

NORTHLAND REGIONAL COUNCIL

Agenda

For meeting to be held in the Council Chamber,
36 Water Street, Whangārei, on Tuesday 20 September 2016,
commencing at 1 pm

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

OPEN MEETING

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<p>ACC - Accident Compensation Corporation</p> <p>AHB - Animal Health Board</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DOL - Department of Labour</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EE - Environmental Education</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>EMA - Employers and Manufacturers Association</p> <p>EMC - Environmental Management Committee</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HSNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>HSWA - Health and Safety at Work Act 2015</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System: new computer system being developed collaboratively with other Regional Councils</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTP - Long Term Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>MCDEM - Ministry of Civil Defence & Emergency Mgmt</p> <p>MFE - Ministry for the Environment</p> <p>MHWS - Mean High Water Springs</p> <p>MNZ - Maritime New Zealand</p> <p>MOH - Ministry of Health</p>	<p>MOT - Ministry of Transport</p> <p>MPI – Ministry for Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NES – National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NPC - Northland Port Corporation</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>ORC - Otago Regional Council</p> <p>OSH - Occupational Safety & Health (now Ministry of Business, Innovation and Employment)</p> <p>PCBU – Person Conducting Business or Undertaking</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RTC - Regional Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RSG - Regional Sector Group</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>SRC - Southland Regional Council (Environment Southland)</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TA - Territorial Authority: City & District Councils</p> <p>TAG - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TRAION - Te Rūnanga a Iwi o Ngāpuhi</p> <p>TRC - Taranaki Regional Council</p> <p>TROTR - Te Rūnanga o Te Rarawa</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>WCRC - West Coast Regional Council</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WSMP – Workplace Safety Management Practices</p> <p>WWTP - Wastewater Treatment Plant</p>
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ISSUE Kaipara Harbour Sediment Mitigation Study**ID:** A875043**To:** Council Meeting, 20 September 2016**From:** Ben Tait, Policy Specialist – Water**Date:** 2 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

The purpose of this report is to inform council of a project to study the economic costs and environmental benefits of a range of sediment mitigation scenarios in the Kaipara Harbour Catchment. The project is as a joint initiative between Auckland Council, Northland Regional Council, and the Ministry for the Environment. This report will be supported by a staff presentation at the council meeting.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations, are provided for in the council's 2015–2025 Long Term Plan, and are in accordance with the council's decision making process and sections 76–82 of the Local Government Act 2002. This activity is deemed to be of low significance when assessed against council policy.

Recommendation:

That the report 'Kaipara Harbour Sediment Mitigation Study' by Ben Tait, Policy Specialist – Water, dated 2 September 2016, be received.

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Report:

Modern sediment accumulation rates in the Kaipara Harbour are around an order of magnitude higher than in pre-human times, and levels of suspended sediment in contributing rivers and streams in its catchment are elevated. These are widely recognised as the most significant water quality related issue in the Kaipara Harbour and its catchment. Increased sediment loads to water result in a wide range of adverse effects on people and the wider environment.

While a number of initiatives (regulatory and non-regulatory) have been undertaken to conserve soil on land, there remain uncertainties about the economic costs and environmental benefits of reducing sediment loads to water at the farm, sub-catchment, and ultimately harbour catchment scales.

To reduce these uncertainties Northland Regional Council, Auckland Council, and the Ministry for the Environment, have started a project to assess the economic costs and environmental benefits of alternative sediment mitigation scenarios (outcome and action based scenarios) for the entire Kaipara Harbour Catchment. A more detailed assessment of the impacts of sediment mitigation scenarios on water quality dependent values will be undertaken for the Hotoe, Kaipara, and Northern Wairoa River sub-catchments.

Benefits will be characterised in terms of modelled changes in sediment attributes of river water quality (i.e. suspended sediment concentration, water clarity, and euphotic depth) and modelled changes in annual average sedimentation rates and seabed texture ('muddiness') at key depositional areas in the harbour.

Another important aspect of the project is developing a tool that can be easily used by land management advisors in the field to identify appropriate actions to mitigate critical source areas of sediment under different land uses at the farm scale. The tool will quantify and optimise soil conservation actions at the farm scale based on funding constraints.

The project will be administered by Northland Regional Council and is supported by Ministry for the Environment funding of \$200,000. The project is due to be completed by mid-2017 and will inform strategic policy decisions on the Kaipara Harbour and its catchment, and assist with day-to-day land management decisions. The project may also assist with the development of sediment water quality attributes for inclusion in the National Policy Statement for Freshwater Management.

ISSUE: Health and Safety Report**ID:** A874536**To:** Council Meeting, 20 September 2016**From:** Tracey Warboys, Health and Safety Specialist**Date:** 5 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input checked="" type="checkbox"/>	Legislative function	<input checked="" type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

This report provides an update from the Health and Safety Specialist for the months of July and August 2016. It concludes with the recommendation that the report be received.

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 being accepted are considered to be of low significance in terms of council's Significance Policy.

Recommendation:

That the report 'Health and Safety Report' by Tracey Warboys, Health and Safety Specialist, and dated 5 September 2016, be received.

Report:**H&S statistics – YTD – 15**

(Note total of 131 reports for the 2015–2016 year)

Summary of events (items of note)

- Five reports of discomfort, pain and injury – assessments undertaken and measures taken to relief discomfort (2 July, 3 August).
- One vehicle incident (nil injury) where a truck stopped suddenly causing nose-to-tail incident.
- Two monitoring officers stepped into quicksand (sunk to waist). No injury however frightening experience. Hazard Alert placed on eXpress on extraction principles.

Health and Safety at Work Act (HSWA)

- Nil legislative update released during the period.

ACC Workplace Safety Management Practices (WSMP)

- ACC WSMP Tertiary reaccreditation achieved 14 July 2016.
- To achieve Tertiary accreditation the business must meet all the required 10 critical elements, including 132 sub-elements.
- The Health and Safety Manual and Health and Safety Contractor Manuals were re-written as part of this process.
- As well as improvements to our documentation there were improvements made in housekeeping, specifically in the storage cages and the laboratory. Special thanks to Cameron Bunton, Biosecurity/Land Assistant, and Marcus Schlesier, Environmental Monitoring Officer – Coastal, for their efforts.
- Special acknowledgement is also given to Tess Dacre for her assistance and support during the reaccreditation project.

Health and Safety Committee meeting

- 'Meet and Greet' to welcome new representatives held 11 August.
- Committee meeting held 30 August – business as usual, nil issues arising.

Health and Safety issues, inspections, visits, training and other

- Inspections
 - 2016–2017 schedule developed.
 - Work has commenced on developing area specific checklists as current checklist is too generic.

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- Site visits/events
 - Safety signage reviewed and strengthened to comply with HASW Act (entrance and culvert at Hopua te Nihotetea Dam - 3 August).
 - Observed Environmental Monitoring Officers undertake kayak sample monitoring at Kissing Point (24 August). Environmental conditions changed on site and the Task Safety Plan was revised accordingly.
- Training
 - First aid revalidation continuing.
 - Stakeholder meeting held 10 August to discuss health and safety training requirements across the business.
 - External Health and Safety Representative Stage 1 training confirmed (August and October).
 - Evacuation training undertaken for Kaitāia staff (11 August).
 - In house Health and Safety Contract Management training confirmed (31 August and 7 September).
- Emergency events/drills
 - Two drills held in August:
 - Ø Water Street (12 August) – 3m:35s improvement of plus 27s (February 2016).
 - Ø Ōpua (23 August) – 2m:13s improvement of plus 2m:2s (February 2016).
 - Ø Debrief meeting with Water Street Fire Wardens to communicate requirement to hold debrief after an evacuation along with feeding learnings back to staff (July).
 - CCTV protocols developed in conjunction with Customer Services Manager.
- Health and Safety electronic form and data repository
 - Meeting scheduled (8 September) to review H&S module of CHRIS 21 as a potential H&S data repository to capture health and safety training and other opportunities.
- Health monitoring
 - Company Doctor requested to review chemical waste tasks and exposure for two Hazardous Substance Specialists at ReSort facility - P2 and organic vapour cartridges will now form part of PPE kit (respiratory protection).
 - Annual health monitoring will commence in September.
 - Staff survey scheduled for September to evaluate effectiveness of flu vaccination.
- Informative seminars/workshops
 - Northland Health and Safety Forum (7 July, 4 August).
 - Northland Industry Principals Health and Safety Forum (15 August).

ISSUE: Confirmation of Council Minutes 19 July 2016 and 16 August 2016**ID:** A874236**To:** Council Meeting, 20 September 2016**From:** Chris Taylor, Governance Support Manager**Date:** 8 September 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to present the unconfirmed minutes (**attached**) of the council meetings held on 19 July 2016 and 16 August 2016 for confirmation as a true and correct record.

Legal compliance:

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

Recommendation:

That the minutes of the council meetings held on 19 July 2016 and 16 August 2016 be confirmed as a true and correct record.

NORTHLAND REGIONAL COUNCIL

Minutes of the ordinary meeting of the council
held in the Council Chamber, 36 Water Street, Whangārei,
on Tuesday 19 July 2016, commencing at 1 pm

Present:

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

In Attendance:**Full Meeting**

Chief Executive Officer
GM – Environmental Services
GM – Regulatory Services
GM – Corporate Excellence
Personal Assistant – Corporate Excellence
Executive Assistant – Customer Service/Community Resilience
Governance Support Manager

Part Meeting

Northland Inc. Limited Chairman
Northland Inc. Limited Chief Executive
Northland Inc. Limited GM Investment and Infrastructure
GM – Strategy and Governance
GM – Customer Service/Community Resilience
Communications Manager
Infrastructure Manager
Rivers and Natural Hazards Manager
Property Officer
Forestry consultant

The Chairman declared the meeting open at 1.02 pm.

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

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

Confidential Supplementary Item for Council Meeting – 19 July 2016 (Item 2.0A)

ID: A859860

Report from Governance Support Manager, Chris Taylor.

Moved (Shepherd/Sinclair)

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

- **Confidential Supplementary Item 10.3:** Mt Tiger Forest Harvest Results

be received.

Carried

Confidential Supplementary Item for Council Meeting – 19 July 2016 (Item 2.0B)

ID: A860275

Report from Property Officer, Alicia Jurisich.

Moved (Shepherd/Sinclair)

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

- **Confidential Supplementary Item 10.5:** Attachment Five: Building Inspection Report

be received.

Carried

Presentation (Item 3.1)

ID: A859231

Report from Governance Support Manager, Chris Taylor.

Whangarei District Council State of the Environment Coordinator, Joanna Wilson, provided a presentation on the Blue/Green Network Strategy covering the following key points:

- Existing/proposed walkways and cycleways
- Cross-section impressions
- Long term strategy
- Areas of collaboration

Moved (Carr/Bain)

That the presentation be received.

Carried

Health and Safety Report (Item 4.0)**ID: A858910****Report from Health and Safety Specialist, Tracey Warboys.****Moved (Bain/Sinclair)**

That the report 'Health and Safety Report' by Tracey Warboys, Health and Safety Specialist, and dated 8 July 2016, be received.

Carried**Confirmation of Council Minutes 21 June 2016 and Extraordinary Council Minutes 27 June 2016 (Item 5.1)****ID: A857029****Report from Governance Support Manager, Chris Taylor.****Moved (Brown/Sinclair)**

That the minutes of the council meeting held on 21 June 2016, and extraordinary council meeting held on 27 June 2016, be confirmed as a true and correct record.

Carried**Receipt of Action Sheet (Item 5.2)****ID: A857041****Report from Governance Support Manager, Chris Taylor.****Moved (Samuels/Ramsey)**

That the Council Action Sheet be received.

Carried**Approval to Initiate the Process of Becoming a Member of the Local Government Funding Agency (Item 6.1)****ID: A857508****Report from Finance Manager, Simon Crabb.****Moved (Sinclair/Ramsey)**

1. That the report 'Approval to Initiate the Process of Becoming a Member of the Local Government Funding Agency' by Simon Crabb, Finance Manager, and dated 6 July 2016, be received.
2. That council approve the initiation of the process for council to become a non-guaranteeing member of the Local Government Funding Agency.
3. That authority be given to the Chairman, and Chairman of the Finance Committee, to sign any documentation required.

Carried

Update on the \$758K GST Refund (Item 6.2)**ID: A857705****Report from Finance Manager, Simon Crabb.****Moved (Sinclair/Carr)**

That the report 'Update on the \$758K GST Refund' by Simon Crabb, Finance Manager, and dated 7 July 2016, be received.

Carried**Northland Inc. Limited Statement of Intent 2016–2019 (Item 7.1)****ID: A856020****Report from Economist, Darryl Jones.****Moved (Carr/Brown)**

1. That the report 'Northland Inc. Limited Statement of Intent 2016–2019' by Darryl Jones, Economist, and dated 8 July 2016, be received.
2. That council agree to Northland Inc. Limited's Statement of Intent 2016–2019 as set out in **Attachment 2** pertaining to Item 7.1 of the 19 July 2016 council agenda.

Carried**Northland Inc. Limited – Operations and Reporting (Item 7.2)****ID: A855642****Report from Chief Executive Officer, Malcolm Nicolson.****Moved (Bain/Dimery)**

1. That the report 'Northland Inc. – Operations and Reporting' by Malcolm Nicolson, Chief Executive Officer, and dated 8 July 2016, be received.
2. That council agrees to continue with current arrangements whereby allocations from the \$200,000 per annum available for feasibility assessment and business case development funding from the Investment and Growth Reserve is made by council decision on a case-by-case application basis upon recommendation from the board of Northland Inc.
3. That council agrees to continue with current arrangements involving quarterly performance reporting by Northland Inc.
4. That council agrees to the approval of quarterly payments for operational funding upon receipt of an invoice from Northland Inc. For the 2016/17 financial year the total operational funding is \$1,198,212 (excluding GST).

Carried

Submission: Te Ture Whenua Māori Bill 2016 (Item 7.3)**ID: A856791****Report from GM Strategy and Governance, Jonathan Gibbard; and Kaiarahi Mātauranga Māori, Rachel Rophia.****Moved (Samuels/Carr)**

1. That the report 'Submission: Te Ture Whenua Māori Bill 2016' by Jonathan Gibbard, Group Manager – Strategy and Governance; and Rachel Ropiha, Kaiarahi Mātauranga Māori, and dated 5 July 2016, be received.
2. That council retrospectively approve the submission.

Carried**Memorandum of Understanding – Te Uri o Hau and Northland Regional Council (Item 7.4)****ID: A855646****Report from GM Strategy and Governance, Jonathan Gibbard.****Moved (Ramsey/Samuels)**

1. That the report 'Memorandum of Understanding – Te Uri o Hau and Northland Regional Council', by Jonathan Gibbard, GM Strategy and Governance, and dated 30 June 2016, be received.
2. That the proposed draft Memorandum of Understanding between Te Uri o Hau and Northland Regional Council be approved and arrangements made for formal signing by both parties.

Carried**Resident Satisfaction Report 2016 (Item 7.5)****ID: A856200****Report from GM Strategy and Governance, Jonathan Gibbard; and Communications Manager, Suzanne Takiwa.****Moved (Dimery/Ramsey)**

1. That the report 'Northland Regional Council Resident Satisfaction Report 2016' by Jonathan Gibbard, GM Strategy and Governance; and Suzanne Takiwa, Communications Manager, dated 6 July 2016, be received.
2. That a media release be prepared to communicate the key findings.
3. That council officers prepare a draft action plan outlining what activities will be undertaken to improve residents' awareness and satisfaction with council services and engagement.
4. That the draft action plan be workshopped with councillors in September 2016 and feedback used to develop a more comprehensive plan to present to the incoming council.

Carried

2016 Communications Strategy and 2016 Online Strategy (Item 7.6)**ID: A856306****Report from GM Strategy and Governance, Jonathan Gibbard; Online Services Manager, Tracey Morris; and Communications Manager, Suzanne Takiwa.****Moved (Ramsey/Sinclair)**

1. That the report '2016 Communications Strategy and 2016 Online Services Strategy' by Jonathan Gibbard – GM Strategy and Governance; Tracey Morris – Online Services Manager; and Suzanne Takiwa – Communications Manager, be received.
2. That the 2016 Communications Strategy and 2016 Online Strategy be adopted by the Northland Regional Council.

Carried**Supplementary Item for Council Meeting – 19 July 2016 (Item 2.0C)****ID: A861574****Report from Governance Support Manager, Chris Taylor.****Moved (Sinclair/Dimery)**

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

- **Supplementary Item 7.7:** Submission on Local Government Amendment Act be received.

Carried**Submission on Local Government Amendment Act (Item 7.7 and Supplementary Item 7.7)****ID: A858256 and A861574****Report from Infrastructure Manager, Graham Nielsen.****Moved (Shepherd/Dimery)**

That council adopts the submission [included in Supplementary Item 7.7 of the 19 July 2016 council agenda] including the proposed change as tabled at the meeting.

Carried

Secretarial Note: The proposed change to the submission was an additional blurb following paragraph 15 as follows:

'One particular concern is the ability for the Commission to establish CCO's and how this power could be exercised. The council is of the firm opinion that a proposal to establish a CCO should only ever be one alternative, among many service delivery options, and not a predetermined single option.'

By engaging with the councils of the region, and following a robust 'better business case' process, the various options and their advantages can have a thorough airing and a consensus can be developed around the preferred option.'

Chairman's Report to Council (Item 8.1)**ID: A854863****Report from Chairman, Bill Shepherd.****Moved (Shepherd/Sinclair)**

That the Chairman's report dated 8 July 2016 be received.

Carried**Chief Executive's Report to Council (Item 8.2)****ID: A854607****Report from Chief Executive Officer, Malcolm Nicolson.****Moved (Ramsey/Knight)**

That the Chief Executive Officer's report dated 7 July 2016 be received.

Carried**Receipt of Committee Minutes (Item 9.0)****ID: A858459****Report from Governance Support Manager, Chris Taylor.****Moved (Samuels/Sinclair)**

That the unconfirmed minutes of the:

- Civil Defence Emergency Management – 7 June 2016;
- Te Tai Tokerau Māori Advisory Committee – 9 June 2016; and
- Environmental Management Committee – 27 June 2016

be received.

Carried**Business with the Public Excluded (Item 10.0)****ID: A859227****Report from Governance Support Manager, Chris Taylor.****Moved (Shepherd/Carr)**

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
10.1	Confidential Minutes of the Council Meeting – 21 June 2016	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.2	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons 7(2)(a).
10.3	Mt Tiger Forest Harvest Results	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information 7(2)(b)(ii).
10.4	Request by Industrial Area Leaseholder to Acquire the Lessor's Interest	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, commercial activities 7(2)(h)).
10.5	Purchase of Kawakawa Property for Economic Development Project	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, commercial activities 7(2)(h)).
10.6	Consolidating Leasehold Land into Freehold	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, commercial activities 7(2)(h)).
10.7	Request by Port Road Area Leaseholders to Acquire Lessor's Interest	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, commercial activities 7(2)(h)).
10.8	Request by Leaseholder to Acquire the Lessor's Interest	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, commercial activities 7(2)(h)).

10.9	Kerikeri River Spillway Flood Scheme 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 7(2)(i)).
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Carried

It was further moved (Shepherd/Carr)

That the council's forestry consultant, Ian Jenkins, be permitted to remain after public excluded to address Item 10.3.

Carried

CONCLUSION

The meeting concluded at 3.40 pm.

NORTHLAND REGIONAL COUNCIL

Minutes of the ordinary meeting of the council
held in the Council Chamber, 36 Water Street, Whangārei,
on Tuesday 16 August 2016, commencing at 1 pm

Present:

Chairman, Bill Shepherd
Deputy Chairman, Graeme Ramsey
Councillors:
Craig Brown
Joe Carr
Paul Dimery
Monty Knight
Dover Samuels
David Sinclair

In Attendance:**Full Meeting**

Chief Executive Officer
GM – Strategy and Governance
GM – Corporate Excellence
Transport Manager
Public Passenger Transport Officer
Governance Support Manager

Part Meeting

Infrastructure Manager
Economist

The Chairman declared the meeting open at 1 pm and adjourned proceedings. The meeting reconvened at 1.45 pm.

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

That apologies from Councillor Bain for non-attendance be received.

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

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

Confidential Supplementary Item for Council Meeting – 16 August 2016 (Item 2.0A)

ID: A867893

Report from Governance Support Manager, Chris Taylor.

Moved (Shepherd/Sinclair)

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

- **Confidential Supplementary Item 5.2:** Chief Executive Officer's Contract be received.

Carried

Presentations (Item 3.0)

There were no presentations.

Northland Professional Surf Life Saving Patrols 2016/17 Summer – Level of Service Update – Emergency Services Fund – Surf Life Saving Northern Region (Item 4.1)

ID: A865151

Report from Group Manager Customer Service/Community Resilience, Tony Phipps.

Moved (Dimery/Brown)

1. That the report 'Northland Professional Surf Life Saving Patrols 2016/17 Summer – Level of Service Update – Emergency Services Fund – Surf Life Saving Northern Region' by Tony Phipps, Group Manager Customer Service/Community Resilience, and dated 8 August 2016, be received.

Carried

It was further moved (Ramsey/Knight)

2. That subject to confirmation of the terms of the grant, Surf Life Saving Northern Region be asked to propose an alternative means of utilising their funds available and providing services at all six locations over the Christmas period.
3. That Surf Life Saving Northern Region be reminded that the term of the grant provided was for three years and that applications for additional funds will not be open again until 2018.

Carried

Business with the Public Excluded (Item 5.0)

ID: A864867

Report from Governance Support Manager, Chris Taylor.

Moved (Shepherd/Ramsey)

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
5.1	Joint Resourcing for the Shared Services Programme	<p>The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons (7(2)(a)); and</p> <p>To maintain the effective conduct of public affairs through:</p> <ol style="list-style-type: none"> (i) The free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) of the Act applies, in the course of their duty; and (ii) The protection of such members, officers, employees, and persons from improper pressure or harassment (7(2)(f)(i)(ii)).
5.2	Chief Executive Officer's Contract	<p>The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons (7(2)(a)).</p>

Carried

Open Meeting

Moved (Shepherd/Dimery)

That the council resumes in open meeting

Carried

Secretarial Note: The resolutions pertaining to Confidential Item 5.2 to be confirmed in open meeting.

Chief Executive Officer's Contract (Item 5.2)

ID: A864861 and A867893

Report from GM – Corporate Excellence, Dave Tams.

Moved (Shepherd/Ramsey)

1. That the Chief Executive's contract be extended to 30 September 2017.
2. That the Chief Executive's salary be increased to \$273,295 per annum (2%) from 1 July 2016.

Carried

CONCLUSION

The meeting concluded at 2.46 pm.

ITEM: 5.2

Page 1 of 1

ISSUE: Receipt of Action Sheet**ID:** A876075**To:** Council Meeting, 20 September 2016**From:** Chris Taylor, Governance Support Manager**Date:** 9 September 2016

Report Type:	<input checked="" type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance Policy:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

The purpose of this report is to enable the council to receive the current council action sheet (**attached**).

Legal compliance:

No decision is required.

Recommendation:

That the Council Action Sheet be received.

