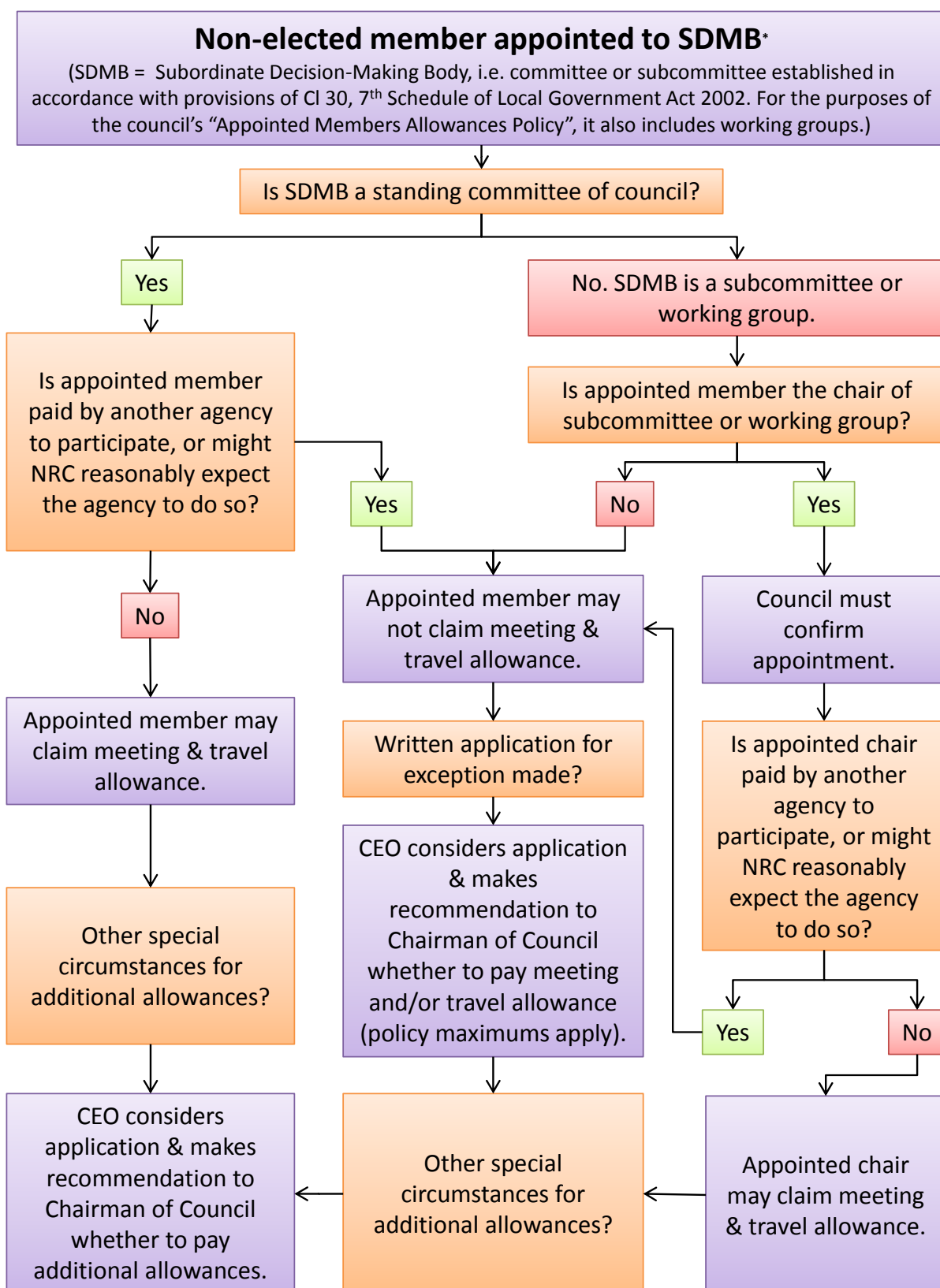
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1. That the report, "Appointed Members' Allowance Policy Review", by Vibeke Wright, Policy Advisor, dated 3 April 2014, be received.
  2. That council adopts the revised Appointed Members Allowance Policy appended as Attachment A to the staff report.
  3. That the council notes future review of the Appointed Members Allowance Policy may be required to address currently unforeseen circumstances arising from changes to the council's governance structure.
  4. That the Chief Executive Officer make any necessary administrative amendments to align the terms of reference and delegations of subcommittees and working groups with the Appointed Members' Allowance Policy.
-