Council Actions new

IRISID	Current Status	Request Date	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.577224	Open	19 Aug 2014		Internal Audits	That the internal audits over Support-Treasury and Democracy and Governance Reporting be undertaken (RESO).	It is anticipated that final report templates will implemented at the start of the new triennium.	04 Jul 2016	Finance Committee
REQ.577229	Open	09 Dec 2014		Kerikeri Spillway	That the CEO proceeds to acquire the necessary interests in land to enable the Kerikeri spillway flood scheme works to proceed (RESO)	Further mediation is scheduled for late September 2016.	01 Sep 2016	Council
REQ.577259	Closed	21 Apr 2015		Kaipara Harbour Settlement	That council participates in the pre-settlement negotiations for Kaipara Harbour (RESO)	Its recommended that this action be closed and be reported on through the monthly CEO Report and specific agenda items as requested.	10 Aug 2016	Council
REQ.577425	Closed	16 Jun 2015	RESO	Twin Coast Cycle Trail Proposal	That \$900k (excluding GST) be provided to FNDC from the Investment and Growth Reserve to support the completion of the Twin Coast Cycle Trail subject to the approved release by the CEO (on his satisfaction that the funding conditions have been met).	This action has been progressing and will be reported on through the monthly CEO's Report in the Council Agenda.	07 Sep 2016	Council
REQ.579182	Open	15 Dec 2015	RESO	Whangarei Harbour Health Improvement Fund	That the Terms of Reference for the Whangarei Harbour Health Improvement Fund be reviewed.	Some feedback received from Kaitiaki representatives on amended terms of reference previously distributed. Arranging for meeting with representatives to finalise.	12 Sep 2016	Council
REQ.579614	Open	22 Jan 2016	RESO	Code of Conduct Review	That the Northland Regional Council's Code of Conduct be reviewed [by full council] based on the fact it has not been significantly reviewed during the current Triennium.	The Code of Conduct has been discussed at a number of workshops however a revised version has not formally been adopted by council. Given the proximity of elections, it's proposed that the revised Code of Conduct be workshopped post election and adopted by the new council.	09 Sep 2016	Council
REQ.579618	Closed	15 Dec 2015	RESO	Customer Satisfaction Framework	That a more detailed survey methodology is presented to the Organisational Performance Committee in March 2016 once the external research provider has been confirmed.	The first Customer Satisfaction Survey has been completed and reported to Council. A council workshop is scheduled for 20 September to discuss the results and a response plan. A Customer Services Manager has been employed and will lead this response plan and future surveys going forward. Recommend that this action be closed and future progress be reported formally to full council.	09 Sep 2016	Organisational Performance Committee
REQ.580031	Open	15 Mar 2016	REQ	Hundertwasser Kawakawa	That council meet with Far North Holdings Limited to discuss progress of the Hundertwasser Kawakawa project.	Council has acquired 56 Gillies Street, Kawakawa for the purpose of the project. The contractor preparing the business case has been requested to deliver before 3 October 2016 but this seems unlikely.	12 Sep 2016	Council
REQ.580641	Open	17 May 2016	REQ	Request for workshop with FNDC	Letter be drafted to FNDC requesting a workshop with new lead of the Maori enabling freehold land team.	The CE met with FNDC CE to discuss further. A date is yet to be confirmed for this meeting.	01 Sep 2016	Finance Committee
REQ.580775	Closed	17 May 2016	REQ	Draft Communications and Online Strategies	Updated versions of the Communications Strategy and Online Services Strategy will be presented to the June Organisational Performance Committee meeting.	The Communications Strategy and Online Strategy have been adopted by Council and are in the process of being implemented. This action has been completed and can therefore be closed.	09 Sep 2016	Organisational Performance Committee
REQ.580784	Closed	17 May 2016	REQ	Annual Residents' Survey - 2016 Results	The final report from Key Research to go to a council workshop.	This matter went to the July 2016 council meeting.	20 Jul 2016	Organisational Performance Committee

IRISID	Current Status	Request Date	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.580799	Open	31 May 2016	REQ	Programme of Work - Mangrove Management	That a programme of work be provided to council as to how the \$50,000 approved to support community initiatives to manage mangroves will be allocated.	This matter will be workshopped with Council at earliest available opportunity.	01 Sep 2016	Council
REQ.580800	Closed	31 May 2016	REQ	Expansion of Poplar Nursery	That a report be provided to council as to how council's nursery at Flyger Road can be expanded (including how the programme marries up planting with catchment use).	In progress. expansion plan and soil conservation program being developed to reflect future demand potential.	09 Jun 2016	Council
REQ.580801	Closed	31 May 2016	REQ	Report - Recycling of silage wrap	That Plasback report back to council regarding the recycling of silage wrap (including quantities).	Update circulated to councillors 8/9/2016	30 Aug 2016	Council
REQ.580819	Closed	01 Jun 2016	RESO	Connecting Northland - Auckland to Whangarei Programme	That an update on the Connecting Northland - Auckland to Whangarei Programme Business Case be presented to the August meeting of the Regional Transport Committee.	Progress reports have been provided to the RTC at each meeting. In addition, NZTA have opened a website for this particular project and its progress.	30 Aug 2016	Regional Transport Committee
REQ.580821	Closed	01 Jun 2016	REQ	Northland's Ten Bridges	That a further report on the proposed ten Northland bridges be provided to the August meeting of the Regional Transport Committee.	A paper on this has been tabled to the RTC. Progress has been made on the re-alignment of Matakohu, and the two laning of Kaeo and Taipa bridges. The remaining bridges will be addressed through the Regional Land Transport Plan.	30 Aug 2016	Regional Transport Committee
REQ.580822	Closed	01 Jun 2016	REQ	Review of Vehicle Dimensions and Mass Rule	That the Review of Vehicle Dimensions and Mass Rule be included on the August Regional Transport Committee agenda.	Regional Submission made on this issue. The final document was little changed from the draft.	30 Aug 2016	Regional Transport Committee
REQ.580869	Closed	09 Jun 2016	REQ	Iwi and hapu relationships workstream	That a report be provided to the August meeting of TTMAC to provide more information on the 'Iwi and hapu relationships' workstream (under the Northland Forward Together programme) and how this relates to Te Tai Tokerau Maori Advisory Committee.	This report was provided to the August meeting of TTMAC. This action has been completed and can therefore be closed.	09 Sep 2016	Te Taitokerau Māori Advisory Committee
REQ.580870	Closed	09 Jun 2016	REQ	Communications protocol	That consideration be given to developing a comms protocol to ensure that council and committee members are aware of relevant events.	To be progressed during new councillor induction programme.	09 Sep 2016	Te Taitokerau Māori Advisory Committee
REQ.580937	Open	21 Jun 2016	REQ	CPCA/Flood Scheme 'Think-piece'	That a think piece regarding CPCAs and Flood Schemes including, but not limited to, potential models, affordability and continued support be provided to EMC and council thereafter.	This will be workshopped with new Council.	01 Sep 2016	Council
REQ.580939	Open	21 Jun 2016	REQ	Monitoring hapu representation	That consideration be given to hapu involvement in the monitoring team ensuring that drilling activities comply with permitted activity rules.	Evolution Mining has invited an iwi representative to be involved in the monitoring of its drilling operations.	08 Sep 2016	Council
REQ.581006	Open	21 Jun 2016	REQ	Marsden Maritime Holdings Limited (MMH)	That a performance review be undertaken of MMH at such time the Annual Report for 2016 has been received.	The Marsden Maritime Holdings Ltd Financial Statements for the year ended 30 June 2016 were received on Friday 26 August 2016. These accounts are currently being incorporated into council's consolidated accounts (within council's 2016 Annual Report). Upon completion of the audit field of the 2016 Annual Report (scheduled for the 9-Sept-16) a review of MMHs performance and position will be undertaken.	30 Aug 2016	Council
REQ.581134	Closed	27 Jun 2016	REQ	EMC - Dr Andrew Simon presentation	A request was made at the Environmental Management Committee meeting for Dr Andrew Simon's presentation on "Erosion and delivery of Catchment Sediment to receiving waters" be shown to the Regional Policy Committee.	Presentation provided to RPC by email	02 Sep 2016	Environmental Management Committee
REQ.581136	Open	27 Jun 2016	RESO	Technical Report requested	That the Environmental Management Committee supports changes to planning and Northland Roding Forum allocation processes to assist with the mitigation of dust on roads and that a technical report by NRC staff be prepared.	A paper detailing results of the dust monitoring went to RTC on 3 August 2016.	13-Sep-16	Environmental Management Committee

IRISID	Current Status	Request Date	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.581137	Closed	27 Jun 2016	REQ	Environmental Significance Column	It was requested at the Environmental Management Committee that an Environmental Significance Column be included in the Compliance Report.	The environmental impact column was re-instated for EMR beginning in July.	30 Aug 2016	Environmental Management Committee
REQ.581138	Closed	27 Jun 2016	REQ	Evaluation on presentations to EMC	It was requested that a comparative analysis report of the two different viewpoints presented to EMC following Graham McBride and Dr Jacqueline Rowarth's presentations.	This is not feasible to undertake a comparison as Dr Rowarth was unable to provide a copy of her powerpoint presentation.	01 Sep 2016	Environmental Management Committee
REQ.581143	Closed	27 Jun 2016	RESO	EMC request that a Letter to be sent to Minister of Conservation	That the committee supports the Northland Regional Council to write to the Minister of Conservation expressing concerns about the impacts of Black Swan and paradise shelduck in Northland, and asking that their gamebird status be removed in Northland to allow for more effective control when necessary.	Letter sent. Request declined. Response circulated to councillors.	13-Sep-16	Environmental Management Committee
REQ.581236A3 0:M34I36A30:O 31A30:O36A30: O37A30:O38A3 0:A30:M33	Closed	19 Jul 2016	REQ	Councillor Communications	That Northland Inc. Limited keep councillors informed of projects being progressed within their electorate.	Letter sent to Northland Inc on 1 August advising them of councillors request to be kept informed of any Northland Inc projects that might be occurring in their various constituencies. Letter included councillor contact details and map of constituency boundaries.	06 Sep 2016	Council
REQ.581237	Closed	19 Jul 2016	RESO	MOU - Te Uri o Hau and NRC	That arrangements be made for the formal signing of the Memorandum of Understanding by Te Uri o Hau and NRC.	A meeting has been confirmed for the 22 September to sign the Memorandum of Understanding between NRC and TUOH. This action can therefore be closed.	09 Sep 2016	Council
REQ.581242	Open	19 Jul 2016	REQ	'Follow up' with Chinese delegation	That communication lines be kept open with the Chinese delegation from China Railway Zhangji Holding Group.	A MOU between NRC and China Railway has been drafted. Its anticipated that the MOU will be circulated to China Railway before the end of September.	09 Sep 2016	Council
REQ.581243	Open	19 Jul 2016	REQ	Waitangi Tribunal Report	That councillors be provided a 'response' regarding the Waitangi Tribunal report 'Northland Rural Rivers: Environmental Management, Pollution, and Kaitiakitanga since 1991' and whether it reflects NRC's position.	The CE to assign this task to the appropriate staff member.	01 Sep 2016	Council
REQ.581244	Closed	19 Jul 2016	REQ	ANZEEC Guidelines	That consideration be given to the appropriateness of the ANZEEC guidelines for Northland (and the reporting there of).	This a lack of specific guidelines for Northland and NZ for certain parameters. Development of parameters requires substantial work by the wider scientific community. Staff will give due consideration to acknowledge limitations of ANZEEC guidelines where applicable.	01 Sep 2016	Council
REQ.581245	Closed	19 Jul 2016	REQ	Letters of Acknowledgement	That letters be drafted on behalf of council, acknowledging the staff members who received staff achievement awards and also the staff member taking an extended leave of absence.	Letters sent to staff members on behalf of council acknowledging the achievement awards received at the staff meeting on 6 July 2016. A letter has also been sent to Bruce Griffin formally wishing him all the best on behalf of council for his extended leave of absence.	27 Jul 2016	Council
REQ.581252	Closed	19 Jul 2016	RESO	Mt Tiger Forestry Block	That alternative replanting options be investigated for the Mt Tiger Forest Block and that options (including the current Forest Management Plan) and assessment of the options be brought back to council for consideration.	A paper is included in the September council agenda.	13 Sep 2016	Council
REQ.581256	Closed	19 Jul 2016	RESO	Resident Satisfaction Report - media release	That a media release be prepared to communicate the key findings of the Resident Satisfaction Report 2016	Complete.	13-Sep-16	Council

REQ.581257	Open	19 Jul 2016	RESO	Draft Action Plan - Resident Satisfaction Report 2016	That the draft action plan (pertaining to the Resident Satisfaction Report 2016) be workshopped with councillors in September 2016 and feedback used to develop a more comprehensive plan to present to the incoming council.	Will be workshopped with council on 20 September 2016	13-Sep-16	Council
IRISID	Current Status	Request Date	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.581480	Open	16 Aug 2016	RESO	Surf Life Saving Northern Region	That subject to confirmation of the terms of the grant, Surf Life Saving Northern Region be asked to propose an alternative means of utilising their funds available and providing services at all six locations over the Christmas period. That Surf Life Saving Northern Region be reminded that the term of the grant provided was for three years and that applications for additional funds will not be open again until 2018.			Council
REQ.581535	Closed	16 Aug 2016	REQ	Strategy for Emissions Trading Scheme credits - Forestry	Request for a paper back to council about a suggested strategy for dealing with ETS credits, given there is a cap on the value of the units (as advised by Ian Jenkins).	A paper is included in the September council agenda.	13 Sep 2016	Finance Committee
REQ.581700	Open	03 Aug 2016	RESO	Regional Cycle Plan	That a progress report be tabled at the next meeting of RTC on 5 October 2016 on the Regional Cycle Plan.			Regional Transport Committee

ISSUE: Financial Report to 31 August 2016**ID:** A875831**To:** Council Meeting, 20 September 2016**From:** Vincent McColl, Financial Accountant**Date:** 8 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input checked="" type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance Policy:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

The purpose of this report is to present the **Dashboard Results** for the two months ended 31 August 2016 for councillors' information.

It concludes with the recommendation that this report be received.

Legal compliance and significance assessment:

The activities detailed in this report are provided for in the council's Long Term Plan 2015–2025, 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 'Financial Report to 31 August 2016' by Vincent McColl, Financial Accountant, and dated 8 September 2016, be received.

Report:

The council report for the year to date (YTD) shows a net operating surplus after transfers to and from reserves of \$397K which is \$25K favourable to budget.




At this time of the financial year we anticipate some variances between actual and budget as programmes of work are established.

Capital expenditure for the year to date is \$578K compared with a budget of \$212K. This includes the purchase of property of \$482K for potential use in the Kawakawa Hundertwasser park development.

ITEM: 6.1

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SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 6,142	\$ 5,486	\$ 656
Expenditure	\$ 4,616	\$ 4,543	\$ (73)
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 1,526	\$ 942	\$ 584
Transfer From (To) Special Reserves	\$ (1,130)	\$ (571)	\$ 559
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$ 397	\$ 371	\$ 25

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
 = negative (unfavourable) variance over 10%	FAV / UNFAV		FAV / UNFAV
 = negative (unfavourable) variance under 10%			
 = positive (favourable) variance			
Resource and Catchment Management	3.1%	Transport	8.8%
River Management	-8.1%	Community Representation and Engagement	-19.2%
Economic Development	2.2%	Support Services	-14.5%
Hazard Management	10.6%		

Community representation and engagement is unfavourable to budget due to more time being spent in the corporate and community representation departments than budgeted.

Support services are unfavourable to budget due to a redundancy being paid out and unbudgeted aerial photography partially offset with revenue from the TLAs.

ISSUE: Regional Software Holdings Limited's Annual Report for the Year Ended 30 June 2016**ID:** A872966**To:** Council Meeting, 20 September 2016**From:** Vincent McColl, Financial Accountant**Date:** 8 September 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to present to council Regional Software Holdings Limited's ('RSHL') Annual Report for the year ended 30 June 2016.

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 2015–2025, and as part of the Annual Report and receipt and modification of Regional Software Holdings Limited's SOI, and as such are in accordance with council's decision making process and sections 76–82 of the Local Government Act 2002 and are of low significance.

Recommendation:

That the report 'Regional Software Holdings Limited's Annual Report for the Year Ended 30 June 2016' by Vincent McColl, Financial Accountant, and dated 8 September 2016, be received.

ITEM: 6.2

Page 2 of 2

Report:***Annual Report 2015/2016***

RSHL is a council controlled organisation owned by Waikato Regional Council (32.75%), Northland Regional Council (16.75%), Horizons Regional Council (15.50%), Taranaki Regional Council (15.50%), Southland Regional Council (15.50%), and West Coast Regional Council (4.00%). RSHL was incorporated on 17 October 2012 for the purpose of managing the investment and development of the Integrated Regional Information System (IRIS). Council's Chief Executive Officer, Malcolm Nicolson, is a director of RSHL.

Please refer to **Attachment One** for the signed RSHL Annual Report for the year ended 30 June 2016.

In accordance with council's accounting standards council recognised its 16.75% share of RSHL's net profit being \$483 on consolidation.

At 30 June 2016 RSHL has a total called up share capital of \$5,149,150. Council's share of this called up capital is \$862,483 (representing a 16.75% shareholding) and is recognised within the 'Investment in Council Controlled Organisations' classification in council's Statement of Financial Position (Balance Sheet).

Regional Software Holdings Limited
Annual Report Including Financial
Statements

For the Year Ended 30 June 2016

Regional Software Holdings Limited
For the Year Ended 30 June 2016

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Regional Software Holdings Limited

Entity Information for the Year Ended 30 June 2016

Legal Name

Regional Software Holdings Limited (RSHL)

Type of Entity and Legal Basis

RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Company's purpose or mission

The primary objective is to provide a framework for collaboration between the shareholders. It supports the procurement or development of shared software resource products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own.

Structure of the Company

The Company comprises of a Board of six directors. The Board oversee the governance of RSHL. In addition there is a general manager who is responsible for the day-to-day operations of RSHL and reporting to the Board. Each Shareholder is entitled to separately appoint one director each.

Main sources of RSHL's cash and resources

Funds are received by way of levies from each Council. These levies are set annually in the Statement of Intent. These are the primary source of funding to RSHL.

Outputs

Outputs are described in the statement of performance and reported upon as part of the Annual Report.

Regional Software Holdings Limited

Directors' Report

For the Year Ended 30 June 2016

RSHL's Director's Report

On behalf of Regional Software Holdings Ltd (RSHL), and the six regional council shareholders, it is our pleasure to present the Company's fourth Annual Report.

RSHL is a major shared services undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. It is responsible for the long-term maintenance and development of the Integrated Regional Information System (IRIS) product as developed for and by the shareholding councils. Over the last few years, the six regional councils have developed a leading edge software solution (IRIS) for the regional council specific functions undertaken by those councils. The development project has been a remarkable success with the project being delivered to specification and within budget.

The 2015/2016 year was a busy and productive period for RSHL and the six councils. The year involved bedding down the implementations and driving the operational benefits and efficiencies. At 30 June 2015, there was a level of development and enhancement that was not complete. There was considerable focus on the completion of the final two modules of work from the initial development suite. The mobile and self-service applications were delivered and will provide considerable additional benefits, efficiencies and cost-savings to both external customers of the councils and internal users.

RSHL's Advisory Group spent considerable time and effort developing the work programme for 2015/2016 as well as the roadmap for the ongoing development and enhancement of IRIS. A technology roadmap for all the underlying components of the IRIS solution was completed, ensuring that we have a sound understanding of the investment and activity required to keep the IRIS solution maintained and relevant from a technology perspective. RSHL has managed to address outstanding developments at 30 June 2015 as well as the full roadmap for 2015/2016. RSHL is well placed and committed to keeping the IRIS offering up to date from a technical point of view and fit for purpose for all external and internal users. During the year, all Councils completed a technical health check to establish that IRIS was operating effectively within each technology suite. The report showed that each environment was technically sound, but provided a number of site-specific recommendations for improving the performance of IRIS.

There were five releases of new functionality over the year, with a sixth release due in July 2016. These have included a total of 12 major enhancements have been delivered across the year, with a further 2 due in the July 2016 release. There have also been significant changes to the way we manage the development and delivery of minor enhancements, with the adoption of a more agile approach based on 'user stories'. This has resulted in a total of 26 minor enhancements being delivered over the year, with a further 12 to be delivered as part of the July release. The focus has increasingly been on mobile solutions, online services and ensuring that our underlying technology platform remains current and fit for purpose.

Financially, the company is in a sound position as planned. The IRIS assets have been recognized in the financial statements. RSHL's revenue comes from licence charges and fees from the shareholding councils. This funding is used for the maintenance and development of the IRIS product. Therefore, the company does not trade to make a profit. Rather, it charges to cover its planned level of

expenditure. The continuing investment in the development and enhancement of IRIS ensures that the product maintains its value within the Company's balance sheet.

RSHL faces a number of challenges going forward. In particular the Company will be looking to expand the number of IRIS users to other regional councils. The Board committed significant effort into the strategic plans and strategies going forward, and RSHL has worked with a number of other regional councils to attract them as either shareholders or customers. RSHL continues to refine the IRIS product and proposition and is committed to working closely with the remaining regional councils. Opportunities to attract new regional councils as shareholders or users will continue to arise and RSHL will actively pursue these opportunities, noting that no process is ever guaranteed success.

The success of IRIS and RSHL is due to the collaborative approach of the six regional councils. The success and richness of the IRIS product is a reflection of the contribution, expertise, and commitment of a team of well over 100 people from all the shareholding councils, in a variety of roles. It is a pleasure to record our appreciation to all involved. At the end of 2015/2016 Mr Graeme Alsweiler retired from his roles as a Director and Chairman of the Company's Advisory Group. Graeme had been with the IRIS project since its earliest days. He chaired the Regional Council Collaborative Development Group through the development of IRIS and then became Regional Software Holdings Ltd's director and Chairman of the Advisory Group. The Board records its appreciation for Graeme's significant contribution to the success of IRIS.

The outlook for RSHL and the IRIS product is bright and there are significant opportunities to support the activities and achievements of New Zealand regional councils.

Financial Statements

The financial statements required by section 67 of the Local Government Act 2002 (LGA(2002)), together with the audit report required by section 69 of the LGA(2002), are attached.

Directors

The following directors were in office at the end of the year:

	2015-16		2014-15	
	Remuneration	Benefits	Remuneration	Benefits
GA Alsweiler	-	-	-	-
MD Garrett	-	-	-	-
C Ingle	-	-	-	-
LJ Gibbs	-	-	-	-
MJ McCartney	-	-	-	-
MC Nicolson	-	-	-	-
MJ Nield	-	-	-	-
Total Remuneration	-	-	-	-

There were two changes in Directors during the year with LJ Gibbs replacing C Ingle as at 26 February 2016, and the receipt of GA Alsweiler's resignation, effective 30 June 2016.

Registered Office

C/o Horizons Regional Council
11-15 Victoria Avenue
Palmerston North

Auditors

Audit New Zealand on behalf of the Controller and Auditor General.

Interest Register

All Directors listed their interests in the register on being appointed to the company. The following interests were registered:

Director	Organisation	Interest
MD Garrett	G & G Properties (2008) Limited	Director & Shareholder
	Golden Cross Trust	Trustee
	Newmont Waihi Gold Water Rights Trust	Trustee
MJ McCartney	Dundas Farms Limited	Director
	Manawatu-Wanganui LASS Limited	Director
MC Nicolson	Hawk Hill Estates Limited	Director
	The Masters Group Holdings Limited	Director
MJ Nield	Taranaki Stadium Trust	Trustee

Statement of Compliance

The Board of Directors hereby confirm that all statutory requirements in relation to the annual report, as outlines in the Local Government Act 2002, have been complied with.

Statement of Responsibility

In terms of the Local Government Act 2002 and the Companies Act 1993, the Board of Directors is responsible for the preparation of Regional Software Holdings Limited's financial statements and to assist the company meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of Regional Software Holdings Limited has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of Regional Software Holdings Limited for the year ended 30 June 2016.