**ITEM: 8.7**  
**Attachment A**

## 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 members<sup>1</sup> who are appointed to its standing committees, subcommittees and working groups, 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 appointed~~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 committeess, subcommittees and working groups, ~~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. Eligibility

Subject to the restrictions noted below, appointed members are eligible to claim allowances under this policy if one of the following criteria is met:

- a. They are appointed to 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; or
- b. They are appointed chair of a subcommittee or a working group, and their appointment has been confirmed by council resolution;

or otherwise:

- c. The Chairman of the Regional Council has granted them an exception under Section 8 of this policy.

## 5. Restrictions

Allowances will not be paid:

- a. To an appointed member of the council's Audit & Risk Committee, as that member is paid a fixed annual fee.
- b. To any appointed member whose participation on a committee, subcommittee or working group the council may reasonably expect would be remunerated by another organisation (e.g. government agency, local authority, or private sector), whether or not that organisation actually remunerates them. Issues regarding remuneration in these cases are a

<sup>1</sup> 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.

matter to be resolved between the member and the organisation concerned.

- c. For any meeting that is not a properly scheduled meeting of the standing committee, subcommittee or working group.
- d. For any mileage that is not associated with travel between a member's primary residence and properly scheduled meetings of a committee, subcommittee or working group, in the member's own vehicle, and by the most direct route that is reasonable in the circumstances.

## **6. 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~~meetings on the same day, the allowance may only be claimed once for that day. Members may choose to not claim this allowance.

## **7. Vehicle Mileage Allowance**

The council will pay the '~~per kilometre~~'ratethe vehicle mileage allowance as set out in its current Elected Members' Expenses and Allowances Policy, subject to the provisions of this policy. For clarity, the annual cap and minimum distance requirements of the Elected Members' Expenses and Allowances Policy apply. Eligible appointed members may choose to not claim mileage.

## **8. Exceptions**

The Chief Executive will consider the following applications for exception, based on the particular circumstances detailed in an appointed member's written application, and the Auditor-General's 2007 good practice guide on "Controlling Sensitive Expenditure: Guidelines for Public Entities", and make a recommendation for decision by the Chairman of the regional council:

- a. From appointed members who are otherwise ineligible for the travel and meeting allowances. Allowances provided must not exceed those provided for in this policy.
- b. From appointed members who seek an allowance or reimbursement for an expense not detailed in this policy.

As a guiding principle, the meeting and travel allowances should only be exceeded in exceptional circumstances.

## **9. 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 or his delegated officer for approval.
- e. Payment will be made by the Payroll Officer by direct credit by the 25th of each month.

**10. 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.

**11. Responsible persons**

The ~~Policy Advisor~~Council Secretary and Committee Secretaries are responsible for overseeing implementation of this policy and for providing guidance for decisions that may not align to the policy.

**12. Amendments and Review date(s)**

28 January 2014	Draft policy presented to council and approved.
18 March 2014	Working group established to review policy

**ITEM: 8.8**

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**ISSUE: Independent Member of Audit and Risk Committee****ID:** A629835**To:** Council Meeting, 15 April 2014**From:** Judy Macdonald, Human Resources Manager**Date:** 3 April 2014

**Summary** The purpose of this report is to facilitate the appointment of an independent member to the Audit and Risk Committee. It concludes with the recommendation that Geoff Copstick be appointed to this committee.

<b>Report Type:</b>	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input checked="" type="checkbox"/> Low

**Background:**

The council approved the appointment of an independent member of the Audit and Risk Committee as per the Terms of Reference for the Audit and Risk Committee.

**Discussion:**

Fifteen applications were received following an advertisement for this position with applications closing on 16 January 2014. Five applicants were shortlisted for interview; however, one applicant subsequently withdrew. The remaining four applicants were interviewed on 12 March 2014 by a subcommittee comprising the Chair, Deputy Chair of Council, Chair of Audit and Risk and the Chief Executive Officer. Following the interviews reference checks were conducted on the preferred applicant.

A budget of \$20,000 is available for this position within the 2014/15 budget.

**Legal compliance and significance assessment:**

The activities detailed in this report are in accordance with section 32 of the Local Government Act regarding delegations and is in accordance with council decision making processes and sections 76-82 of the Local Government Act 2002.

With reference to section 79 of the Local Government Act 2002, this matter is considered to be of low significance under council policy as it is a matter of day to day operations and giving effect to an earlier council decision to appoint an independent member to the committee.

**ITEM: 8.8**

Page 2 of 2

**Recommendations:**

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1. That the report, "Independent Member of Audit and Risk Committee", by Judy Macdonald, Human Resources Manager, dated 3 April 2014, be received.
  2. That Geoff Copstick be appointed as the independent member of the Audit and Risk Committee as per the council's standard agreement for consultants on a maximum salary of \$20,000 per annum.
-

**ISSUE: Appointment of Additional Directors to Northland Inc. Ltd****ID:** A629789**To:** Council Meeting, 15 April 2014**From:** Malcolm Nicolson, Chief Executive Officer**Date:** 2 April 2014

**Summary** This report presents the recommendations of the committee established to process the selection of additional directors to Northland Inc. Ltd. It concludes with the recommendation that the council confirm the recommendations and appoints Warren Moyes, Jeroen Jongejans and Irene Durham as directors of Northland Inc. Ltd.

<b>Report Type:</b>	<input checked="" type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
<b>Purpose:</b>	<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
<b>Significance:</b>	<input type="checkbox"/>	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>	Low

**Background:**

At its meeting of 26 November 2013, the Audit and Risk Committee approved the establishment of an ad hoc committee to process the selection of two additional directors to Northland Inc. Ltd. Since that time, Director Colin Mitten (the Chairperson) announced he would step down from 30 June 2014, so the number of vacancies increased to three.

The committee interviewed a number of contenders for the vacant directorships and is satisfied that the persons recommended below will bring the full mix of skills, knowledge, experience and attributes to deliver the SOI and objectives of the organisation. In keeping with the council's policy on the appointment and rotation of directors, the group also recommends the following terms should apply:

<b>Name</b>	<b>Term</b>
Irene Durham	16 April 2014 to 30 June 2015
Warren Moyes	16 April 2014 to 30 June 2016
Jeroen Jongejans	16 April 2014 to 30 June 2017

The terms of the two remaining directors are:

<b>Name</b>	<b>Term</b>
Sarah Peterson	Until 30 June 2016
Karleen Everitt	Until 30 June 2015

This matter is being referred to the council to ensure there is clarity in the selection process.

**ITEM: 8.9**

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The committee has the authority to appoint directors – and may sub-delegate this function to a subcommittee if the matter is one of urgency or special circumstances. The Audit and Risk Committee in November 2013 resolved to establish such a subcommittee and delegated to it the power of appointment. In addition, given the importance of Northland's economic progress and wellbeing, the Audit and Risk Committee decided all local authorities in Northland should be included in the subcommittee. The membership therefore included:

1. Whāngārei District Mayor Sheryl Mai;
2. Far North District Councillor Di Maxwell;
3. Kaipara District Council Commissioner/Chairman John Robertson;
4. Northland Regional Council Chairman Bill Shepherd; and
5. Northland Regional Councillor/Audit and Risk Committee Chair David Sinclair.

The decision to sub-delegate the power of appointment to the subcommittee was the matter of some debate at the committee meeting. Further, the subcommittee was informed that its selection of directors would be referred to the regional council. Therefore, it is considered prudent to place the matter before the council with the reminder that in future, the Audit and Risk Committee may establish subcommittees to select and appoint directors to council-controlled organisations, provided there is urgency and/or special circumstances.

**Legal compliance and significance assessment:**

The activities detailed in this report are provided for in the Long Term Plan 2012-2022, and comply with Northland Inc. Limited's Constitution. The item and recommendations are not considered significant under the Significance Policy; and comply with the council's decision making process including assessments of options and sections 76-82 of the Local Government Act 2002.

**Recommendations:**

1. That the report "Appointment of Additional Directors to Northland Inc. Ltd" by Malcolm Nicolson, Chief Executive Officer, dated 2 April 2014, be received.
2. That council confirms the Northland Inc. Ltd director appointments and terms as listed below subject to the appropriate referee checks.

<b>Name</b>	<b>Term</b>
Warren Moyes	Until 15 April 2016
Jeroen Jongejans	Until 15 April 2017
Irene Durham	Until 15 April 2015

**ISSUE: Business with the Public Excluded****ID:** A630366**TO:** Council Meeting, 15 April 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.

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**Recommendations:**

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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 – 18 March 2014	The reasons for excluding the public are as stated in the minutes of the open section of that meeting.

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