Signed on behalf of the Board of Directors:



MJ Nield – Chairman
25 August 2016



M McCartney
25 August 2016

Regional Software Holdings Limited

Statement of Financial Performance

For the Year Ended 30 June 2016

	Note	Actual 2015-16	Budget 2015-16	Actual 2014-15
Income				
Members Contributions		1,034,627	1,034,627	1,150,475
Interest Income		2,806		1,361
Other Income	1	57,750	-	54,313
Total Income		1,095,183	1,034,627	1,206,149
Expenses				
Administration Costs	2	28,437	86,808	26,344
Audit Fees		5,094	5,068	4,977
DATAKOM Support Services		172,961	195,239	149,973
Cyber Environmental Charges		9,280	-	10,440
Management Fees		141,574	91,876	154,596
External Contractors and Consultants		51,671		
Other Direct Software Expenses		57,750	-	54,313
Pre Sales		-		27,566
Depreciation	6	625,532	655,636	556,762
Total Expenses		1,092,299	1,034,627	984,970
Surplus/(Deficit) Before Tax		2,884	-	221,179
Income Tax Expense	3	-	-	(1,723)
Surplus/(Deficit) After Tax		2,884	-	222,902

Explanations of major variances against budget are provided in note 13
The accompanying notes form part of these financial statements

Regional Software Holdings Limited
Statement of Financial Position
As at 30 June 2016

	Note	Actual 2015-16	Budget 2015-16	Actual 2014-15
Assets				
Current Assets				
Bank Accounts and Cash	4	196,758	70,272	441,078
Debtors and Prepayments	5	-	-	86,861
GST Receivable		45,663	-	-
Withholding Tax Paid		888	-	620
Total Current Assets		243,309	70,272	528,559
Non Current Assets				
Property, Plant and Equipment	6	5,284,399	5,083,310	5,077,552
Total Non Current Assets		5,284,399	5,083,310	5,077,552
Total Assets		5,527,708	5,153,582	5,606,111
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses		148,341	-	205,576
GST Payable		-	-	24,051
Total Current Liabilities	7	148,341	-	229,627
Total Liabilities		148,341	-	229,627
Net Assets	8	5,379,367	5,153,582	5,376,484
Represented By:				
Equity				
Equity	8	5,149,150	5,149,150	5,149,150
Retained Earnings	8	230,217	4,432	227,334
Total Equity		5,379,367	5,153,582	5,376,484

Explanations of major variances against budget are provided in note 13
The accompanying notes form part of these financial statements

Regional Software Holdings Limited

Statement of Cash Flows For the Year Ended 30 June 2016

	Note	Actual 2015-16	Budget 2015-16	Actual 2014-15
Cashflows from Operating Activities				
Cash was provided from:				
Receipts from Customers		1,114,368	1,034,627	1,045,603
Interest		2,011	-	1,361
Other Income		53,625	-	54,313
Tax Refunds Received		514	-	-
Total Operating Receipts		1,170,518	1,034,627	1,101,277
Cash was applied to:				
Payments to Suppliers		459,042	378,991	443,347
Net GST Movement		66,567	-	(16,562)
Total Operating Payments		525,609	378,991	426,785
Net cash from operating		644,909	655,636	674,492
Cashflow from Investing Activities				
Cash was applied to:				
Purchase of Fixed/Intangible Assets		889,229	655,636	606,536
Term deposits		-	-	-
Total Investment Payments		889,229	655,636	606,536
Net cash from investing		(889,229)	(655,636)	(606,536)
Cashflow from Financing Activities				
Cash was provided from:				
Capital raised		-	-	155,216
Total Financing Receipts		-	-	155,216
Cash was applied to:				
Dividends		-	-	-
Total Financing Payments		-	-	-
Net cash from financing		-	-	155,216
Net increase (decrease) in cashflow for the year		(244,320)	-	223,172
Opening Cash Balance		441,078	70,272	217,906
Closing Cash Balance		196,758	70,272	441,078
Made up of:				
Westpac Current Account		160,555	70,272	426,619
Westpac Online Saver Account		36,203	-	14,459
		196,758	70,272	441,078

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Departments. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent.

Explanations of major variances against budget are provided in note 13

The accompanying notes form part of these financial statements

Regional Software Holdings Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), owned by Waikato Regional Council (32.75%) Northland Regional Council (16.75%) Horizons Regional Council (15.50%) Taranaki Regional Council (15.50%) Southland Regional Council (15.50%) and West Coast Regional Council (4.00%). RSHL was incorporated on 17 October 2012. RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS Software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

The financial statements are those of RSHL, for the 12 months ended 30 June 2016, and were authorised for issue by the Board of Directors on 25 August 2016.

Public Benefit Entity Simple Format Reporting

RSHL qualifies for Public Benefit Simple Format Reporting – Accrual (PBE-SFR-A) on the basis that the Company does not have publically accountable (as defined) and has total annual expenses of less than \$2 million.

Basis of Preparation of the Financial Statements

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements have been prepared on a historical cost basis.

Statement of Compliance

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity (PBE) Standards.

These financial statements comply with PBE Standards.

Presentation Currency and Rounding

The financial statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of RSHL is New Zealand dollars.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.

Interest revenue is recorded as it is earned.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

Bank Accounts and Cash

Cash and cash equivalents includes include cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented as a current liability in the Statement of Financial Position.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventories

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling process. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Goods and Services Tax (GST)

RSHL is registered for GST; these financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expenses calculated using the taxes payable method. As a result no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment*Software acquisition and development*

Costs that are directly associated with the development of the IRIS software suite are recognised as property, plant and equipment.

Depreciation

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The useful life and associated depreciation rate for the IRIS software suite is 10 years and 10%.

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, RSHL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000. For this financial year, no staff were employed by RSHL. The audit fee for the period is expected to be \$5,094 (GST exclusive) paid to Audit New Zealand.

Notes to the Financial Statements for the Year Ended 30 June 2016

1. Other Income

	2015-16	2014-15
Recovery of other direct software expenses	57,750	54,313
Total Other Income	57,750	54,313

2. Administration Costs

	2015-16	2014-15
Administration Support	20,936	15,585
Insurance	1,780	1,775
Consultants and Technical Support	5,683	8,909
Bank Fees	38	75
Total Administration Support	28,437	26,344

3. Income Tax

	2015-16	2014-15
Current Tax	-	-
Adjustments to current tax in prior years		(1,723)
Income Tax Expense	-	(1,723)

Relationship between income tax expense and accounting surplus

Net surplus/(deficit) before tax	2,884	221,179
Tax at 28%	807	61,930
Plus/(Less) tax effects of:		
Temporary differences	(168,421)	(529,280)
Non-deductible expenses	-	7,718
Tax losses utilised	167,613	459,632
Income Tax Expense	-	-

Unused tax losses of \$3,671,498 (2015; \$3,072,879) are available to carry forward and offset against future taxable income.

4. Bank Accounts and Cash

	2015-16	2014-15
Current Account	160,555	426,619
Savings Account	36,203	14,459
Total Bank Accounts and Cash	196,758	441,078

5. Debtors and Prepayments

	2015-16	2014-15
Debtors	-	86,861
Prepayments	-	-
Total Debtors & Prepayments	-	86,861

6. Property, Plant and Equipment**IRIS Software Intellectual Property**

Carrying amount as of 01 July 2014		4,922,377
Additions		457,941
Work in Progress		253,996
Disposals (net of accumulated depreciation)		-
Depreciation Expense		(556,762)
Carrying Amount as of 30 June 2015		5,077,552

Carrying amount as of 01 July 2015		5,077,552
Additions		429,277
Work in Progress		403,102
Disposals (net of accumulated depreciation)		-
Depreciation Expense		(625,532)
Carrying Amount as of 30 June 2016		5,284,399

7. Creditors and Accrued Expenses

	2015-16	2014-15
Creditors	143,247	200,599
Audit New Zealand	5,094	4,977
GST		24,051
Total Creditors and Accrued Expenses	148,341	229,627

8. Equity

Contributed Capital	2015-16	2014-15
Balance at 01 July	5,149,150	5,149,150
Capital Contribution	-	-
Balance at 30 June	5,149,150	5,149,150
Accumulated Surpluses	2015-16	2014-15
Balance at 01 July	227,334	4,432
Surplus/(Deficit) for the year	2,884	222,902
Balance at 30 June	230,217	227,334
Total Equity	5,379,367	5,376,484

There are 10,000 shares which have been fully called to the value of \$515.00. Share capital currently \$5,149,150

.9. Commitments

There are no commitments at balance date (previous year: \$220,000).

10. Contingencies

There are no contingent liabilities at balance date and no contingent assets at balance date, (previous year: Nil).

11. Related Party Transactions

Related party transaction disclosures have not been made for transactions with related parties that are within a normal supplier/client or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arms length in the same circumstances.

Related Party Transactions Significant to RSHL Requiring Disclosure:

RSHL purchased management services from Waikato Regional Council (WRC) (32.75% shareholder) to the value of \$156,701.19 (including GST) (2015: \$253,876.48 (incl. GST)). At 30 June 2016 \$nil (including GST) (2015: \$10,485.13 (incl. GST)) was outstanding to WRC.

RSHL purchased administrative services and reimbursed for ESP Support from Horizons Regional Council (HRC) (15.50% shareholder) to the value of \$23,041.36 (including GST) (2015: \$38,339.85 (incl. GST)). At 30 June 2016 there was \$23,041.36 outstanding (2014: \$5,462.72 (incl. GST)) to HRC.

12. Events After Balance Date

There are no significant events after balance date.

13. Explanations on Major Variances

Explanations for major variances from RSHL's budgeted figures in the 30 June 2016 Statement of Intent are as follows:

Statement of Financial Performance	Actual	Budget	Variance	
Total Income	1,095,183	1,034,627	60,556	Budget does not factor in Other Income being members purchasing software from an external Company at a group rate (increased revenue vs. increased costs of \$57,750). Balance is interest earned; also not budgeted.
Administration Costs	28,437	86,808	58,371	The administrative services costs associated with the service provided by Horizons were lower than budgeted. This is offset by higher than budgeted costs for management fees (provided by WRC). The budgets need to be adjusted in the future to review time allocation.
DATAKOM Support Services	172,961	195,239	22,278	Slightly less services used along with separating out environmental charges.

Cyber Environmental Charges	9,280	-	(9,280)	This is a new category of charging from DATACOM that RSHL wished to categorise separate to support services.
Management Fees	141,574	91,876	(49,698)	While costs have increased to budget, overall they are still lower than the previous year; this reflects that this year was the first full year of normal business as usual. There was no additional time spent in pre-marketing and follow up from sales presentations to potential new Councils, however, it also highlights the fact that the split between administrative and management fees needs to be reviewed.
External Contractors and Consultants	51,671	-	(51,671)	This is costs arising from Datacom, which was initially budgeted as part of the Capital programme; however it is expenses that are not capital in nature.
Other Direct Software Expenses	57,750	-	(57,750)	As with Other Income; members purchase this as an agreed arrangement and is offset by Other Income.
Depreciation	625,532	655,636	30,104	Less assets capitalised in 2013-14 and 2014-15, which created an on-going variance.
Statement of Financial Position				
Bank Accounts and Cash	196,758	70,272	126,486	Opening cash balance commenced higher than budget.
GST Receivables	45,663	-	45,663	End of June GST return resulted in a GST refund along with \$18k attributed to accounts payable.
Property, Plant and Equipment	5,284,399	5,083,310	201,089	Reflects that the capital works programme is now back on target.
Creditors and Accrued Expenses	148,341	-	148,341	All current and since been paid.
Statement of Cash Flow				
Total Operating Receipts	1,170,518	1,034,627	135,891	Unbudgeted members repayments as noted in Other Income and timing of 2014-15 final quarterly invoice being paid in July 2015.
Total Operating Payments	525,609	378,991	(146,618)	Timing of receipts creates a close to equivalent increase in costs, as it is expected to be cash-flow neutral.
Total Investment Payments	889,229	655,636	(233,593)	The committed costs from 2014-15 have now been expensed, equating to an additional \$220k of investment payments. The balance is timing of end of year costs into 2015-16.

14. Statement of Performance Targets for 2015-16

Performance target	Level of Achievement		Comment
	2015-16	2014-15	
Non-Financial			
IRIS Advisory Groups meets regularly & is effective (Self-assessed by the Advisory Group, compared to expectations in the Terms of Reference for the Advisory Group)	Achieved	Achieved	The Advisory Group (AG) met every month (except for a single combined meeting for December and January), and these have now moved from voice to video conference meetings. Three in-person meetings were also held across the year. The AG has continued to operate in an effective and constructive manner throughout the year, with the addition of more in-person meetings helping to strengthen the collaborative nature of the group and ensure more in-depth discussion.
95% of Support requests are resolved within agreed timeframes (as per section 13 of Support Contract)	Achieved	Achieved	Section 13 of the Support Agreement sets target response and resolution times for Priority One issues (Critical/Showstopper) only. There were no issues logged at this status during the year. Overall figures for support issues across the 2015/16 year: <ul style="list-style-type: none"> • Open issues as at 30 June 2015 = 28 • Raised between 1 July 2015 and 30 June 2016 = 120 • Closed between 1 July 2015 and 30 June 2016 = 122 • Resolved (to be released) = 10 Open as at 30 June 2016 = 26 (including the 10 resolved issues which will be included in the July 2016 release)
IRIS user groups meet and effectively control their support and minor development budgets.	Achieved	Achieved	User group meetings have been held fortnightly and have been very effective. An in-person User Group meeting was also held in March. This focused on the consents process in order to help drive the exchange of best practice and greater standardisation across the councils. The support and minor development budgets have been effectively managed and controlled throughout the year.

Performance target	Level of Achievement		Comment
IRIS annual development projects have approved business cases, and are completed on time and within budget.	Achieved	Partially achieved	Development projects have progressed based on approved business cases and Statements of Work for each project, and these have been completed within the agreed budget and on time (original indicative timeframes for some projects were adjusted by agreement). Development projects were within the overall budget.
Reporting and Payments (Section 9.3 of Business Plan) are completed on time.	Not achieved	Achieved	The reporting and payments timetable has largely been met, with the exception of the revised Business Plan which did not pass through a formal approval process within the timeframe set out in the reporting timetable.
Consider a new service area or areas outside of the current scope of IRIS ¹	Achieved	Achieved	Business Intelligence and Customer Portal are being planned to compliment the current functionality of IRIS.
Financial	2015-16	2014-15	
RSHL will operate within its budget.	Achieved	Achieved	Expenditure against the available funding has been closely monitored throughout the year and has tracked close to budget overall. In the areas of increased expenditure, such as Management Fees, there have been offsetting under-spends, as in Administration Costs, to ensure the operating expenditure overall aligns to budget.
Annual charges: increase in cost to councils not to exceed the CPI.	Not achieved	Achieved	The annual charges were increased by 3% for the 2015/16 year. Although this exceeds the current CPI, this is in line with assumption made in the 2015/16 RSHL Business Plan of a 3% CPI increase for all costs (section 10.2).
Growth	2015-16	2014-15	
Respond to requests from Councils with the intent of adding one further Council to IRIS as a shareholder or customer by end of 2018	In progress	In progress	In progress. Informal discussions held with three councils who have expressed interest in IRIS.

¹ Consider does not mean commit to do, but to identify & evaluate one or more opportunities

Independent Auditor's Report

To the readers of Regional Software Holdings Limited's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Regional Software Holdings Limited (the company). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 5 to 14, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include the statement of accounting policies and other explanatory information; and
- the performance information of the company on pages 15 to 16.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 25 August 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the company.

A handwritten signature in black ink, appearing to read 'Clint Ramoo', with a horizontal line underneath.

Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

ISSUE: Continuity Over Council Recess**ID:** A874048**To:** Council Meeting, 20 September 2016**From:** Chris Taylor, Governance Support Manager**Date:** 5 September 2016

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

Local Body Elections will be held on Saturday 8 October 2016 with the current council able to make urgent decisions until the Electoral Officer's declaration of the results of the election (anticipated to be Saturday 15 October 2016). However, the new council cannot act until such time as councillors have made their statutory declarations at the inaugural council meeting (Tuesday 25 October 2016).

The purpose of the report is to:

- Ensure arrangements are in place to enable urgent decisions to be made if required during the council recess.
- Seek a council resolution that certain committees not be discharged at the election, to enable their activity to continue.

Legal compliance and significance assessment:

Clauses 14 and 32 of the 7th Schedule of the Local Government Act are relevant to this matter. The information contained in this report and its recommended resolutions complies in all respects with this legislation. 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 will enable the normal business of council to continue during the election process.

Recommendations:

1. That the report 'Continuity Over Council Recess' by Chris Taylor, Governance Support Manager, and dated 5 September 2016, be received.
2. That in the period between the day following the Electoral Officer's declaration until the new council is sworn in for the 2016–2019 triennium, the council delegates to the Chief Executive Officer the authority to make decisions over and above the Chief Executive Officer's normal delegations in respect of urgent matters, except those responsibilities, duties and powers specifically excluded in terms of clause 32(1)(a)–(f) of Schedule 7 of the Local Government Act 2002 and those powers delegated to undischarged committees.

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3. That any instances where the Chief Executive Officer exercises powers, in accordance with 2 above, shall be presented to the first ordinary meeting of the incoming council for ratification.
4. That in accordance with section 12(2) of the Civil Defence Emergency Management Act 2002, the Civil Defence Emergency Management Group Committee and its members be deemed not to be discharged on the coming into office of the members of the council elected at the next triennial election.
5. That the Environmental Management Catchment Working Groups/ Subcommittees and their members be deemed not to be discharged on the coming into office of the members of the council elected at the October 2016 election. (For the avoidance of doubt this includes the Waitangi, Poutō, Mangere, Whangārei Harbour, Doubtless Bay and Ngunguru Catchment Group Subcommittees.)
6. That the Environmental Management River Liaison Subcommittees and their members be deemed not to be discharged on the coming into office of the members of the council elected at the October 2016 election. (For the avoidance of doubt this includes the Awanui, Kaihū, Kerikeri-Waipapa, Ruakaka, Waitangi, Kāeo-Whangaroa, Urban Whangārei and Taumarere River Liaison Subcommittees.)
7. That the Whangārei Heads Pest Management Subcommittee and its members be deemed not to be discharged on the coming into office of the members of the council elected at the October 2016 election.

Report:**Urgent decisions during council recess**

The current council is able to make urgent decisions from Election Day (8 October 2016) until the Electoral Officer's declaration of the results of the election. The new council cannot act until councillors have made their statutory declarations at the inaugural council meeting.

The council is therefore in recess between the current council going out of office (on or about 16 October 2016) and the inaugural meeting of the incoming council (expected to be held on 25 October 2016). Standard 'best practice' for local authorities is to authorise the Chief Executive Officer to exercise the powers of the council during the recess (except those powers expressly excluded from delegation by clause 32(1)(a)–(h) of Schedule 7 of the Local Government Act 2002, or those powers delegated to an undischarged committee). It is expected that the Chief Executive Officer would exercise these powers only for matters requiring formal council approval, but no significant political debate.

Any use of the Chief Executive Officer's delegation, outside of normal delegations, will be reported to the first ordinary meeting of the incoming council.

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Committee continuity

The Local Government Act 2002 says that a committee, subcommittee, or 'other subordinate decision-making body' is deemed to be discharged on the coming into office of the new council, unless the current council resolves otherwise. With the upcoming election, it is therefore recommended that council make resolutions aimed at ensuring continuity of activity relating to the following (at least until such time as the new council establishes its governance structure):

- Civil Defence Emergency Management Group Joint Committee;
- Catchment working groups/subcommittees established to progress the Waioara Northland Water/Freshwater NPS programme;
- River Liaison Subcommittees; and
- Whangārei Heads Pest Management Subcommittee.

It should be noted that such resolutions will not limit the new council from appointing different members, amending the committees' delegations or terms of reference at some point in the future, or disestablishing committees, if that were its wish.

Civil Defence Emergency Management Group Joint Committee

The Civil Defence Emergency Management Act 2002 (CDEM Act) requires every regional council and every territorial authority within a region to establish a 'Civil Defence Emergency Management Group' for the purposes of the Civil Defence Emergency Management Act as a joint standing committee under the Local Government Act 2002.

Section 12(2) of the CDEM Act ensures the Civil Defence Emergency Management Group remains in existence following local elections. The intention is to ensure that political oversight can be provided should an emergency occur between the time councils go out of office and the subsequent appointment of local authority members to their respective CDEM Group.

To provide continuity until the new appointments have been made, the existing members of the Civil Defence Emergency Management Group Joint Committee should be deemed not to have vacated office.

Councillor Dimery is council's current representative on the Northland Civil Defence Emergency Management Group and should continue as council's representative. In the event of the current representative not being re-elected, the new Chair of council shall by default be the council's representative on the Civil Defence Emergency Management Group Joint Committee until the incoming council has appointed its new representative.

The territorial local authorities have, or will consider, a similar report.

Environmental Management Committee Working Groups/Subcommittees

The council currently has six catchment working groups/subcommittees, eight river liaison subcommittees, and one pest management subcommittee (sitting under the 'umbrella' of the Environmental Management Committee). The membership of these groups consists predominantly of non-elected appointed members, are well-established, and their work is ongoing. There is therefore little value in the automatic discharge of the committees and members now, simply to reconstitute or reappoint them (and incur administrative costs) after the election.

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It is therefore suggested these subcommittees should not be automatically disestablished and their memberships should be maintained until such time as council deem the circumstances warrant a change.

In the event of the current elected representatives on these working groups/ subcommittees not being re-elected, the new Chair of council shall by default be the council's representative until such time the incoming council has appointed these positions.

The Regional Pest and Pathways Management Plan Review Hearings Committee

The Regional Pest and Pathways Management Plan Review Hearings Committee, comprising of Councillors Dimery, Brown and Carr, was established in December 2015 to oversee the hearings process pertaining to this programme of work.

A report went to the Environmental Management Committee in August 2016 resulting in the committee recommending to council that the Hearings Committee not be discharged during the election period - in order to maintain momentum. Given the very short period of time that the council is in recess (16–25 October (10 days)), it does not seem necessary to retain this committee during this period. The full council will be in place on 25 October and has full discretion to progress these matters itself or re-establish this committee, as it does with all other committees of council.

ISSUE: Environment Fund Projects**ID:** A874019**To:** Council Meeting, 20 September 2016**From:** Bruce Howse, Group Manager Environmental Services;
Don Mckenzie, Biosecurity Manager; and Lisa Forester,
Environmental Assets Manager**Date:** 5 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input checked="" type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input checked="" type="checkbox"/>	Annual\Long Term Plan	<input type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

This report recommends to council five Environment Fund projects for funding approval.

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 being accepted are considered to be of low significance in terms of council's Significance Policy.

Recommendations:

-
1. That the report 'Environment Fund Projects' by Bruce House, Group Manager Environmental Services; Don Mckenzie, Biosecurity Manager; and Lisa Forester, Environmental Assets Manager, and dated 5 September 2016, be received.
 2. That approval is given to fund the Tangihua CPCA project to the value of \$40,000.
 3. That approval is given to fund the Te Whenua – wild ginger control project to the value of \$10,000.
 4. That approval is given to fund the Kowhairoa (Whangaroa) CPCA project to the value of \$14,000.
 5. That approval is given to fund the Lake Waiporohita water quality improvement project to the value of \$27,650.
 6. That approval is given to fund the Lake Rotokawau and Puwheke Beach fencing project to the value of \$25,200.
-

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Report:**Environment Fund – year to date**

The total Environment Fund budget for 2016/17 is \$1,246,875M, including the \$200k year-end surplus approved by the Finance Committee and \$196,875M of over allocation approved by the Environmental Management Committee (18.75% of total budget). Year to date \$754,887 of the Environment Fund has been allocated to a total of 55 Biosecurity projects and 130 Land Management projects, with \$491,987 of funding remaining for allocation. The following table provides a summary of funding and projects year to date:

Delegated Authority	Land/ Biosecurity	Land Projects	Biosecurity Projects	Allocation \$	Budget \$
1 – July 2016	Biosecurity		54	126,436.00	
1 – July 2016	Land	55		216,324.60	
2 – July 2016	Land	38		198,261.10	
3 – August 2016	Land	37		175,865.40	
4 – Wild Cat Traps	Biosecurity		1	13,000.00	
Total Projects		130	55		
Soil Conservation				25,000.00	
Allocation to date				\$754,887.10	
Budget	Land				675,000.00
	Biosecurity				125,000.00
	Catchment Groups				50,000.00
	Year end surplus funding				200,000.00
	Over allocation (based on 18.75% of total budget \$1.050M)				196,875.00
Total Budget					1,246,875.00
Allocation to date					754,887.10
Balance Remaining					\$491,987.90

The Environment Fund criteria and project categories is provided in **Attachment 1** for reference, noting that council approval is required for any project that requires funding of over \$20k and/or exceptional projects.

Projects recommended to council for funding

The following projects have been discussed with community and landowners/ landowner representatives, and if approved would be completed this year.

Tangihua CPCA - \$40,000 (Criteria - Exceptional Project)

This proposed community pest control area involves a group of private land owners surrounding the Tangihua forest and the Tangihua Lions Lodge Trust. The project covers over 3000ha of open pasture, scrubland and native forest. This project is being proposed to restore biodiversity values on private land surrounding the Tangihua Forest and to enhance and support conservation efforts being carried out by the community in the adjacent Tangihua Forest. The Department of Conservation also has plans to conduct pest control in conjunction with the community in part of the core of Tangihua.

Tangihua has also been identified as one of the forests that would be worthy of inclusion in council's aspirational '7 in 10' forest health/pest control proposal.

Approximately \$40,000 is required this financial year so that a contractor can set up traps and materials, with future costs being met through the biosecurity site led operational budget and community support.

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This CPCA will also involve NRC land management staff who will leverage off the new relationships created to get on-farm and advise the landowners of potential gains in water quality through fencing, soil conservation measures, and farm water quality improvement plans. This CPCA falls within the targeted erodible land of the MPI/NRC Kaipara Hill Country Erosion Programme, offering interested landowners farm plans, subsidised fences and planting materials

Te Toa Whenua – Wild Ginger Control - \$10,000 (Criteria - Exceptional Project)

This restoration project is being led by Te Roroa and adjoins Waipoua forest. Te Roroa and the local community are attempting to control wild ginger over approximately 900ha of private land which has been returned to the iwi under the treaty settlement process.

Currently, Northland Regional Council has a Biofund agreement with Te Iwi o Te Roroa targeting the eradication of wild ginger in forestry adjacent the Waipoua Forest. Northland Regional Council funding has allowed for an infestation of approximately 100 hectares of wild ginger to be treated.

Wild ginger infests thousands of hectares of land surrounding the Waipoua Forest, including much of Te Toa Whenua, a large area of approximately 900ha is marked for restoration by Te Iwi o Te Roroa.

Additional funds will pay for contractors to spray more of the infested area and provide an initial knock down of wild ginger and Te Roroa will conduct follow up. This will align with the current Biofund and will assist Te Iwi o Te Roroa with the continuation of the wild ginger eradication plan for Te Toa Whenua. Further wild ginger eradication will contribute to restoring the biodiversity values of the area whilst also providing a valuable buffer to Waipoua Forest.

Kowhairoa (Whangaroa) CPCA - \$17,000 (Criteria - Exceptional Project)

This proposed CPCA is located on a peninsula in the Whangaroa Harbour owned and managed by local iwi who are attempting to control introduced pest and weed species with the long term goal of restoring kiwi and native biodiversity values. This is an iwi led restoration initiative and has the support of the local community and other agencies such as the Department of Conservation and Nga Whenua Rahui. Approximately \$17,000 is required this financial year to initiate this project; with future costs being met through the biosecurity site led operational budget and other agency support.

Lake Waiporohita and Lake Rotokawau/Puwheke Beach

Lake Waiporohita Water Quality Improvement - \$27,650 (Criteria - Outstanding Waterbody Protection and Top Wetlands)

Lake Waiporohita is one of Northland's 12 outstanding lakes. This lake has a very high natural condition with low invasive impacts though some nutrient increases are evident, which this project addresses. The land surrounding the lake is on Landcorp's Rangiputa Station and is of great significance to Ngāti Kahu. A marginal strip and the lake bed are managed by the Department of Conservation.

- The lake is currently fenced on the western and southern side and is bounded on the eastern side by Inland Road. There is a farm drain feeding into the lake on the western side. The current fence needs repair so a replacement fence of approximately 940 metres will be set back further from the existing fence-line to

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follow the contours (high points) of the lake catchment, allowing for an increased riparian planting zone and a nutrient and sediment scrubbing-belt of kikuyu between the lake and fence. The new fence will also incorporate part of the drain to prevent stock access and subsequently reduce direct inputs into the lake.

- Landcorp are proposing to dig and maintain a weir in the drain which will provide a sediment trap that can be cleaned out for sediment reduction before water enters the lake through the riparian margin. Planting of appropriate species around this drain area will provide the potential for further nutrient removal.
- The existing vegetation riparian margin around the lake currently has weed species, such as pine trees (*Pinus radiata*), acacia (*Acacia sp.*) and gorse (*Ulex europaeus*). These will be removed and native plants incorporated into the existing riparian vegetation. Native plants proposed for planting include: flax (*Phormium tenax*), cabbage tree (*Cordyline australis*) and sedges (e.g. *Carex sp.*) nearer the lake edge, with appropriate native shrubs and trees on the higher ground. The total area to plant is 1960 m² and at a metre square spacing, approximately 2246 plants would be required.
- An obsolete pump pipe structure on the eastern side of the lake will be removed, as farm water needs are now filled from bores.
- There is currently an open space on the eastern side of the lake that has an area used for car parking. There are instances of vehicles being able to access the lake at this point, increasing the risk of introducing pest weeds and fish. The access at this point will be restricted by Landcorp placing large boulders along the edge of the lake. This area, along and around the boulders could also be planted to enhance the visual outlook.
- There is an opportunity to provide interpretation on the values of the lake. This will be done in conjunction with Ngāti Kahu to tell the cultural stories of the lake and as well its ecological values.
- Advice will be taken from Ngāti Kahu on any waahi tapu areas prior to any fencing, planting or other work being undertaken.
- Consideration and consultation will be carried out in future on covenanting the lake riparian area with an organisation such as Nga Whenua Rahui, if mana whenua deem this worthwhile.
- Water quality improvement works for Lake Waiporohita are supported by the Waioira Northland Water Doubtless Bay Catchment Group.

Lake Rotokawau and Puwheke Beach Fencing (\$25,200) (Criteria - Outstanding Waterbody Protection and Top Wetlands)

This wetland is ranked number 15 of Northland's top wetlands and has been prioritised in the Top Wetland Project as priority 12 (of 25) for protection. The site is a complex of dune lakes and coastal wetlands containing high wildlife values. Dune lakes are rare on the east coast of Northland.

This wetland is at the northern end of Landcorp's Rangiputa Station.

- The existing fence along the southern side of the lakes and wetland is in disrepair and needs replacing to exclude stock. The length of fence is approximately 2020 metres. A second area of fencing on the eastern side of the wetland will be put in place (500m).

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Costing for Lake Waiporohita and Lake Rotokawau/Puwheke Beach Projects

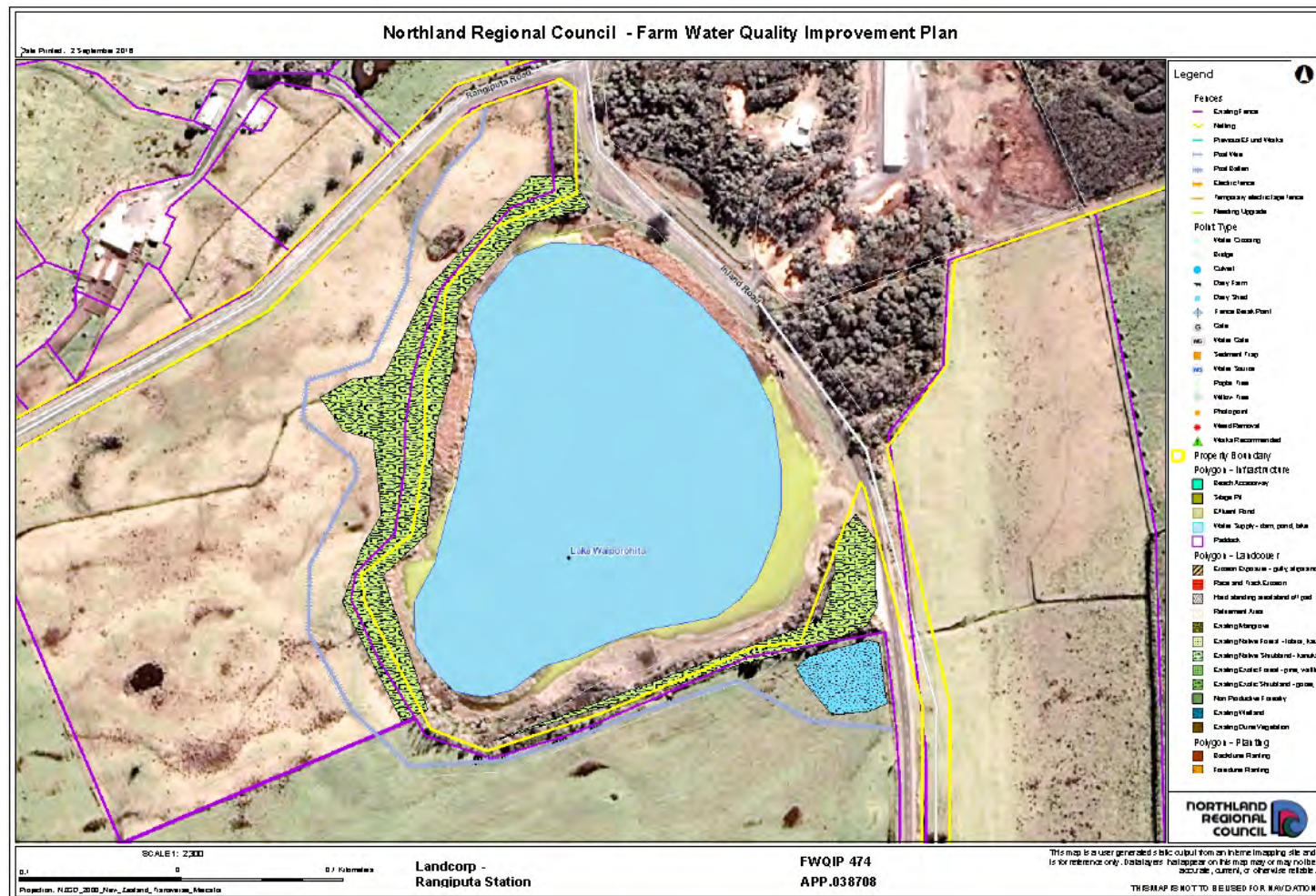
	Quantity: length of fence (m) / no. plants	Cost \$	
Lake Waiporohita			Subtotal
Fence	940m (8 wire post & batten - \$10.00/m)	9,400	
Planting	2532 (@\$4.00/plant)	11,650	
Weed removal (pine, acacia etc.), including digger services, and pipe structure removal	c.6000	6,000	
Interpretation sign	1 x 1.5x1m	600	
	Subtotal for Lake Waiporohita		\$27,650
Lake Rotokawau and Puwheke Beach			
Priority A fence	2020m (8 wire post & batten - \$10.00/m)	20,200	
Priority B fence	500 (8 wire post & batten - \$10.00/m)	5,000	25,200
	Total		\$52,850

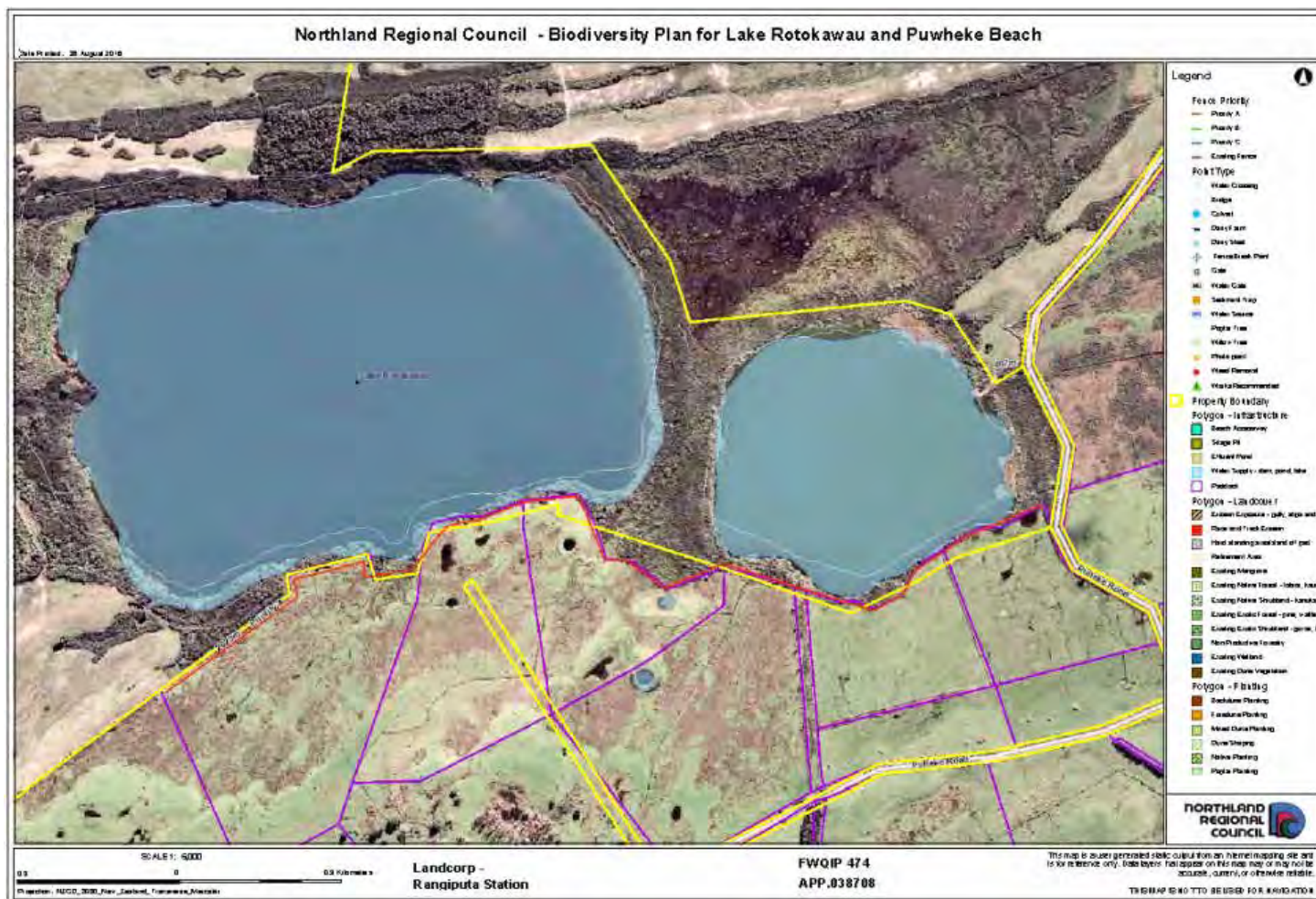
Refer to attached maps (below).

Funding summary

The total value of funding recommended for these five projects is \$116,850.

If approved by council this would take the year to date allocation to \$871,737, with \$375,137.90 of funding remaining for allocation.





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	<i>Farm properties - water quality improvement and biodiversity¹ Farm water quality improvement plan priority actions, plus high priority biodiversity restoration/protection</i>	<i>Outstanding waterbody protection & Top Wetlands</i>	<i>Soil conservation/ erosion control - poplar poles and willows</i>	<i>CoastCare</i>	<i>Biosecurity²</i>	<i>Exceptional projects</i>
<i>Recommended subsidy up to</i>	<i>Dairy farm waterway fencing 50%; funding up to \$5000. Dry stock waterway fencing 50%; -funding of up to \$10,000 for 199 ha or less sized farm; -funding of up to \$15,000 for 200 ha to 599 ha sized farm; -funding of up to \$20,000 for 600 ha or greater sized farm.</i>	<i>50% via delegated authority, or up to 100% with EMC approval</i>	<i>50% provision of materials (i.e. poles provided at \$4 each)</i>	<i>100% provision of materials</i>	<i>100% provision of materials</i>	<i>Up to 100% for projects not fitting the criteria but of exceptional environmental merit, subject to EMC approval</i>
<i>Land owner contribution</i>	<i>Balance of cost of works or labour and/or materials</i>		<i>Plant material purchased at 50% cost</i>	<i>Labour</i>	<i>Labour</i>	<i>N/A</i>

¹ Focused on supporting water quality and biodiversity initiatives on farm properties, supporting the Farm Water Quality Improvement Plan programme.

² Funding to ensure that qualifying pest control projects outside the Community Pest Control Area programme are assisted.

ISSUE: Reframing of the Regional Recreational Facilities Rate

ID: A873834

To: Council Meeting, 20 September 2016

From: Malcolm Nicolson, Chief Executive Officer

Date: 7 September 2016

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to seek council approval to consult on setting the current Regional Recreational Facilities Rate at a level that will fully pay the Recreational Facilities Reserve across the full 2017/18 financial year. This will avoid the complexities of having the rate applied over a partial year.

The current rate funds the development of the Regional Events Centre. The debt attributable to the construction of the centre (Recreational Facilities Reserve) is on track to be cleared in the 2017/18 year.

This report also seeks council approval to consult on setting a reframed Regional Recreational Facilities Rate during the 2018/28 Long Term Plan (LTP) process.

The policy objective of a reframed rate is to fund the development of further sport and/or recreational facilities in Northland which are of regional benefit.

Legal compliance and significance assessment:

In relation to sections 76 to 81 of the Local Government Act 2002, the issues and decisions in this report are part of council's day to day activities and considered to be of low significance under council policy because it is a decision that only commits council to consultation, pursuant to sections 82 and 83 of the Local Government Act 2002, which is part of council's normal annual and long term planning processes.

Recommendations:

1. That the report 'Reframing of the Regional Recreational Facilities Rate' by Malcolm Nicolson, Chief Executive Officer, and dated 7 September 2016, be received.
2. That council recommends consultation, during the 2017/18 Annual Plan (AP) process, on setting the current Regional Recreational Facilities Rate at a level that will fully pay the Recreational Facilities Reserve across the full financial year.

3. That the council recommends consultation on a reframed Regional Recreational Facilities Rate during the 2018–28 LTP process.

Report:

Background

The current Regional Recreational Facilities Rate is applied to the Recreational Facilities Reserve which funded the development of the Regional Events Centre in Whangārei. This forms part of the council's economic development activity.

The rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The estimated total Northland rate is expected to amount to \$1,540,394 (including GST) for the 2016/17 financial year.

The rate is a fixed amount differentiated by location in the Northland region and is set as follows:

District	Excl. GST	Incl. GST		Raised in 2016/17 (Inclusive)
Far North district	\$5.00	\$5.75	per SUIP	\$212,069
Kaipara district	\$5.00	\$5.75	per rating unit	\$82,846
Whangārei district	\$25.00	\$28.75	per SUIP	\$1,245,479
				\$1,540,394

The Recreational Facilities Reserve was \$2,145,809 at the end of the 2015/16 financial year. Consequently, the rate set at its current level will clear the reserve in the latter half of the 2017/18 financial year.

Policy objectives

The policy objective of setting the current Regional Recreational Facilities Rate at a level that will fully pay the Recreational Facilities Reserve across the full 2017/18 financial year is to avoid the complexities of having the rate applied over a partial year.

Once the current reserve has been paid off, the current rate will have fulfilled its purpose.

The objective of a reframed Regional Recreational Facilities Rate would be to fund the development of further sport and/or recreational facilities across Northland which are of regional benefit.

Previous work

Significant background work has already been undertaken on which facility projects in each district could receive funding.

The completed Northland Sports Facilities Plan 2014 is now the lead document for new regional or district-level sports facility development/redevelopment in Northland. The Plan was a partnership between Sport Northland (lead), council and Sport NZ (both co-funders) and the three district councils.

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The Northland Sports Facility Plan (the Plan) provides a high level strategic framework for sports facilities planning at a district level. It is designed to focus thinking at a network wide sports facilities level with emphasis on international, national, regional and district level assets, while also capturing local level facility data. The Plan:

- Had an aim of providing a high level strategic framework for sports facilities planning.
- Focused on 'district-level' facilities (but not down to a 'local' level).
- Recommended 16 priority actions/projects.
- Further prioritised these given that projects were all in varying states of readiness and planning.
- Used 'council tested' criteria to prioritise the recommended projects.

The Plan identified the following four proposed sports facility projects as plausible priorities for any support via a reframed Regional Recreational Facilities Rate. Each project was in their respective councils' LTP:

1. Sportsville Dargaville, \$2,200,000. All funding now secured. However a Stage 2 development is being proposed.
2. Te Hiku Sports Hub, \$8,376,000.
3. Pohe Island Sports Hub – Rugby/Multi-sport, \$4,000,000.
4. Pohe Island Sports Hub – Cycling/Multi-sport, currently being costed.

Other projects that could attract funding are listed in the attachment.

From the original Plan's recommendations, Kerikeri Tennis and Waitangi Mountain Bike Park are now underway, and Lindvart Park Sportsville is fully funded by Far North District Council. The Whangārei 50m pool was not considered due to it not being in the council's LTP and no planning work having been completed.

Active recreation facilities

The Northland Forward Together Lead Team has considered whether it may be useful to have 'active recreation' infrastructure also included (along with sports facilities) as a beneficiary of any reframing of the rate.

If such infrastructure was funded then the scope of recreational activities would need to be clearly defined. The scope could entail cycle trails, skateboard parks, walking tracks, boat ramps and the like.

The magnitude of a reframed rate

Council may prefer to apply a rate evenly across districts, rather than a differential rate.

If so, the net rating unit/SUIP figure of 91,365 for the 2016/17 AP can be used to calculate an estimate of total annual rates collected. The 91,365 figure can be expected to rise in future years due to growth, but it is the latest published figure.

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Therefore, \$10 per rating unit/SUIP would raise approximately \$794,000 pa.

Northland-wide rating units	Excl. GST	Incl. GST		Raised for projects (Excl)
91365	\$8.69	\$10.00	per RU/SUIP	\$794,000
91365	\$13.04	\$15.00	per RU/SUIP	\$1,191,000
91365	\$17.39	\$20.00	per RU/SUIP	\$1,589,000

Note: The visible cost to the ratepayer will include GST. However, only the GST exclusive amount can be applied to projects as the GST is paid to IRD.

Northland Sports Facility Planning - Project Prioritisation

Project	\$\$ in Council LTP	Social Impact	Economic Impact	Developer Capability	Financial Sustainability	Partnerships	Functionality & Adaptability	Planning Stage	Total
Kauri Coast - Sportsville development	Yes (full cost \$2.2m) \$100K from KDC \$2.1m in other funding secured	36	8	9	9	9	9	10	90
Te Hiku – Sportsville (including aquatic centre)	Yes (full cost \$8.376m) \$2.792 from FNDC	36	9	6	7	7	8	9	82
Pohe Island – Rugby & multi-sport development	Yes (full cost \$4m) \$400K from WDC \$1.4m Foundation Nth	28	7	7	8	7	6	10	73
Pohe Island – Cycling & multi-sport development	Yes (currently being costed)	32	9	7	Not undertaken	8	Underway	6	62
Tikipunga Sports Park – ‘Home of Football’	Yes (not yet costed)	32	8	4	Not undertaken	3	5	4	56
Kerikeri Gymsport – district hub facility	No	24	7	6	Not undertaken	6	6	7	56
Kerikeri Squash Club - proposed district facility	No	20	8	4	6	6	6	4	54
Kerikeri Aquatic Centre	No – reconsidered at next LTP for possible inclusion	32	8	-	Not undertaken	2	-	3	45
ASB Leisure Centre - additional court	No	36	8	N/A	Not undertaken	0	Not undertaken	0	45
Whangarei Shooting –hub development	No	24	7	4	Not undertaken	5	Not undertaken	4	44
Barge Park - equestrian hub development	No	20	8	4	Not undertaken	5	Not undertaken	4	41
Kauri Coast Community Pool - upgrade	No	32	9	N/A	Not undertaken	Not undertaken	Not undertaken	Not undertaken	41
Kaikohe Pool	No - reconsidered at	28	6	-	Not undertaken	2	-	1	37

[illegible]

ISSUE: Investment and Growth Reserve: Investment Proposals – Extension 350 and Waitangi Mountain Bike Park

ID: A875198

To: Council Meeting, 20 September 2016

From: Darryl Jones, Economist

Date: 13 September 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to seek council's approval to allocate from the Investment and Growth Reserve (IGR) \$832,600 (excl GST) for the Extension 350 project and \$400,000 (excl GST) for the Waitangi Mountain Bike Park. Both these are considered as funding from the impact investment category. The IGR criteria provides for up to \$1M to be allocated each financial year under this funding category, with the possibility of carrying forward a cumulative maximum of \$1M in unused funding from previous years. Should council agree to support both proposals then it should do so knowing that the decision exceeds the IGR impact investment ceiling threshold set out in the criteria.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the IGR criteria, the Long Term Plan 2015–2025, 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:

-
1. That the report 'Investment and Growth Reserve: Investment Proposals – Extension 350 and Waitangi Mountain Bike Park' by Darryl Jones, Economist, and dated 13 September 2016, be received.
 2. That council agree to allocate \$832,600 (excl GST) as impact investment funding from the Investment and Growth Reserve to support the Extension 350 project, subject to the following conditions:
 - a) That payments are spread over a six-year period, beginning with the current financial year 2016/17 as follows: \$102,500, \$150,100, \$155,000, \$155,000, \$155,000 and \$115,000.

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- b) That ongoing commitment to the project will be reviewed on an annual basis and be dependent on satisfactory performance of the project.
- c) That no payments shall be made until there is:
 - i. formal confirmation of funding from Ministry for Primary Industries, Dairy NZ and Beef+Lamb NZ; and
 - ii. an agreed list of performance measures and quarterly reporting mechanisms established.
- 3. That council delegate to the Chief Executive Officer the authority to negotiate and approve the detailed performance measures and schedule of payments for Extension 350 taking into account the terms of payment associated with the funding from the Ministry for Primary Industries.
- 4. That council agree to allocate \$400,000 (excl GST) as impact investment funding from the Investment and Growth Reserve to support the Waitangi Mountain Bike Park (WMBP) in the current financial year 2016/17.
- 5. That council delegate authority to the Chief Executive Officer to determine the appropriate schedule of payments for this investment based on works completed, and that no payments shall be made until there is:
 - i. an agreed list of performance measures and quarterly reporting mechanisms established;
 - ii. an agreed arrangement for receiving a return on this investment up to a maximum of \$40,000 (as outlined in **Attachment 2** pertaining to Item 7.4 of the 20 September 2016 council agenda);
 - iii. a formal commitment from Focus Paihia to engage with Northland Regional Council on the spending of any profits of the WMBP so that money is spent on projects such as linking the WMBP with Paihia and the start of the Twin Coast Cycle Trail; and
 - iv. a formal commitment from Focus Paihia that should the WMBP ever be sold to a private operator the \$400,000 financial investment by Northland Regional Council will become a loan repayable on settlement of sale.

Report:

Council has received two applications for investment from Northland Inc.: Extension 350 (**Attachment 1**) and for the Waitangi Mountain Bike Park (**Attachment 2**). These are being considered within this one paper so that council has a full understanding of the cumulative financial implications when making its decision. Officers have assessed the proposals against the IGR criteria and conclude that they are both eligible for funding from the IGR through the impact investment funding category (**Attachments 3 and 4**).

Funding available for allocation

Table 1 sets out the forecast cash flow balance for the IGR based on current funding commitments, detailing income and withdrawals for the various committed projects and funding for the operation of Northland Inc. Table 2 presents the same information with the addition of the two proposed projects. The tables show that there is funding available in the IGR to support both projects.

Table 1. Forecast cash flow balances of the IGR, 2015/16 to 2019/20Based on current funding commitments¹

Investment and Growth Reserve	Financial year ending 30 June				
	2015/16	2016/17f	2017/18f	2018/19f	2019/20f
Opening Balance	3,668,208	3,215,162	1,689,903	1,701,930	2,806,337
Deposits					
Redirection of NRC investment income	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Community Investment Fund Income	0	0	0	680,000	680,000
Other revenue ²	166,128	148,246	150,009	183,384	183,384
Total	1,866,128	1,848,246	1,850,009	2,563,384	2,563,384
Withdrawals					
Northland Inc. operations	-1,170,815	-1,198,212	-1,227,482	-1,258,977	-1,293,048
IGR funding categories					
Feasibility assessment/business case	-140,000	-200,000	-200,000	-200,000	-200,000
Impact Investment					
<i>Better Water Management</i>	-75,000	-165,000			
<i>Twin Coast Tourism Discovery</i>	-202,652	-250,000			
<i>Twin Coast Cycle Trail</i>	-320,207	-579,793			
<i>Regional Promotions</i>	-410,500	-410,500	-410,500		
<i>Kawakawa Hundertwasser</i>		-500,000			
<i>The Orchard</i>		-70,000			
Loan or equity					
Total	-2,319,174	-3,373,505	-1,837,982	-1,458,977	-1,493,048
Closing Balance	3,215,162	1,689,903	1,701,930	2,806,337	3,876,673

Table 2. Forecast cash flow balances of the IGR, 2015/16 to 2019/20Based on current and proposed funding commitments¹

Investment and Growth Reserve	Financial year ending 30 June				
	2015/16	2016/17f	2017/18f	2018/19f	2019/20f
Opening Balance	3,668,208	3,215,162	1,137,403	949,330	1,848,737
Deposits					
Redirection of NRC investment income	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Community Investment Fund Income	0	0	0	680,000	680,000
Other revenue ²	166,128	98,246	100,009	133,384	133,384
Total	1,866,128	1,798,246	1,800,009	2,513,384	2,513,384
Withdrawals					
Northland Inc. operations	-1,170,815	-1,198,212	-1,227,482	-1,258,977	-1,293,048
IGR funding categories					
Feasibility assessment/business case	-140,000	-200,000	-200,000	-200,000	-200,000
Impact Investment					
<i>Better Water Management</i>	-75,000	-165,000			
<i>Twin Coast Tourism Discovery</i>	-202,652	-250,000			
<i>Twin Coast Cycle Trail</i>	-320,207	-579,793			
<i>Regional Promotions</i>	-410,500	-410,500	-410,500		
<i>Kawakawa Hundertwasser</i>		-500,000			
<i>The Orchard</i>		-70,000			
<i>Extension 350</i>		-102,500	-150,100	-155,000	-155,000
<i>Waitangi Mountain Bike Park</i>		-400,000			
Loan or equity					
Total	-2,319,174	-3,876,005	-1,988,082	-1,613,977	-1,648,048
Closing Balance	3,215,162	1,137,403	949,330	1,848,737	2,714,073

Notes

1. Includes the \$500,000 'in principle' commitment to Kawakawa Hundertwasser. This will be used to reimburse the recent purchase made from the Property Reinvestment Fund should the property form part of the proposed Kawakawa Hundertwasser Park development.
2. Other revenue includes interest earned on the IGR and repayment of loans.

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However, a decision to fund these two projects will reduce the funds available to the incoming council to allocate on investment projects over their three-year term. This is summarised in Table 3. Based on current forecasts and funding decisions, the incoming council has available a maximum of around \$2.8M in the IGR to allocate on investment projects out to the year ended 30 June 2019.

Supporting the two projects under consideration will reduce the maximum funds available for allocation over the period out to 30 June 2019 down to around \$1.8M.

The current council has already made decisions to allocate just over \$4.1M worth of projects, including the \$0.5M 'in principle' commitment for Kawakawa Hundertwasser.

**Table 3. Total investment funding available for the three year period
2016/17 to 2018/19**

	Based on current funding commitments	With Extension 350 and WMBP
Opening balance	3,215,162	3,215,162
Plus Income	6,261,639	6,111,639
Less Northland Inc. operations	-3,684,671	-3,684,671
Less Feasibility assessment/business case	-600,000	-600,000
Less current project commitments	-2,385,793	-2,385,793
Less E350 and WMBP		-807,600
Forecast IGR closing balance 30 June 2019	2,806,337	1,848,737

Impact investment funding

Another funding issue to consider is the ceiling threshold for impact investment funding as both projects are considered to fall into this category. Under the IGR criteria, the allocation of impact investment funding is capped at \$1M from any one year's investment income transferred into the IGR, with the possibility of carrying forward a cumulative maximum of \$1M in unused impact investment funding from previous years.

Table 4 shows the projects for which council decisions have been made to allocate impact investment funding to since 2013/14 when the category was established. For consideration of the ceiling threshold, the value of the project is allocated to the year in which the decision to fund the project took place. The spread of projects across years in which they were allocated can therefore be different from the cash flow analysis shown in Tables 1 and 2 which are based on when the money was spent.

Table 4 shows that a total of \$3.4M has been allocated as impact investment funding since 2013/14. Furthermore, it also shows that only \$565,500 remains available for impact investment allocation in 2016/17 based on already committed funding.

The total impact investment funding commitment being sought for 2016/17 through these two projects, i.e. \$400,000 for the Waitangi Mountain Bike Park and \$832,600 for Extension 350, when combined with current commitments exceeds the ceiling threshold and is therefore inconsistent with the terms of the IGR criteria. Table 5 shows that the ceiling threshold provided for by the IGR will be exceeded by \$667,100.

Section 80 of the Local Government Act 2002 provides for council to make a decision that is inconsistent with a policy or plan adopted by the council provided council, when making the decision, clearly identifies the inconsistency, the reason for the

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inconsistency and any intention to amend the policy or plan to accommodate the decision.

The development of these two proposals has resulted in both being investment ready within the same financial year. Should council decide to support both proposals then it should do so knowing that the decision exceeds the IGR impact investment ceiling threshold. It is recommended that any proposals that exceed the ceiling threshold criteria are assessed on a case-by-case basis and based on their merit rather than representing a need to alter the IGR criteria at this stage. Staff note that \$50K has been set aside for a review of council's economic development activities and envisage that the IGR criteria be included in that review.

Table 4. Impact Investment funding allocations, 2013/14 to 2018/19

Based on council decisions to date

I&G IMPACT FUNDING	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Impact Funding available	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
plus carry over of unused funding		\$760,000	\$367,000	\$65,500	\$565,500	\$1,000,000	
allocated to:							
Better Water Management	\$240,000						\$240,000
Twin Coast Tourism Revitalisation		\$493,000					\$493,000
Twin Coast Cycle Trail		\$900,000					\$900,000
Regional Promotions			\$1,231,500				\$1,231,500
The Orchard			\$70,000				\$70,000
Kawakawa Hundertwasser				\$500,000			\$500,000
Total Allocation	\$240,000	\$1,393,000	\$1,301,500	\$500,000	\$0	\$0	\$3,434,500
Funding remaining after allocation commitments	\$760,000	\$367,000	\$65,500	\$565,500	\$1,565,500	\$2,000,000	\$2,565,500

Table 5. Impact Investment funding allocation, 2013/14 to 2019/20

Based on council decisions to date and proposed funding commitments

I&G IMPACT FUNDING	2013/14	2014/15	2015/16	2016/17	2017/18 Committed	2018/19 Committed	TOTAL
Impact Funding available	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
plus carry over of unused funding		\$760,000	\$367,000	\$65,500	\$0	\$1,000,000	
allocated to:							
Better Water Management	\$240,000						\$240,000
Twin Coast Tourism Revitalisation		\$493,000					\$493,000
Twin Coast Cycle Trail		\$900,000					\$900,000
Regional Promotions			\$1,231,500				\$1,231,500
The Orchard			\$70,000				\$70,000
Kawakawa Hundertwasser				\$500,000			\$500,000
Waitangi Mountain Bike				\$400,000			\$400,000
Extension 350				\$832,600			\$832,600
							\$0
Total Allocation	\$240,000	\$1,393,000	\$1,301,500	\$1,732,600	\$0	\$0	\$4,667,100
Funding remaining after allocation commitments	\$760,000	\$367,000	\$65,500	-\$667,100	\$1,000,000	\$2,000,000	\$1,332,900

Extension 350

The aim of the Extension 350 (formerly referred to as the Regional Economic Vitality Extension Initiative) project is to lift the on-farm performance and profitability of 350 Northland farms through sharing knowledge to improve farm systems.

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In December 2015, council provided \$30,000 in funding to carry out a feasibility and business case assessment of the initiative received from the Northland Agricultural Forum Council. This has been carried out and the proposal has been refined as a result of this work. The proposal was presented and discussed at the Economic Development Working Party (EDWP) meeting on 29 August 2016. The EDWP confirmed their support for the project, with it being seen as a game changer as far as Northland's economy was concerned and supported the application coming to council for a decision.

The project is seeking a total investment of \$832,600 from the IGR as impact investment funding. This total will be spread over a six-year period beginning in 2016/17 with the following schedule of payments: \$102,500, \$150,100, \$155,000, \$155,000, \$155,000, \$115,000.

This contribution will cover only 24% of the overall project costs of \$3.45M. Additional resources are required from the Ministry for Primary Industries (\$1.44M, 42%), Dairy NZ (\$605,000, 18%) and Beef + Lamb NZ (\$201,800, 6%), along with a contribution from farmers of around 10%. Formal confirmation of the commitment from these organisations to fund the project needs to be provided before any distribution of funds is made from IGR.

The contribution from council and MPI will be pooled to cover the expenses associated with project management, the employment of consultants, and on-farm costs related to the project.

Given the length of time over which the project will run and the risks associated with the project, council's funding commitment to the Extension 350 project should also be subject to the satisfactory performance of the initiative on an annual basis.

Funding is being sought at this time so that work can be done over the next nine months to set up the project (establish systems, appoint consultants, recruit target and mentor farmers) so that it is fully operational by the beginning of the 2017/18 farming season.

There is also an opportunity to appoint a council representative on the steering group to oversee the project. It would be worthwhile to take up this opportunity to ensure appropriate links are made with work being undertaken by the land management department.

Waitangi Mountain Bike Park

A proposal has been received to make a \$400,000 investment into the development of the Waitangi Mountain Bike Park (WMBP) which is being run by Focus Paihia. The vision of the WMBP is to create a world class mountain bike facility in Northland.

The total cost of the project is estimated at \$1.6M (including a 10% contingency), spread over three stages/financial years: stage 1 (2015/16) \$0.5M, stage 2 (2016/17) \$0.7M and stage 3 (2017/18) \$0.24M. The project was presented at the council workshop on 15 August 2016.

Focus Paihia have already undertaken much consultation with the community on this project and have funded and overseen the development of stage 1. They are seeking this investment from the IGR to assist with the construction of stage 2. Foundation North has already committed \$200,000 in grant funding to support the construction of

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stage 2. The remaining funding of \$500,000 will be sourced by Focus Paihia from either other third parties (Foundation North have indicated a further application for \$200,000 should be presented to them early next year), or from the organisation's own resources.

A management agreement between Focus Paihia and the Department of Conservation has been signed for the development of the mountain bike park within the Waitangi Endowment Forest. Resource consents have been obtained from both the Northland Regional Council (NRC) and the Far North District Council to carry out the construction.

As an organisation they have proved themselves very capable of delivering projects to support the community and undertaking and garnering support from a wide range of interest groups.

As Focus Paihia is a charitable trust they are not in a position to offer security on a loan investment. They are offering an arrangement where the money is loaned and then forgiven over a period of four years, with interest only paid. Officials consider that it would be more appropriate to offer the funding as impact investment funding. However, given the indication from Focus Paihia that they are willing to make interest payments (worth around \$40,000) it would be prudent to come to some arrangement regarding receiving this stream of income back into the IGR.

Furthermore, to ensure that there is a return on this public investment, a condition of the funding should be that an agreement is reached with NRC that it will be consulted with regard to the distribution of any profits from the operation of the WMBP.

Finally, to provide some security that this money will be used for the public rather than for private benefit, a further condition of the funding allocation should be that if the mountain bike park is ever sold to a private operator, the \$400,000 council investment into the project will become a loan that is repaid back within five years at market interest rates.

ISSUE: Investment and Growth Reserve: Feasibility Assessment and Business Case Development – mySELF, Kaurinui and Whangārei Marina

ID: A30642

To: Council Meeting, 20 September 2016

From: Darryl Jones, Economist

Date: 13 September 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to seek council's approval to provide \$70,000 from the Investment and Growth Reserve (IGR) to Northland Inc. to fund feasibility assessments/business case development components associated with three potential investment projects. Council has provided an annual funding allocation of \$200,000 for feasibility assessment and business case development. These are the first three applications for funding from this allocation in the 2016/17 financial year. It is recommended that council approve this distribution.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the IGR criteria, the Long Term Plan 2015–2025, 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:

1. That the report 'Investment and Growth Reserve: Feasibility Assessment and Business Case Development – mySELF, Kaurinui and Whangārei Marina', by Darryl Jones, Economist, and dated 13 September 2016, be received.
2. That council agrees to provide \$30,000 from the Investment and Growth Reserve to Northland Inc. to support the development of a business case for the mySELF project outlined in **Attachment 1** pertaining to Item 7.5 of the 20 September 2016 council agenda.

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3. That council agrees to provide \$20,000 from the Investment and Growth Reserve to Northland Inc. to undertake a scoping study of the tourism product associated with Kaurinui (Frederick Hundertwasser's home near Kawakawa) outlined in **Attachment 2** pertaining to Item 7.5 of the 20 September 2016 council agenda.
4. That council agrees to provide \$20,000 from the Investment and Growth Reserve to Northland Inc. to carry out an economic impact assessment of the proposed Whangārei Marina expansion project outlined in **Attachment 3** pertaining to Item 7.5 of the 20 September 2016 council agenda.

Report:

At the Audit and Risk Committee meeting of 18 February 2014, council established a separate annual funding category of \$200,000 to support Northland Inc. carry out feasibility assessment and business case development. Council has to date not made any allocations of funding for feasibility assessments and business case developments for the 2016/17 financial year.

Officers have reviewed the assessment proposals contained in Attachments 1–3 and concur that they relate to feasibility analysis or business case development and therefore is eligible for this funding category.

Northland Small Enterprise Loan Fund

The Northland Small Enterprise Loan Fund (mySELF) project proposes the establishment of a loan funding pool to support small businesses and social enterprises in Northland. The specific feasibility work that funding is being sought for in this application involves obtaining advice on the appropriate tax and legal structure for the proposal (**Attachment 1**). This work is being proposed because of issues encountered by similar small business funding schemes operated by council economic development agencies in other regions. The total cost of this feasibility work is \$30,000; no other parties are co-funding this work. It is anticipated that Tindall Foundation will provide half the initial loan funding pool if the project proves viable and goes ahead, with an option for the other half to be either sought from council or another provider.

Kaurinui Tourism Product Development

The Kaurinui Tourism Product Development project involves the development of tourism service products at Kaurinui, Frederick Hundertwasser's home near Kawakawa. This project is supported by the Hundertwasser Non Profit Foundation in Vienna. The specific feasibility work that funding is being sought for involves scoping up the services that should be provided (e.g. nature and frequency of tours, infrastructure requirements, marketing, etc.) to ensure that appropriate linkages are made with the other Hundertwasser related projects currently and potentially on offer in Northland (**Attachment 2**). The total cost of this feasibility work is \$20,000; no other parties are co-funding this work. However, the cost of the project investment will be met by the Hundertwasser Non Profit Foundation.

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Whangārei Marina Development Project

The Whangārei Marina Development project involves the development of a new marina site on the west bank of the Hātea River, downstream of the Te Matau ā Pohe Bridge and above the confluence with Limeburners Creek. The specific feasibility work that funding is being sought for involves the preparation of an economic impact analysis report to complement the other documents and analysis being prepared by the Whangārei Harbour Marina Management Trust (**Attachment 3**). The total cost of this feasibility work is \$20,000. No other parties are co-funding this specific work, although the Trust is funding the preparation of the other documentation, supported with a \$20,000 grant from Whangarei District Council.

While the expansion of marina facilities in Whangārei will improve the infrastructure of the region and assist the further development of the marine service sector, there is a question about whether council should be funding a competitor to its own interests in this space. Council's interest in this space arises because of its majority shareholding of Marsden Maritime Holdings Limited which purchased Marsden Cove Marina on 1 July 2014.



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9.0 Investment

9.2 Northland Small Enterprise Loan Fund (mySELF)

Subject: Feasibility and Business Case funding application

Report by: Vaughan Cooper, GM Investment and Infrastructure

Dated: June, 2016

Commercial in Confidence: No

Background to Project:

What is the overall Project:

Northland Inc is in discussion with the Tindall Foundation around the creation of a Northland Small Enterprise Loan Fund (mySELF) - seed funding for passionate and innovative small enterprises in Northland. This fund would be managed by Northland Inc and supported by the Tindall Foundation and the Northland Regional Council (Investment & Growth Reserve).

An initial fund of \$200,000.00 is expected to fund a series of small enterprise loans with returns coming from term deposits and interest on loan repayments.

The mySELF loan fund provides financial assistance to support small businesses and social enterprises to grow and employ Northlanders. Administered by Northland Inc small enterprises will be encouraged to develop a business plan and a brief proposal for loan funding. Typically loans will be short term (1-3 years) and small (0 - \$10,000.00) with a modest interest rate (e.g. double OCR) to kick-start a new venture, product or service. Loans for business/capital expansion will also be considered (capped at \$20,000.00).

Enterprises will have market-ready products and services that contribute to creating an entrepreneurial society and business culture in Northland. Outcomes sought by the fund for Northland include:

- New businesses and social enterprises
- Increased employment
- Increased revenue
- Increased profit
- Increased exports and market development
- Increased social and environmental benefits

Enterprises from all sectors are welcome to apply so long as they have a great idea and a sound business plan.

A detailed proposal is being developed jointly between the parties however there are three areas that require independent expert advice – the tax implications and legal structure and there is the opportunity to learn experiences from other regions where this type of fund is in operation.

Where is it:

Northland wide

When will it begin (and end):

To be confirmed.

Who are the parties involved (background, experience):

Tindall Foundation.

What is the potential total investment into the project and potential I&GR investment: (if possible include central government and or private sector contributions)

An initial fund balance of \$200,000.00 is anticipated – created 50/50 by the Tindall Foundation and the Investment & Growth Reserve. There may be a requirement for top up of the fund balance (if loans default) but the nature and likelihood of this will be confirmed through a detailed business case.

What are the projects outcomes and how are they consistent with the Investment & Growth Reserve criteria? (High Level (Infometrics), GDP, Jobs, Household Income)

- To encourage the establishment, growth and retention of sustainable enterprises that enhance Northland's reputation for innovation, creativity and business vitality.
- To support enterprises that address a defined market need or globally significant issue
- To add to or enhance the social and cultural richness of Northland
- To add to or enhance environmental sustainability
- To create employment opportunities and increase the level of business investment in the region
- To support innovative enterprises that have a sound business plan, solid market potential and long-term financial viability
- To increase the overall value and volume of exports from Northland.
- To foster partnerships and collaboration between enterprises to create critical mass and address market demand
- To develop a thriving entrepreneurial and innovative environment within the region.

Feasibility and Business Case Application:

What part is the feasibility and or business case funding application for:

In order to develop a complete business case proposal around this opportunity, it is necessary to gain the following three pieces of external advice:

1. Independent advice regarding tax implications; (\$15,000)
2. Independent advice regarding appropriate legal structure; (\$10,000) and
3. Hosting one or more experts from other regions who have such funds in operation to learn their lessons (\$5,000).

Estimate of project costs and timeframes:

The indicated budget is \$30,000 excluding GST.

Admin

What is the current available allocation of feasibility and business case funding?

This would be the first application within the 2016/17 financial year, therefore the potential funding available is \$200,000.

Recommendation:

Recommend that \$30,000 for feasibility and business case funding be approved for the Northland Small Enterprise Loan Fund advice.

9.3 Kaurinui Tourism Product Development

Subject: Feasibility and Business Case funding application

Report by: Vaughan Cooper, GM Investment and Infrastructure

Dated: June, 2016

Commercial in Confidence: No

Background to Project:

What is the overall Project:

The Hundertwasser Foundation has agreed to allow guided tours through Kaurinui, which is Frederick Hundertwasser's home in Kawakawa. This has the potential to be developed into a significant tourism product as part of a culture and heritage trail. However the Foundation, and in particular, the NZ representative, are not tourism product experts and are seeking advice and assistance on how to develop such a tourism product – including; nature and frequency of tours, building an appropriate scale café, and toilet facilities (which the Foundation will fund).

Where is it:

Kawakawa, Far North.

When will it begin (and end):

The scoping study will be initiated as soon as possible and should take no more than two months to complete. The scoping study will include an indicative timeframe for the development of the tourism product.

Who are the parties involved (background, experience):

Richard Smart is the NZ representative for the Hundertwasser Foundation. The completion of the scoping study is anticipated to be undertaken by closed tender process.

What is the potential total investment into the project and potential I&GR investment: (if possible include central government and or private sector contributions)

Development of the tourism product offering is likely to require repairs and maintenance to the existing buildings, as well as construction of a new building (to

include café and toilets etc) as well as track development. Overall the Foundation anticipates spending approximately \$400,000.

What are the projects outcomes and how are they consistent with the Investment & Growth Reserve criteria? (High Level (Infometrics), GDP, Jobs, Household Income)

The scoping study will identify the project outcomes in detail. It is anticipated that the project is likely to be an all year round product offering, employing guides, maintenance and hospitality staff. The product offering will also support the creation of a culture and heritage trail in Northland with obvious linkages to the Kawakawa Toilets, Visitor Centre development and the Hundertwasser Arts Centre in Whangarei.

Feasibility and Business Case Application:

What part is the feasibility and or business case funding application for:

The application is to commission a scoping study into the potential tourism product development associated with guided tours of Kaurinui (Frederick Hundertwasser's home). The study is to include:

- Identification of product offering (highlights within the Kaurinui estate)
- Nature and frequency of tours – including indication of scheduling, departure point, transport etc
- Associated infrastructure on site that would be required
- Indication of potential market demand and price point
- Marketing & links with similar products on offer e.g. McCahon House

Estimate of project costs and timeframes:

The indicated budget is \$20,000 excluding GST.

Admin

What is the current available allocation of feasibility and business case funding?

This would be the second application within the 2016/17 financial year, therefore the potential funding available is \$170,000.

Recommendation:

Recommend that \$20,000 for feasibility and business case funding be approved for the Kaurinui Tourism Product Development scoping study.

NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

9.0 Investment

9.2 Whangarei Marina Development – Economic Impact Analysis

Subject: Feasibility and Business Case funding application

Report by: Vaughan Cooper, GM Investment and Infrastructure

Dated: July, 2016

Commercial in Confidence: No

Background to Project:

What is the overall Project:

The Whangarei Harbour Marina Management Trust (Trust) operate and maintain 181 berths in the Town Basin Marina and 109 pile berths at Kissing Point Marina in the upper Whangarei Harbour. The Trust was established by the Whangarei District Council (WDC) approximately 30 years ago to ensure assets are maintained, that the Marina operates efficiently and that there was a robust structure for future growth.

This summer season the Town Basin has been at full capacity and has not been able to accommodate all vessels requiring marina berths. Many customers had to be on a standby list. The majority of the vessels are foreign flagged. It is estimated that the area could have accommodated 30 – 40 additional boats this season and it is unknown the number of vessels that went to other locations within New Zealand due to word of mouth that the marina was at full capacity.

In response to demand outstripping supply the Trust is scoping a study to identify a suitable site for expansion of berths which is likely to be a new marina site in addition to the Town Basin and Kissing Point sites.

Where is it:

The preferred location is downstream of the Te Matau a Pohe Bridge on the West Bank above Limeburners Creek, Upper Whangarei Harbour. Eight different locations were considered.

When will it begin (and end):

Project has begun - January 2016

Project completion – estimated either 2019 year end or 2020 year end

Who are the parties involved (background, experience):

The Trust is the project owner and is a Charitable Trust and Non-Profit Organisation. The Board consists of six Trustees; four selected by the Whangarei Cruising Club and two selected by WDC. The Trustees do not receive any financial benefit for their contribution to the Trust. Currently there are two permanent and one part time staff. Surplus funds are reinvested into improving the facilities and annual financial grants are provided to Aqua Sport Organisations within Whangarei. The Trust is responsible for managing operations, maintaining and upgrading the two facilities – Town Basin and Kissing Point.

What is the potential total investment into the project and potential I&GR investment (if possible include central government and or private sector contributions):

A preliminary estimate of \$8.9 million has been prepared using a standard methodology of separating design and construction, as detailed below:

Dredging and disposal	\$1,200,000
100 berths @ \$33,000 per berth	\$3,300,000
Marina office ablutions etc	\$400,000
Services	\$200,000
Civil Works	\$1,000,000
Consenting and Design	\$1,000,000
25% contingency	\$1,800,000
Total (excluding GST)	\$8,900,000

This works out to be \$89,000 per berth and compares to a total cost of \$75,000 per berth for the Opua marina expansion and \$85,000 per berth for the Sandspit Marina construction. Based on the comparison with other marina construction costs the preliminary estimate would appear to be in the right order of magnitude.

What are the projects outcomes and how are they consistent with the Investment & Growth Reserve criteria? (High Level (Infometrics), GDP, Jobs, Household Income)

The marina has the potential to attract additional expenditure from those using the new berths and frequenting the businesses and services onshore in Whangarei. The key expenditure areas will be boat maintenance and repair, berthage fees, and tourism activities. This expenditure is expected to occur on an ongoing basis and therefore jobs that are sustained or created by the new activity will continue into the future.

Further potential economic outcomes include:

- Refit works undertaken by marine related businesses on the vessels
- Money spent in the local economy
- Potential for inward investment on other projects
- Potential for visitors to temporarily or permanently relocate to Whangarei

Feasibility and Business Case Application:

What part is the feasibility and or business case funding application for:

The project has begun and a number of background documents are underway (including a pre-feasibility study, market research, Hydrodynamic modelling and Wider Economic Impact Study). It has been requested that Northland Inc (through the Feasibility and Business Case funding) complete the economic impact analysis.

An economic impact analysis report is designed to estimate the likely economic impacts of the proposed marina development. There are two key areas of economic impact that will be generated by the marina expansion:

1. Construction impacts will arise over the period that the marina and associated buildings will be developed and are on off impacts for that timeframe
2. Once the marina is operational, on-going additional business and operating impacts will occur on an annual basis, reaching the maximum additional impacts once the berth space is fully occupied.

The sectors of the economy that are most likely to directly benefit from the marina expansion via expenditure on berthage, repairs and maintenance and from increased tourism spending, include:

- Ship, boat and other transport equipment manufacturing
- Restaurants and bars
- Food and retailing
- Motor vehicle retailing and services

Estimate of project costs and timeframes:

The indicated budget is \$20,000 excluding GST. This is based on the cost of completing a similar assessment as the Opuia Marina expansion.

Admin

What is the current available allocation of feasibility and business case funding?

This would be the third application within the 2016/17 financial year, therefore the potential funding available is \$150,000.

Recommendation:

Recommend that \$20,000 for feasibility and business case funding be approved for the Whangarei Marina Economic Impact Analysis.

ISSUE: Office of the Auditor General Audit Service Provider Tender Process**ID:** A876384**To:** Council Meeting**From:** Dave Tams, Group Manager Corporate Excellence**Date:** 12 September 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

This paper seeks a decision for council to approve a delegation for Geoff Copstick, independent member of the Finance Committee, to represent the Northland Regional Council on the Office of the Auditor General's tender panel for the provision of a new audit service provider.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the council's decision making process and sections 76–82 of the Local Government Act 2002.

Recommendations:

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1. That the report 'Office of the Auditor General Audit Service Provider Tender Process' by Dave Tams, Group Manager Corporate Excellence, and dated 12 September 2016, be received.
 2. That council delegate to Geoff Copstick authority to represent Northland Regional Council on the Office of the Auditor General's tender panel.
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Report:

1. The Office of the Auditor General (OAG) is proposing to initiate a tender process to appoint a future audit service provider (see letter from AOG – **Attachment 1**).
2. Northland Regional Council (NRC) has been invited to provide a representative on that panel.
3. Given that the auditor selection process will start before the local body elections and finish after the elections, the continuation in office of the Chairman and David Sinclair as Chairman of the Finance Committee cannot be guaranteed.
4. Therefore the NRC will appoint Geoff Copstick, our independent member of the Finance Committee and Audit Working Party to be the NRC's representative on the selection panel.



8 September 2016

Our ref: EN/LCA/2-0006-T

Mr Bill Sheppard
Chairman
Northland Regional Council
Private Bag 9021
Whangarei 0148

Dear Bill

FUTURE AUDIT ARRANGEMENTS: NORTHLAND REGIONAL COUNCIL

I refer to the Auditor-General's letter to you dated 6 July, and your response dated 15 July, about the audit of Northland Regional Council (NRC). I also refer to advice from the Council's Group Manager Corporate Excellence, that NRC would prefer the use of a tender process, rather than a direct appointment by the Auditor-General, to identify a new auditor and audit firm.

I am therefore about to initiate the tender process. The initial term of appointment of an auditor following that tender process will be three years. At the conclusion of the contract arising from that tender process, the appointment would normally be extended for a further three-year term, subject to satisfactory service to the Auditor-General and the NRC, and agreement on audit fees.

The purpose of this letter is to give more detail about NRC's role in the tender process and to seek some essential information from you. To manage the process efficiently, I need to receive from you the three items detailed below (including any information about subsidiary entities, potential conflicts of interest, and details about your tender panel representative) *by 12 September, or sooner if possible.*

Draft timetable for the tender process

A copy of the draft timetable of the process is attached for your information (see Schedule 1). The availability of senior people in your organisation for the due diligence process is critical. *Please contact me promptly if you might have any difficulty with that timetable.*

Entities to be included in the tender

Usually, any subsidiary entities (including dormant companies), controlled trusts or joint ventures for which a separate audit report is issued, would be included in the audit tender. The only one that I am aware of is Northland Inc. Limited. For the avoidance of doubt, the audit of Marsden

Maritime Holdings Limited, will not be included. *You or your nominee should contact me promptly to discuss this matter if you see it differently.*

Information to finalise tenderers

As the Auditor-General advised in her letter dated 6 July, the Audit Service Providers that act on behalf of the Auditor-General for the Local Authority audits, and have the capacity and experience to conduct the audit of your organisation are:

- Deloitte Limited
- Ernst & Young
- Audit New Zealand

Audit New Zealand have advised that they do not intend to submit a tender, so only Deloitte and Ernst & Young will be invited to do so.

Please advise me by 12 September if you consider any firm should be excluded from tendering for your audit on grounds of perceived independence issues. To assist you in making that judgement, I enclose (see Schedule 2) a summary of the independence policy of this Office. This policy will apply to the new audit contract. It also lists some activities in direct conflict with the auditor's independent status that, if performed for your organisation by a firm within the last two years, may provide grounds for exclusion of that firm from the tender process.

Please also provide me, by 12 September, with:

- a list of all work conducted for, or in relation to (for another party) that you are aware of, that any of the above firms has conducted or is conducting in the two years up to the 30 June 2016 balance date, with a brief description of the work undertaken, the firm, and the senior person in the firm's team; and
- any relationships you can identify between members of the above firms, and staff, management, or board members, of your organisation.

NRC's representative on the tender evaluation panel

Your organisation is invited to nominate one representative to take part in a tender evaluation panel that will also include a representative of the Auditor-General and an independent chairperson.

We expect that person to be a member of your Governance rather than of Management, and to have the power to make decisions on behalf of your organisation in relation to the appointment of the Audit Service Provider. We suggest either yourself as Chairperson, or the Chair of the

Finance Committee as an appropriate representative. You are welcome to discuss the matter with me if that appears problematic.

Your representative on the tender panel will need to meet four commitments during the process, which are:

- attend key due diligence meetings with tenderers - about 2-3 hours for each tenderer;
- prepare a short report for the tender evaluation panel on the professionalism of tenderers at due diligence;
- undertake up to four hours of preparatory work evaluating tender documents. (Copies of tenders and a technical evaluation of each will be forwarded directly to the representative at least five days in advance of the meeting referred to below, and they may be assisted in that evaluation by staff of NRC); and
- participate in the tender evaluation panel meeting that will make a final recommendation to the Auditor-General. The meeting will be in Wellington, and take 2 - 3 hours.

Please forward to me the name and contact details (postal, email and courier addresses, phone and fax numbers) of your nominated representative as soon as possible, having regard for availability to meet the above commitments during the period above.

Due Diligence

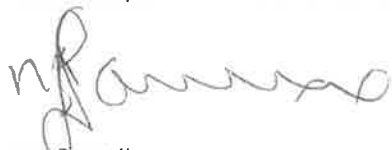
Your staff should be prepared to collate and dispatch information packages about your organisation to each of the short-listed tenderers when advised of the short-list by this Office. That information should give tenderers sufficient information to prepare for due diligence. Details of the material that should be included in those information packages are set out in Schedule 3. Please arrange for your staff to begin preparing those packages for up to two tenderers. On or about 26 September, I will ask you to arrange distribution of the packages. Your organisation will be responsible for arranging and conducting due diligence meetings. These enable short-listed tenderers to confirm their understanding of your organisation (including systems, subsidiary structures, and specific risks), clarify any issues to enable them to properly scope the audit of your organisation, understand any particular wishes for additional assurance, and complete their proposal. These meetings also provide an opportunity for your organisation to form a preliminary view about the professionalism of each proposed Audit Service Provider. Please ensure that the staff essential to the due diligence process, including your tender evaluation panel representative or their agent, are available to participate in such due diligence processes (refer Schedule 1

timetable). I expect that the short-listed firms will wish to complete due diligence in mid-late October so that they can submit their tender to the OAG by 31 October.

Further Information

Should you or your panel representative require further clarification, my direct dial telephone number is (04) 917 1522, and my email address is murray.powell@oag.govt.nz.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Murray Powell', written in a cursive style.

Murray Powell
Director, Auditor Appointments

SCHEDULE 1**DRAFT TIMETABLE**

Activity	Date
Entity forwards preparatory information forwarded to OAG by:	12 Sept 2016
OAG issues Request for Tender to selected firms by:	19 Sept 2016
Entity forwards information packages to short-listed Audit Service Providers by:	26 Sept 2016
OAG briefing to Audit Service Providers by:	30 Sept 2016
Due diligence starts by:	3 Oct 2016
Tenders submitted to the OAG by:	31 Oct 2016
OAG Tender evaluation documents sent to Panel members by:	7 Nov 2016
Tender evaluation panel meets by:	18 Nov 2016
Tender panel confirms report and submits recommendation to the Auditor-General by:	25 Nov 2016
The Auditor-General's decision confirmed to the Tender Evaluation Panel and tenderers by:	2 Dec 2016

SCHEDULE 2

THE AUDITOR-GENERAL'S POLICY ON AUDITOR INDEPENDENCE

This is a summary of the Auditor-General's statement on Independence that applies to Audit Service Providers (including all national or international affiliates of the firm providing audit services to the Auditor-General). If you are in any doubt as to whether the independence of an Audit service Provider is threatened please contact Roy Glass, Director Auditing Policy, Office of the Auditor-General, (04 917 1510 or roy.glass@oag.govt.nz).

While undertaking an audit on behalf of the Auditor-General, the Audit Service Provider and affiliated firms will be permitted to carry out Assurance Engagements at the request of the audit entity without limit. The term assurance is tightly defined, and is essentially in-depth auditing, beyond the scope of the annual audit. Certain consulting or service engagements, at the request of the audit entity, will also be permitted up to a limit of 100% of the annual audit fee in any one year. In each case the work must not:

- Violate the principles set out in the Code of Ethics and Code of Ethics: Independence in Assurance Engagements of the New Zealand Institute of Chartered Accountants; or
- Involve the Audit Service Provider's personnel in any decision-making that should be undertaken by the management or the owner of your organisation; or
- Involve the Audit Service Provider's personnel in both performing and auditing the same work; or
- Impair the integrity or objectivity of either the Audit Service Provider's personnel, or that of the Auditor-General.

Even though an Audit Service Provider may be permitted to carry out an assurance, consulting or service engagement for an entity they audit, the Audit Service Provider is required to obtain the prior approval of the Auditor-General if the engagement is of a sensitive nature or may be subject to media or political interest.

In addition, because of the inherent conflict with auditor independence, certain engagements are prohibited and cannot be carried out by the Audit Service Provider or their affiliates.

Prohibited engagements include:

- Liquidation and receivership of organisations they audit on behalf of the Auditor-General or of subsidiaries or other entities controlled by those organisations;

- Taxation advice that has, or will be, applied in determining the income tax liabilities recorded in the financial statements of the audit entity, and is not in accordance with published Inland Revenue Department policy, or has not been confirmed with the Inland Revenue Department;
- Taxation advice relating to the design or implementation of tax avoidance policies or mechanisms;
- Taxation engagements involving the computation of income tax liabilities or other tax liabilities (or assets) for the purposes of the financial statements or for returns to the Inland Revenue Department;
- Valuation services that result in the product of the valuation giving rise directly to asset or liability determination in the Statement of Financial Position; and
- Roles that are properly those of management or the owner(s), including acting as an entity's internal auditor.

To maintain individual audit staff objectivity, audit personnel may not, in audits over 150 hours, undertake the same audit tasks for more than 6 consecutive years. Having completed 6 years, the Appointed Auditor, or another Key Audit Partner, shall not become eligible to act again in any capacity in relation to that audit for two years. After two years they will again be eligible for audit appointment to that entity only if they have undertaken no other professional and/or consulting engagements with the entity.

SCHEDULE 3**AUDIT ENTITY INFORMATION CHECKLIST**

Where they are available, the following should be supplied to prospective tenderers for the entity and any subsidiaries and/or other controlled organisations to be included in the audit tender:

- Annual Reports and audited Statements of Account for the last two years;
- the management letters from the auditors relating to the two most recent sets of audited Statements of Account;
- the current year's budget;
- the Corporate plan, Annual Plan, Business Plan or equivalent for the current period;
- any promotional or other material outlining services or operations;
- advice of any relevant legislation controlling the operation or activities; and
- an organisation chart.

Note:

1. If there have been major changes to the size, nature or structure of the organisation which limits the relevance of the financial statements (indicated above) and annual reports, please include a brief description of the changes in the information package, and be prepared to discuss the matter more fully during the due diligence process.
2. You are aware that Deloitte participated in the recent exercise of comparing the audits of NRC and Taranaki Regional Council, and is privy to information about the NRC audit that another tenderer will not be. We intend to brief both Deloitte and Ernst & Young about that work, so that they are equally informed. We expect that each of those firms will wish to discuss the outcome of that comparison with you during the due diligence process.

If there are any matters which require clarification please contact:

Murray Powell
Director, Auditor Appointments
Office of the Auditor-General
PO Box 3928
WELLINGTON

Telephone: (04) 917 1522
Email: murray.powell@oag.govt.nz

ISSUE: Alternatives to Replant Mt Tiger Block**ID:** A874581**To:** Council Meeting, 20 September 2016**From:** Alicia Jurisich, Property Officer**Date:** 6 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

In the 2015/16 financial year council harvested its 1985 stand ('subject block') being 16 hectares of pruned Radiata pine. The overall harvest of roughly 14 stocked hectares produced 6,504 tonnes with a net return of \$393,000.

The harvest results were presented to council at the 19 July 2016 council meeting at which time council resolved that staff investigate alternative replanting options for the subject block.

This report is to present background information around the following alternative species:

1. Totara;
2. Mānuka; and
3. Radiata pine (status quo).

The commercial success of Totara on the 16ha subject site is unlikely as it is a particularly slow growing species. Returns are currently found in milling already established, mature stands of Totara which Northland has in abundance.

Staff can confirm that Mānuka/honey is a promising and developing industry. However, current practice and success occurs on larger blocks where bees cannot stray onto other species thereby diluting the honey, and on marginal farmland that is naturally reverting into scrub and Mānuka cover which requires negligible investment, development or management.

Replanting the subject block cutover at Mt Tiger in Radiata pine is likely to be the most profitable, and less risk option.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the council's Treasury Management Plan which was adopted in compliance with the decision making requirements of sections 76 to 81 of the Local Government Act 2002. In accordance with section 76 of the Local Government Act, this matter is not considered to be significant.

Recommendations:

1. That the report 'Alternatives to Replant Mt Tiger Block' by Alicia Jurisich, Property Officer, and dated 6 September 2016, be received.
 2. That council approves the best alternate species to plant at the 16 hectare Mt Tiger subject block be Radiata pine.
-

Report:**Mt Tiger Forest**

NRC's Mt Tiger forest is located on the south-west face of Mt Tiger, overlooking Onerahi and Whangārei City, and covers a total area of some 523 hectares. Approximately 320 hectares has been planted in Radiata Pine, there is a further 160 hectares of mature native bush (Kauri, Rewarewa, Nikau, Totara, etc.) that has been retained in its natural state, and the remaining area is unproductive and/or in native scrub.

Much of the forest terrain is bisected by steep sided creek systems, which have slopes of 20–30 degrees and are of short length, 50–150 metres.

The New Zealand Land Resource Inventory ('NZLRI') describes the bulk of the area as having a parent material of interbedded sandstone and mudstone (greywacke and argillite). Toward the north of the forest carbonaceous mudstones and sandstones become more common. The predominant soils are Marua clay loams in the southern part of the forest, Te Ranga steep land clay loams and sandy clay loams in the middle, and Waiohira clay loams in the north toward Wrack Road. Although the NZLRI describes these soils as being of moderate to high suitability for exotic forestry they are frequently marginal in their phosphate availability for tree growth and corrective fertiliser application is often required.

Attached as Appendix One is a map of council's Mt Tiger forest presenting the commercial pine crop, its establishment year and size. Also shown are the areas of native bush/scrub.

Current situation

The 16 hectare subject block was harvested in May/June 2016. It was decided not to replant the fresh cutover in a second Radiata pine tree crop immediately, but to aim to replant in the 2017 winter. This will allow time for weeds and pine to regenerate and thus a more effective pre-plant desiccant spray in Autumn prior to planting, thereby improving the likely establishment and early growth of the new tree crop. Thus the area is currently unstocked, pending a decision on the tree species to be planted.

The subject block at Mt Tiger is surrounded by council's native bush/scrub and partly pine on the western, north and north-eastern boundaries. The southern and eastern boundaries are neighbour properties which consist of pine, native bush/scrub and lamb/beef farmland.

It is also noted that this area is of steep and broken terrain. It will be challenging to re-stock - requiring good pre-plant preparation and post-plant releasing to achieve fast colonisation of the site to beat the prolific pampas, gorse and native scrub regeneration.

Replanting options

Sources of information have been obtained by the following entities giving staff enough information to present options to council:

- *Discussions with and reports from Northland Inc. Limited*
- *Comvita review of Mt Tiger block*
- *Ministry for Primary Industries, Apiculture monitoring report 2015*
- *ANZ Agri Focus article, Mānuka Honey – A Growth Story, October 2015*
- *KauriPark, Mānuka Genetics brochure*
- *Discussions with Chandler Fraser Keating Limited*

1. Totara (“*Podocarpus totara*”)

In 2014 Northland Inc. Limited investigated the opportunity to build a substantial new industry in Northland, based on producing branded high end wood products from managed Kauri and Totara stands. In short there is an opportunity to create an industry – predominately based on existing resource (Totara grows like a weed) however the following key concerns were raised:

1. Harvest rates need to be improved to less than 60 years with silviculture.
2. Issues with harvest management plans, under Forest Act, still need to be resolved. To date, very limited scale has been approved for harvest.
3. Totara timber does not dry well and the nature of the resource leans itself towards onsite milling which is inefficient for a scattered resource.

Whilst factoring in the above, Northland Inc. Limited's project group believes that there is a commercially viable business opportunity given the value of finished Totara products. The group will be looking to move this forward and it is expected that a proposal will be presented to council shortly for support in this regard.

However, in relation to the subject block, a Totara establishment will be very challenging and expensive as it is a slow growing species. Staff have not investigated Totara further due to this lengthy turnaround to harvest.

Staff understood that council's request was to investigate species that provide a fast return. It is therefore recommended that, should council wish to investigate Totara further, the focus should be on already established, mature stands of which Northland has an abundance.

2. Mānuka (“*Leptospermum scoparium*”)

Mānuka is a prolific scrub-type tree and besides pampas and gorse, is often the first native species to regenerate on cleared land. It is typically a scrub growing from 2-5 metres (7–16 ft.) tall, but can grow into a moderately sized tree, up to 15 metres (50 ft.) or so in height. Mānuka prefers drier habitats (New Zealand's east coast).

The Mānuka plant has a natural life span of 25–50 years, due to the fact that it is a 'pioneer' species which provides a protective environment for larger tree species to establish and overtake the Mānuka forest after a few years.

Honey

Mānuka honey is a monofloral honey, produced by introduced European honey bees foraging on the mānuka or tea tree which grows uncultivated throughout New Zealand. Mānuka honey is markedly thixotropic (thixotropic – becomes fluid when stirred or shaken and semi-solid when left to stand) and has shown the highest viscosity among a range of studied honeys. This property is due to the presence of a protein or colloid and is its main visually defining character, along with its typical dark

cream to dark brown colour. Mānuka is unique given its anti-bacterial and anti-inflammatory properties.

It is noted honey bees prefer clover and also native species (Kamahi, Towai, Rewarewa) over Mānuka. The listed native species will result in dilution of the Mānuka honey and reduce the Unique Mānuka Factor ("UMF"). Therefore, the larger the area planted in Mānuka, the less likely the bees are going to collect nectar from other sources. Apiaries should be positioned in the centre of a Mānuka forest (ideally 50ha or more).

Mānuka honey and oil is gaining strong recognition internationally for its powerful medicinal properties. Honey export earnings have increased by 23% per annum on average over the last 10 years. The Government has set a target for Mānuka honey to reach a level of \$1B in annual exports by 2025.

Contracting

Sources indicate that while prominent, Mānuka remains an immature industry particularly in regard to landowner/bee keeper contracting agreements. For example, payment for land access often extends to the simple supply of honey to the landowner. Nevertheless, Mānuka is widely being promoted as 'the next best thing' for marginal lands.

Developing Mānuka forests

The traditional planting rate for Mānuka on marginal land is 1,111 per hectare at 3 x 3 metre spacings. This is generally on reverting pasture land. Planting exotic forest cutover sites is generally undertaken at 1,500 to 2,500 per hectare to get quicker site occupancy (competing weed growth).

In today's market seed grown plants with a larger root ball are available in 28 cell trays (a.\$1.20/plant) with the cost of planting at a. \$1 per plant. Further establishment costs comprise of land preparation, releasing, fertilising and supervision/quality control. Therefore, an additional \$1,300 per hectare can be applied to the upfront costs. The following three years can expect ongoing costs (releasing and supervision/quality control) of \$750 per hectare during this period.

Studies found hives should be stocked at 1–2 per hectare. Comvita have advised the subject block would only support 16–20 hives.

The first harvest of honey begins in year 3 with maximum yields occurring from year 6 onwards. The honey yield is estimated 25–60kg per hectare and the average price to the beekeeper at present is \$25–\$35/kg. The analysis is based on obtaining a fixed 30% of the total earnings of honey produced. This is at the top end of what is being obtained for site rentals. The variation in net hive return shown reflects variations in the quantity of honey produced and the price received per kilogram.

Annual costs such as land rates, maintenance, protection, insurance, management and administration have been taken into consideration.

There is significant variation in the cost and revenue data available. The returns in particular are very sensitive to, and dependent upon, the honey yield and its price, which is a direct function of its UMF. Honey yields and UMF factor can vary considerably.

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Given the market's variability, staff have taken a 'medium' costs/revenue approach for a Mānuka forest. This results in a 3.9% return. Other revenue scenarios show a wide variation in projected returns.

Revenue scenario	Net hive return (ha)*	Rate of return on investment
Low	\$188	-8.6%
Medium	\$540	3.9%
High	\$1,260	12.9%

**Landowners can expect only a 30% share of revenue.*

Besides the financials, the advantages and disadvantages should also be taken into consideration:

Advantages	Disadvantages
<ul style="list-style-type: none"> - Mānuka/honey provides a sooner and more regular cashflow. - Mānuka forest can benefit from carbon credits, but not at Mt Tiger as it is pre-1990 forested land. - Species and investment diversity. 	<ul style="list-style-type: none"> - Variable market. - The annual risk of Mānuka not flowering. - Requirement of 50ha minimum in many cases. - Close proximity of native bush/scrub holds the risk of bees finding another source of clover/pollen rather than the Mānuka forest. - Revegetation of weeds/pampas. - Regeneration of pine. - Trespassing (security) activity increasing. - Health and safety issues increasing.

Leasing land

Staff have investigated the option of leasing land rather than fully developing it. Unfortunately, due to the subject block's small 16 hectare area, this is not feasible. In Comvita's view, such a site would be more of a conservation project that over time might, at best, cover its costs rather than provide a high commercial return.

Northland Inc. Limited also advised they have not come across a high demand of keepers wanting to lease and then develop the land into Mānuka. The costs are too high, and the risk too great, where flowering is not guaranteed and the market price is variable.

We were advised that there is a medium risk that establishment may fail. The subject block is steep and difficult terrain, and the post-planting regeneration of pampas, gorse, native scrub and pine wildings will be very difficult to combat. Owing to Mānuka's slow growth and site occupancy, success will require significant, ongoing and expensive releasing. It is more usual for Mānuka projects to succeed on reverting marginal ex-farmland.

However, if the site was significantly larger and the market at its peak, a Mānuka/honey land use option could be well worthwhile. Unfortunately, council's blocks that are adjacent to the 16 hectares in question are not due for harvest for another 15 to 20 years.

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3. Radiata Pine

The next Mt Tiger harvest falls due around 2021 which is 23.4 hectares of pruned Radiata pine. This is located at the north-eastern boundary, off Mt Tiger Road. Unfortunately, this is not adjacent to the subject block.

Radiata pine is a versatile, fast growing, medium-density softwood, suitable for a wide range of uses. It is valued for rapid growth and desirable lumber and pulp qualities. The future demand for New Zealand Radiata pine is positive. The logs from the forest can be sold into both export and domestic markets.

The council already has extensive experience with growing, harvesting and replanting with Radiata pine. Some 90% of Mt Tiger forest has been successfully harvested and replanted in Radiata pine over the past 17 years. Growing costs are well understood as are potential yields. The main factor in its profitability is the revenue at harvest, which is a direct function of log prices. The harvest can be between 25 and 35 years and managed to achieve suitable market conditions and prices, hence returns.

Annual costs such as land rates, maintenance, protection, insurance, management and administration have been taken into consideration.

The pine industry is not as volatile as Mānuka. Estimated costs can be considered accurate, especially in light of experience with council's recent harvest. Taking the 'medium' costs/revenue approach pine can expect a 6.4% return.

Revenue scenario	Net harvest return (ha)	Rate of return on investment
Low	\$12,975	2.9%
Medium	\$25,949	6.4%
High	\$39,273	8.4%

Summary

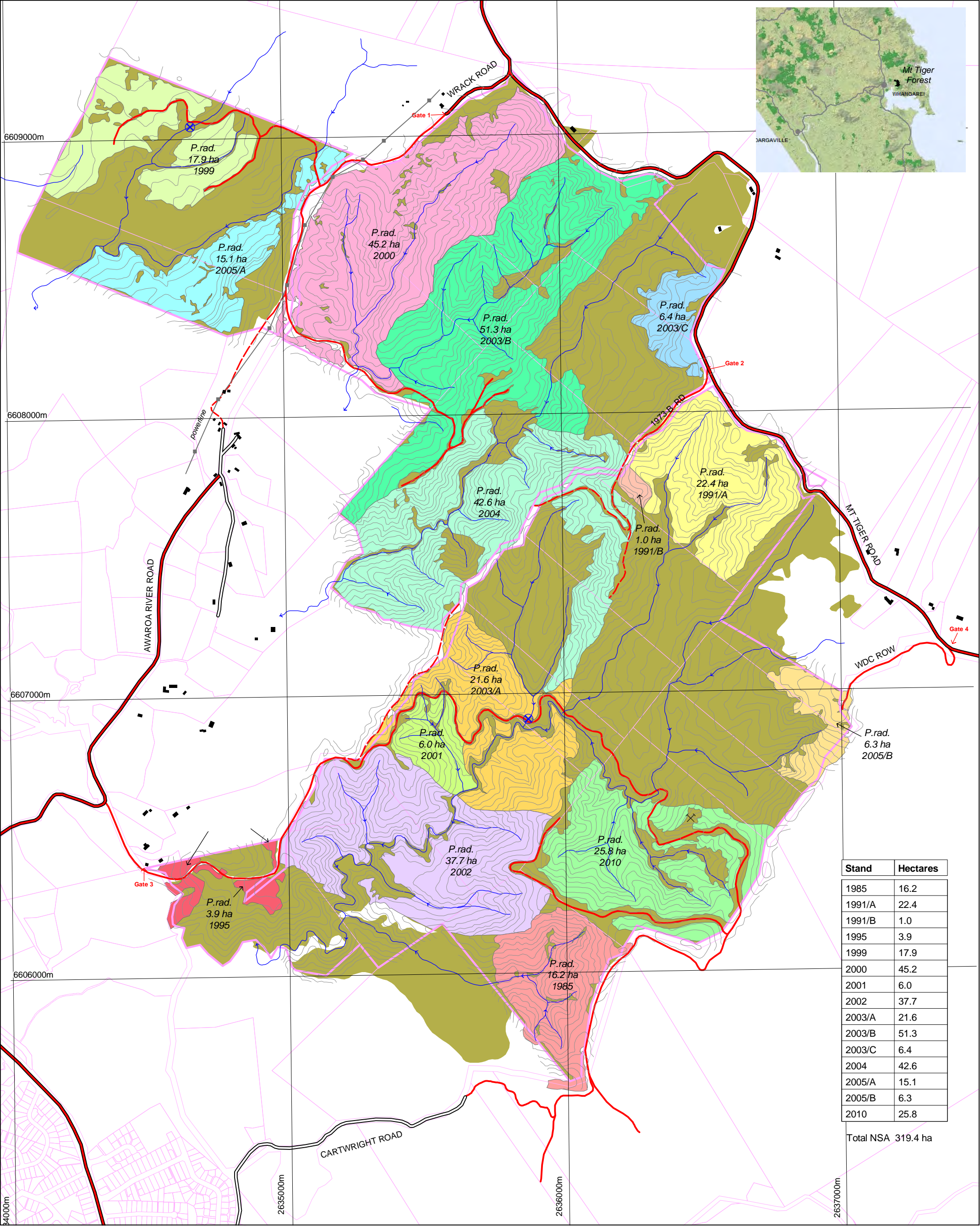
In summary, from their investigations staff have found that replanting in Radiata pine is likely the best, most profitable, reliable and lower risk option for the subject 16 ha cutover block at Mt Tiger.

Whilst Mānuka/honey is a promising and developing industry, it is in its infancy and there is still considerable uncertainty and risk about the costs, returns and hence profitability. In any event, staff have been advised that the subject 16 ha cutover block at Mt Tiger would be a difficult proposition from a practical perspective (medium risk of establishment failure) and that it is too small to be a viable commercial investment.

However, if council want to further explore Mānuka/honey as an investment proposition, then it could look to a larger (>50 ha deemed to be the minimum size) and easier (e.g. reverting marginal farmland) site to undertake a trial.

It should be noted council's property department manages more passive investments. The option of a Mānuka forest would require higher demand involvement, of which consultancy would need to be outsourced.

A decision is required around the future of the subject block as seedlings will need to be ordered for autumn/winter planting.



Stand	Hectares
1985	16.2
1991/A	22.4
1991/B	1.0
1995	3.9
1999	17.9
2000	45.2
2001	6.0
2002	37.7
2003/A	21.6
2003/B	51.3
2003/C	6.4
2004	42.6
2005/A	15.1
2005/B	6.3
2010	25.8

Total NSA 319.4 ha

Correct as at imagery date 2012

forestrymaps
mapping a sustainable future
Manawatu Aerial Photo Services

Coordinates and are in terms of New Zealand TM (2000)
Photography Reference: Terralink photography 2004 / Google Earth 2012
Mapping Accuracy: +/-2%
Compilation by Manawatu Aerial Photo Services RF Jan 2015

Bush/Scrub

Cadastral Bdy

Tracks

Stub roads

Secondary Road

Main Road

Buildings

Quarry

Waterpoints

Northland Regional Council

Mt Tiger Forest

Scale 1:12 500 (1cm = 125m) A3

10 metre contour interval

ISSUE: Sale and Investment of NRC ETS Units**ID:** A873428**To:** Council Meeting, 20 September 2016**From:** Alicia Jurisich, Property Officer; and Phil Heatley, Strategic Projects Manager**Date:** 9 September 2016

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

Following the August 2016 council meeting, staff have investigated the opportunity to sell council's New Zealand Emissions Trading Scheme ('NZ ETS') Units and invest the proceeds within an NRC fund such as the Community Investment Fund (CIF).

Council staff recommend that unless the Government lifts its decision to cap the units before or in the year 2020, then council should look at the possibility to sell its units when a 'trigger' value is reached. The trigger value is to be reviewed on an annual basis in conjunction with the reporting of the CIF benchmark.

Legal compliance and significance assessment:

The activities detailed in this report are in accordance with the council's Treasury Management Plan, which was adopted in compliance with the decision making requirements of sections 76–81 of the Local Government Act 2002. In accordance with section 76 of the Local Government Act 2002, this matter is not considered to be significant.

Recommendations:

1. That the report 'Sale and Investment of NRC ETS Units' by Alicia Jurisich, Property Officer; and Phil Heatley, Strategic Projects Manager, and dated 9 September 2016, be received.
2. That council approves the sale of its NZ ETS Units before 30 June 2017 should they reach or exceed a value where the proceeds from sale are likely to produce a greater return if invested in the CIF.
3. That the council approves the Chief Executive Officer having, at his discretion, the delegated authority to sell council's NZ ETS Units to the open market.

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Report:

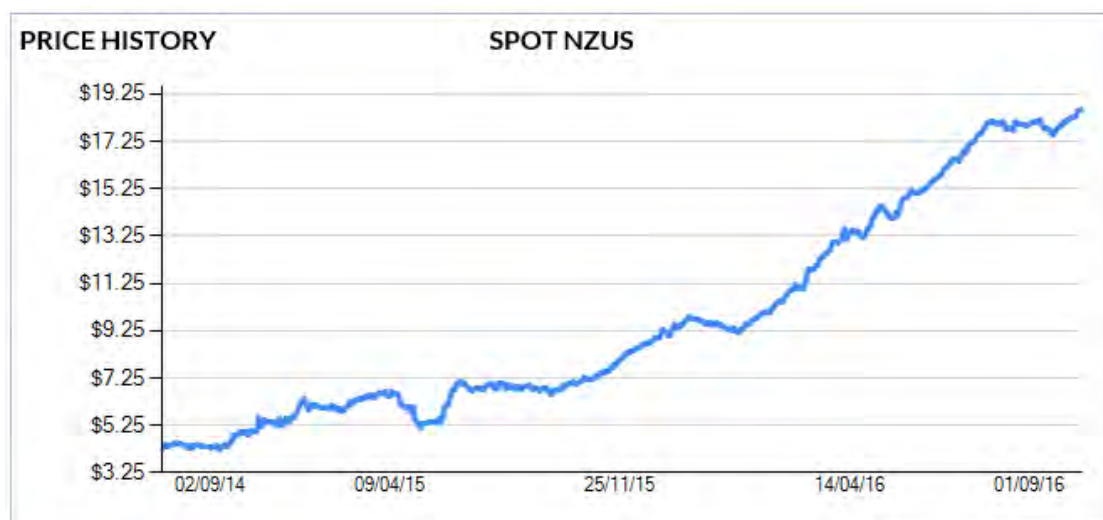
The NZ ETS is the Government's principal policy response to climate change. It supports global efforts to reduce greenhouse gas emissions while maintaining economic productivity. The NZ ETS puts a price on greenhouse gas emissions giving people an incentive to reduce emissions and plant forests to absorb carbon dioxide.

The basic unit used in the NZ ETS is the New Zealand Unit (NZU). An NZU is 1 tonne of carbon dioxide equivalent of emissions or removals and it is the primary unit used in the NZ Emissions Trading Register.

The Government allocated a certain number of NZUs to owners of pre-1990 forest land. These units were allocated as 'part' compensation for owners of pre-1990 forest land who, under the NZ ETS regulations, if they deforest (take that land out of 'forest' cover) they face liabilities. Normal forest harvesting and replanting is not deforestation.

The units have value in an emissions market. To date NRC has applied for and received all its eligible units under the pre-1990 Forest Land Allocation Plan.

NRC currently holds 17,460 units. As at 30 June 2016 the value per unit was assessed at \$17.85 (2015:\$6.60), equating to NRC's value at \$311,661. Below is a graph presenting the price history of NZ Units.



Source: OMF Carbon

As part of the 2016 Budget the Government, amongst other changes to the NZ ETS, announced that the cap of \$25 per unit will remain in place until the year 2020.

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Analysis:

At the August 2016 council meeting, the question was raised whether council look to sell its units and invest the money in one of its investment funds. A decision will need to be made on where proceeds from the sale of the units will be invested in due course.

In the meantime, staff note that the Property Reinvestment Fund (PRF) benchmark return was 9.7% for 2015/16 financial year. The Community Investment Fund (CIF) had a benchmark return of 5.8% over the 2015/16 financial year. For the purposes of this analysis we have used the CIF as a comparator because should it yield a greater return than would holding the credits, then the PRF certainly will.

The general consensus is that the carbon price will rise over the next few years and capped by the fixed \$25 per unit at 2020. Assuming this is the case then moving from the 30 June 2016 value of \$17.85 to the \$25 value by 2020, represents an evenly spread annual rate of return of 8.8% over that period.

However, if the price of carbon rises more quickly, and still assuming the same \$25 cap by 2020 remains, then it may be better for council to sell early and invest the money in its own fund. To achieve this, the following tables show unit threshold prices at which point it could be better for council to liquidate its NZ ETS holdings and transfer the cash to the CIF which yields higher rates in the latter years.

CIF – 2015/16 benchmark return 5.8% per annum

Actuals	Value/Unit	Total Value
30-Jun-17	\$ 21.11	\$ 368,576
30-Jun-18	\$ 22.33	\$ 389,954
30-Jun-19	\$ 23.63	\$ 412,571
30-Jun-20	\$ 25.00	\$ 436,500

Using the 2015/16 return, if carbon reaches \$21.11 before 30 June 2017 (assuming the \$25 cap by 30 June 2020 remains), it could be a trigger to sell and get a greater rate of return in council's CIF.

CIF – 2015/16 objective return 4.8% per annum

Actuals	Value/Unit	Total Value
30-Jun-17	\$ 21.72	\$ 379,228
30-Jun-18	\$ 22.76	\$ 397,431
30-Jun-19	\$ 23.85	\$ 416,508
30-Jun-20	\$ 25.00	\$ 436,500

Using the more conservative 'objective return', if carbon reaches \$21.72 before 30 June 2017 (assuming the \$25 cap by 30 June 2020 remains), it could be a trigger to sell and get a greater rate of return in council's CIF.

Please note that while these are reasonably anticipated medium term averages, market fluctuations and other circumstances and events may result in investment expectations not being met in any particular year.

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Council staff recommend that unless the Government lifts its decision to cap the units before or in the year 2020, then council look at the possibility to sell its units. The trigger value would need to be reviewed on an annual basis in conjunction with the reporting of the CIF benchmark.

It is suggested that if the sale of council's units proceeds, they are traded on the open market e.g. OMF or Westpac. Council staff would seek its forestry consultant's advice in carrying this out.

Analysis of the options (Local Government decision making requirements)

The options available to council are:	Benefits and costs
(1) To not sell NZ ETS Units	Benefits: <ul style="list-style-type: none"> • Council retain its investment (currently returning 8.8%). • Possibility to use the units to offset NZ ETS liabilities. Costs: <ul style="list-style-type: none"> • NZ ETS Unit prices may fall.
(2) To sell its NZ ETS Units	Benefits: <ul style="list-style-type: none"> • Council satisfies itself it would achieve the best possible price. • Makes a valuable and secure profit if NZ ETS Unit prices fall. • Liquidity. Costs: <ul style="list-style-type: none"> • Low transaction costs of sale (currently \$0.05/unit). • Increase in carbon price and/or cap lifted. • Liability should the use of the land be changed to a non-forest use. • Council needs to find suitable alternative investment achieving similar risk/return ratio.

Council's capacity to meet present and future needs in relation to any statutory responsibility of the local authority is not compromised by any of the identified options. Should sale occur, council will reinvest the proceeds in an alternative investment fund that has appropriate risk/return variables and ensures the equity and income are protected for the benefit of ratepayers.

A significance assessment is required to test whether council can sell its NZ ETS Units to the open market.

Staff have assessed against the four criteria the identified matters for significance and have determined that on balance the matters are not significant.

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ISSUE: Chairman's Report to Council**ID:** A863704**To:** Council Meeting, 20 September 2016**From:** Bill Shepherd, Chairman**Date:** 8 September 2016

Report Type:	<input type="checkbox"/>	Normal operations	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Decision
Purpose:	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Public service	<input type="checkbox"/>	Regulatory function
	<input type="checkbox"/>	Legislative function	<input type="checkbox"/>	Annual\Long Term Plan	<input checked="" type="checkbox"/>	Other
Significance:	<input type="checkbox"/>	Triggered	<input checked="" type="checkbox"/>	Not Triggered		

Executive summary:

This report is to receive information from the Chairman (**attached**) on meetings/events attended, and correspondence sent for the months of July and August 2016.

Legal compliance:

The activities detailed in this report are provided for in the council's 2015–2025 Long Term Plan and as such are in accordance with the council's decision making process and sections 76 to 82 of the Local Government Act 2002.

Recommendation:

That the Chairman's report dated 8 September 2016 be received.

Meetings/events attended:

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Video conference with Lyn Provost, Controller and Auditor-General, along with Councillor Sinclair – audit issues.
 - Carol Berghan, Action Plan Portfolio Manager, Northland Inc. – meet and greet.
 - Meeting with representatives from Ministry for Environment, councillors and staff – National Policy Statement – Freshwater Management Review.
 - Leigh Auton and Rewi Henderson, Local Government Commission.
 - Joseph Stuart, Northland Inc. – community coverage nominations.
 - Local Government New Zealand Conference, along with Councillors Sinclair and Knight.
 - Catchup meeting with Sir John Goulter.
 - David Wilson and Vaughan Cooper, Northland Inc.; and Councillor Sinclair – Hundertwasser.
 - Northland Mayoral Forum, Bay of Islands.
 - Yin Xiaoxu, on behalf of China Rail; and Barry Trass – opportunities for development.
 - Whangārei District Council's Civic Honours Award Ceremony.
- Councillors Carr, Knight, Samuels and I attended the opening of the revamped Whangatane Spillway and the associated 54 metre long stock bridge, along with Northland Regional Council staff and residents of Kaitiāia.
- Barry Trass, Clive Jackson, and Helen Whittaker – update on Prosper Northland Trust.
- Mark Vincent – prospective candidate for local government elections.
- Councillors Ramsey, Sinclair and I met with Rosemary MacGibbon – CEO's performance review.
- Catch up meeting with Harry Burkhardt – discussion on the future of the Tai Tokerau Northland Economic Action Plan Advisory Group.
- Councillors Carr, Knight, and I attended a project meeting organised by Hon. John Carter, Mayor, Far North District Council – Manea – Footprints of Kupe.
- Raweyn Jacobs and Claire Rosanowski, Foundation Northland – reference checking on the Prosper Northland Trust funding application for Hundertwasser.
- Penny Smart, Northland Dairy Development Trust – current and future issues.
- Brad Mosby, Whangārei-Kaipara Area Manager, NZ Fire Service – meet and greet.
- Councillors Dimery, Sinclair and I attended the Whangārei Strategic Alliance meeting.
- Tai Tokerau Northland Economic Action Plan Advisory Group meeting.
- Barry Trass and Grant Faber – Hundertwasser.
- TPM submission – Top Energy draft – conference call.

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- Participated in the Regional Sector Group tour prior to the start of the Local Government New Zealand conference.
- Pete Ogle and Megan McGregor, Ray White – commercial real estate and Paerata forestry.
- Ministerial visit by Hon. Steven Joyce and Hon. Nathan Guy to Alister and Lyn Candy's farm, Okaihau – Extension 350 Project to develop the profitability of Northland agriculture.
- Shelley Shao and Max Shen, The Epoch Times; Jonathan Gibbard, GM Strategy and Governance; and Matt Johnson, Media Specialist – discussion on potential for NRC to advertise in their Chinese/English newspaper.
- Ross Vintiner – stakeholder survey for LGNZ.
- Rob Stevenson – prospective candidate for local government elections.
- Attended the Northland Dairy Development Trust meeting.
- Mangere Catchment Group public drop-in session for catchment plan.
- Councillors Bain, Dimery, and I attended the Transport NZ Summit & Infrastructure 2016.

Correspondence:

During July and August 2016 I sent out the following correspondence:

Date	Addressed To	Subject
15.07.16	Karen MacKenzie Director Audit New Zealand	Acceptance of proposed fee for audit of Northland Regional Council for year ending 30 June 2016
15.07.16	Lyn Provost Controller and Auditor-General	New audit provider for Northland Regional Council
27.07.16	Ian Turner	Lyttelton and Whangārei Ports
27.07.16	Bruce Griffin	Formally wishing Bruce all the best for his VSA placement
27.07.16	Wendy Jacentho Dennis Wright Tess Dacre Toby Kay Natalie Blandford Lesley Webb Steve Goddard	Letters to staff congratulating them on behalf of council for their recent awards in the inaugural 'Celebrating our People' awards
09.08.16	Dr Mike Reid Principal Policy Advisor Local Government New Zealand	Draft Code of Conduct
09.08.16	Graham Wallace Chief Executive Marsden Maritime Holdings Ltd	Appointment of Directors
10.08.16	Michael Vincent	NRC rates

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17.08.16	Yin Xiaoxu On behalf of China Rail	Investment opportunities in Northland
18.08.16	Penny Hulse Deputy Mayor Auckland Council	Congratulations on approval of Auckland Unitary Plan
18.08.16	Martyn Dunne Director-General Ministry for Primary Industries	Joint agency kauri dieback programme

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ISSUE: Chief Executive's Report to Council**ID:** A868929**To:** Council Meeting, 20 September 2016**From:** Malcolm Nicolson, Chief Executive Officer**Date:** 9 September 2016

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input checked="" type="checkbox"/> Other
Significance Policy:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not triggered	

Executive summary:

This report provides an overview of recent council organisation activity for the months of July and August. It concludes with the recommendation that the report be received.

Compliance with decision making processes:

The activities detailed in this report are provided for in the council's 2015–2025 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. While some of the activities discussed in this report are significant, the nature of the report is simply to provide information and updates. It does not therefore trigger any elements of the council's significance policy.

Recommendation:

That the Chief Executive Officer's report dated 9 September 2016 be received.

8.2.1 CROSS DISCIPLINARY PROJECTS**WAIORA NORTHLAND WATER**

Staff have been busy preparing for consultation on the draft catchment plans, which runs from 8 August until 23 September. During August, public drop-in sessions were held for the draft Mangere and Doubtless Bay catchment plans, with attendance of around 30 people at each.

Kaipara Harbour Sediment Mitigation Study

Council has recently entered into an agreement with the Ministry for the Environment and Auckland Council to undertake a joint project to better understand the costs and benefits of measures to mitigate / reduce sediment in the Kaipara Harbour catchment. The project also includes development of an online tool to model sediment mitigation scenarios and costs at a farm scale. The project was put out to tender and subsequently awarded to Streamline Environmental Ltd. The Ministry for the Environment is contributing funding of \$200,000 to the project, which is to be administered by Northland Regional Council and is scheduled for completion by mid-2017 (see Item 3.1 in this council meeting agenda).

Local Government Official Information (LGOIMA) Requests

During months of July and August 2016	
Number of LGOIMA requests received	12
Number of LGOIMA requests completed ≤ 20 working days	11
Number of LGOIMA requests not completed ≤ 20 working days	1

Detail on the request, REQ.580945 regarding Wairua River pollution and infringements, which was not completed within 20 working days, was for a substantial amount of information. The requestor was contacted several times to update on progress and was very appreciative of the work it entailed.

Shared Services

The Mayoral Forum and Chief Executives Forum has confirmed the Northland Transport Alliance and the digital enablement and roll out of telecommunications infrastructure in Northland to be the two top priority shared services projects.

The study into waters infrastructure (supply, sewerage and the treatment and disposal of sewage, stormwater drainage, and flood protection and control works) – “The Four Waters Report” – is expected to be reported back to councils in September/October 2016.

The study into information and communications technology (“ICT”) covering the stocktake of council ICT infrastructure, plans for the future, setting out options and opportunities to support shared services – “The ICT Architecture Stocktake” – is expected to be reported back to councils September/October 2016.

8.2.2 RESOURCE MANAGEMENT

New Regional Plan

The draft new Regional Plan was released for public feedback on 8 August 2016. Feedback closes on 23 September 2016. As part of the release about 5500 letters and emails were sent out and a special draft Regional Plan edition of the Regional Report was delivered to mail boxes across the region. Also a series of 12 public drop-in sessions have been / are being held over the feedback period, on both the draft Regional Plan and draft catchment plans.

Regional Policy Statement – High Court decision

Federated Farmers appealed provisions in the Regional Policy Statement (RPS) relating to genetically modified organisms (GMO) to the Environment Court. The appeal is divided into two parts – legality and merits. The Environment Court made a decision on the legality, confirming that the RPS can legally include provisions for managing GMOs. This decision was subsequently appealed by Federated Farmers to the High Court. On 31 August 2016, the High Court dismissed the Federated Farmers appeal and confirmed that council does have legal ability to regulate GMO in the RPS and plans.

Unless Federated Farmers pursue the issue through a higher court, the matter will be referred back to the Environment Court to consider the merits of the RPS provisions on GMO.

Other Resource Management Issues

National initiatives

As part of a suite of changes to the Hazardous Substances and New Organisms Act 1996 and the Health and Safety in the Work Place Act 2015 the Environmental Protection Authority has proposed changes to the way the disposal of hazardous substances are disposed of. The Disposal Notice sets rules for disposal of hazardous substances and replaces the requirements of the Hazardous Substances (Disposal) Regulations 2001.

Staff made submissions on the proposed Disposal Notice to the Environmental Protection Authority on 31 August 2016.

District council plan changes

Whangārei District

On 10 August 2016, Whangārei District Council notified a suite of 10 proposed plan changes as part of their District Plan's rolling review. The names of the plan changes are as follows:

- 85 – Rural Area
- 85A – Rural Production Environment
- 85B – Strategic Rural Industry Environment
- 85C – Rural Village Environment
- 85D – Rural Living Environment
- 86A – Rural (Urban Expansion) Environment
- 86B – Rural (Urban Expansion) Living Environment Zoning
- 87 – Coastal Area
- 102 – Minerals
- 114 – Landscapes

These plan changes propose new Environments (zones) and Resource Areas (overlays) with associated objectives, policies and rules. Two of these plan changes implement elements of the Regional Policy Statement (Plan changes 87 and 114 in particular). The plan changes are open for submission until 4 October 2016. Staff are still working their way through the plan change material and it is likely that one or more submissions will be lodged on the various plan changes.

Kaipara District

Private Plan Change 3 to the Kaipara District Plan was publically notified on 19 August (submissions close on 23 September). The plan change proposes to rezone a section of land in Mangawhai from residential to business. It is unlikely that a submission will be lodged on this plan change.

Land use and subdivision applications

During July and August 2016, 25 resource consent applications were formally received from the district councils (24 non-notified and 1 notified applications). Comments were made on one non-notified application to highlight the need to ensure coastal hazard risk is adequately considered through the resource consent process.

Consents

Consents in Process

During July and August 2016, a total of 103 Decisions were issued. These decisions comprised:

July 2016 (38)		August 2016 (65)	
6	Moorings	1	Moorings
15	Coastal Permits	23	Coastal Permits
3	Air Discharge Permits	1	Air Discharge Permits
1	Land Discharge Permits	8	Land Discharge Permits
1	Water Discharge Permits	5	Water Discharge Permits
8	Land Use Consents	18	Land Use Consents
1	Water Permits	2	Water Permits
3	Bore Consents	7	Bore Consents

The processing timeframes for the July 2016 consents ranged from:

- 1157 to 6 calendar days, with the median time being 28 days;
- 762 to 4 working days, with the median time being 20 days.

The processing timeframes for the August 2016 consents ranged from:

- 545 to 4 calendar days, with the median time being 28 days;
- 762 to 4 working days, with the median time being 20 days.

45 Applications were received in July 2016.

35 Applications were received in August 2016.

Of the 112 applications in progress at the end of August 2016:

- 41 were received more than 12 months ago (most awaiting further information);
- 19 were received between 6 and 12 months ago (most awaiting further information);
- 52 less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in July and August 2016.

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

The current level of notified application processing activities at the end of August 2016 is (by number):

• Applications Publicly/Limited Notified During Previous Month	0
• Progress on Applications Previously Notified	5
• Hearings and Decisions	2
• Appeals/Objections	2

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

The results of compliance monitoring for the period 1 July – 31 August 2016 are summarised in the table and discussion below. Further details for the period 1 – 31 July 2016 were reported to the Environmental Management Committee (EMC) on 29 August 2016.

Activity	No. of Assessments	No. Fully Compliant	No. Non-Compliant	No. Significantly Non-Compliant	Not exercised during period
Air Discharges	22	19	1	0	2
Coastal	157	131	21	4	1
Land Use	108	94	11	2	1
Discharges to Land or Water	159	130	23	4	2
Total	446	374 (83.86%)	56 (12.55%)	10 (2.24%)	6 (1.35%)

Air discharges

A total of 35 (16 in July and 19 in August) air quality related environmental incidents were received, most of which (21) related to burning and smoke nuisance.

Continuous ambient PM₁₀ monitoring results for the Whangārei, Marsden Point and Kerikeri airsheds showed that all those sites met the air quality National Environmental Standards for the contaminants monitored.

A new ambient PM_{2.5} monitor has been installed at Robert Street, Whangārei, since 30 July 2016. Results will be presented to Council in the next report.

Coastal

The majority of consents monitored during July and August related to coastal discharges (oyster washing facilities, treated municipal sewage, stormwater and boat maintenance facilities) and coastal structures. Self-monitoring reports for dredging activities were also received.

The Kaipara, Whangārei and Bay of Islands water quality sampling runs were undertaken during the reporting period. Water quality results for July indicated low faecal indicator bacteria levels at all sites and typical levels for nutrients.

Sediment plates were measured during July for current sedimentation rates at core estuary monitoring sites situated at Whāingaroa, Ruakākā and Whangārei.

Hazardous Substances

- The collection and packaging of hazardous substances continued during the reporting period.
- Forty-one enquiries (15 in July and 26 in August) regarding contaminated land were received and responded to.
- Nine hazardous substances incidents (five in July and four in August) were investigated and resolved.

The investigation of the sawdust dump at Lanes Mill, Totara North, which was partly funded by the Ministry for the Environment's Contaminated Sites Remediation Fund, was completed. The 30 June 2016 report on the findings of the investigation was presented to the community and was well received.

Discharge and Land Use monitoring

Council staff attended meetings with the following groups during the reporting period:

- RMA Northland Forestry Development Group
- Dairy Industry Liaison Group.

Farm dairy effluent (FDE) monitoring

The FDE contractor commenced routine annual inspections on 22 August. A total of 924 farms will be visited by the contractor or council staff prior to Christmas. To date about 7% of these have been visited and reported on. The results for consented and permitted activity farms are tabled below. It is too early to draw any conclusions at this stage.

Consented FDE discharges

The monitoring results are compared with those for the same period last year. A total of 43 consented farms have been visited and reported on. This is about 6% of the total consented farms to be visited.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
24	45	15	20	4	6
56%	63%	35%	28%	9%	9%

Non-consented FDE discharges

The monitoring results are compared with those for the same period last year. A total of 21 non-consented farms have been visited and reported on. This is about 9% of the total non-consented farms to be visited.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
13	24	3	2	5	4
62%	80%	14%	7%	24%	13%

Environmental Incidents

There were seven incidents recorded for the reporting period (three in July and four in August) resulting in a moderate environmental impact. Further details for the period 1 – 31 July 2016 were reported to the Environmental Management Committee (EMC) on 29 August 2016.

Enforcement

Abatement Notices

There were 15 abatement notices issued during July/August. These were for:

Burning and smoke nuisance	6
Sewage discharge	3
Fanworm	1
Stock in water	2
Rubbish dumping	1
Coastal structure	1
Trade and industrial discharge	1

Infringement Notices

There were three infringement notices issued during August for sewage discharge.

Formal Warning Letters

There were three formal warnings issued during July/August. These were for:

Burning and smoke nuisance	2
Trade and industrial discharge	1

Prosecutions

Chemical discharge in Ruakākā

The defendants have entered guilty pleas to the charges. A hearing is scheduled for the week commencing 25 October 2016. In the interim, the council will make an application to the court for an Enforcement Order to formally record the requirements for site investigation and remediation. The defendants have agreed to work with the council in the hope that the Enforcement Order can be made by (mutual) consent prior to the sentencing date.

Earthworks and forestry harvesting in Ngāwhā

“Guilty pleas” have now been entered by the defendants for all charges. A hearing is scheduled for the week commencing 25 October 2016.

Farm dairy effluent discharges in Okahu

The defended hearing is scheduled for the week commencing 25 October 2016.

Farm dairy effluent (FDE) discharges in Pukehuia

A date has not yet been set for the defended hearing. A teleconference for a case review before an Environment Judge has been scheduled for 12 September 2016.

LAND MANAGEMENT

Environment Fund Update

See Item 7.2.

Farm Water Quality Improvement Plans (FWQIP) 1 July 2016 to 30 August 2016

Year to date a total of 28 FWQIP's have been commenced, 24 FWQIP's have been completed, with a further 82 in progress.

SOIL CONSERVATION

Poplar and Willow Supply

Soil conservation plant material supply is now finished for 2016 season. 3,882 poplar poles and 560 willow wands were distributed throughout Northland across 88 projects.

Flyger Road Nursery

The Block 4 development is complete with all rows now planted, with irrigation yet to be connected. This block has 3 rows of shrub willow supplied to NRC from the NZ Poplar and Willow Trust breeding programme, of which some willows are showing tolerance to the Giant Willow Aphid (GWA). The remaining 17 rows consist of kawa poplar.

Planning and tender development is now underway for the block 5 and 6 expansion in preparation for next winters planting and development.

Kaipara Hill Country Erosion (HCEF) Programme

NRC is in year two of the four year MPI funded Kaipara Hill Country Erosion project.

A total of 18 farm plans have been initiated since the beginning of the hill country project in December 2015. In the last two months, 3 Kaipara Hill country erosion plans and 5 farm water quality improvement plans have commenced.

ENVIRONMENTAL ASSETS

CoastCare

Oneroa Bay (Long Beach) dune restoration project has continued this year with dune shaping and planting east of the area planted successfully previously. Russell School assisted Russell Landcare Trust with planting spinifex and pingao in the newly reshaped dune. Fencing was put up to protect the plants and sand-ladders will allow foot access down to the beach. Planting was completed on 1 September and back-dune plantings will help build a buffer between the grassed reserve and the dune.

The new dune restoration project at the northern end of Langs Beach has progressed well. Bollards purchased by Whangarei District Council were installed by local residents to prevent vehicles from accessing the dune area north of the bridge whilst still allowing boat launching off the beach at the southern end. An NRC Environment Fund application for plants and temporary fencing was approved and a CoastCare information sign giving information on dune plants the work was erected. A working bee to fence the dune and define paths down to the beach was held. Planting of bare areas of the dune was started and will be continued in September with help from Waipu Primary School.

Dune planting was also done at Baylys Beach, Waipū Cove, Taipā and Te Pahii with plants provided through the NRC Environment Fund.

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Lakes

The project to write implementation plans for the outstanding dune lakes is well underway with completion of field reviews of all 12 lakes, interviews with key departments to identify issues and opportunities and relationships being built with mana whenua iwi and other stakeholder agencies.

BIOSECURITY**Biosecurity Month**

Biosecurity Month was launched and very well received. Final reports on post reach are yet to be collated but initial calculations put post reach at over 26,000 for the Biosecurity Month posts. The use of hashtags (metadata labels) also appears to have worked well.

Biosecurity E-fund

Staff have now completed and delivered all goods and materials to 54 approved biosecurity E-fund applications.

Pest plants

Gorse inspections were carried out with re-inspections due beginning of August. The Wild Ginger website has been progressing on schedule; however, the launch has been delayed due to the interest expressed in the concept at the recent NETS conference. Final adjustments are being made over the next week, with small tweaks to maintain key themes and messages throughout the website.

A site of Cathedral Bells (*Cobaea scandens*) has been reported as established near Peria in the Far North. This species is a vigorous climbing vine with attractive bell shaped flowers that will smother other vegetation given a chance. Only one other known live site of Cathedral Bells is present in Northland. NRC will provide an eradication service for this site as this species is classified as an 'exclusion plant' that the NRC does not want established in Northland.

**Nursery inspections**

A nursery inspection regime has been created in IRIS with a re-designed 'Notice of Inspection'. The new notices inform nursery owners that they will be inspected at random over a set period of weeks. This system of random inspections has been adopted by many other Regional Councils and often picks up illegal sales due to the surprise nature of the visits. This new system also allows for more flexibility between

inspections and greater time allowances to complete the inspection of a nursery operation, resulting in a more thorough search.

Batwing sites

All known sites of batwing passionflower in Kamo, Kerikeri and the North have been visited and controlled where it has been found. This is the earliest these site visits have been done in the hope that this season, with increased inspections the population can be reduced significantly. All sites visited where adult plants were found the berries were only green and not yet attractive to birds. With these plants removed and follow-up scheduled for November/December there should be a significant decrease in plants found in autumn inspections.

One site had adult plants removed by the owner and follow-up of this site is being done to determine where the plants were removed to.

CPCA's

New CPCA's are on target, with at least two being in collaboration with Nga Whenua Rahui. Two new Kauri Dieback PA positive sites have been located at Kaiwaka and Mangawhai. Staff are working with landowners to develop management plans.

Warawara Hut is being delivered to Pawarenga and site location will take place the second week of September.

Kai Iwi Lakes

Pest control work at Kai Iwi lakes has been ongoing since December 2014 to reduce the impact of introduced pests and improve wetland and water quality on adjacent farms. Staff are using local contractors to carry out a comprehensive possum and rodent control operation during September. Contractors are continuing to make progress in key areas controlling introduced weeds such as Sydney golden wattle and wilding pines. Over 60ha of wilding pine control has been undertaken around the lakes and several areas are now in a maintenance control phase. Follow up control is scheduled for the following season.

Pathways Plan

Work on the marine pathways plan is progressing with a draft now live in ECC. A tender was published for the marine hull surveillance contract 2016-2017, eight companies applied with only two falling into the recommended price range. Brett Sutton trading as Marine Environmental Field Services was awarded the contract to inspect 1500 vessel hulls and work will commence on 15 September in Whangārei Harbour.

8.2.3 RIVER MANAGEMENT

RIVERS

Awanui

Draft rating options for the Awanui Flood Scheme were presented on 18 August to the Awanui River Liaison Committee. This review is intended to address some of the anomalies with the commercial rating areas. A Liaison Committee workshop is being scheduled for October to discuss in further detail the rating options.

A replacement inclinometer will be installed in September at Bells Hill Slip.

The Awanui Maintenance tender is live on GETS and closes 29 September.

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Kāeo-Whangaroa

Staff have made an approach to the Department of Internal Affairs for an extension of time and variation to the funding deed for the Kāeo Vulnerable Homes government funding assistance.

Kerikeri-Waipapa

The fourth mediation to negotiate appeals with the majority landowner for the construction of the Kerikeri Spillway was held on 30 August. Unresolved issues are continuing to be worked through.

DHI has been awarded the tender for upgrades to the Kerikeri Flood model, including software version update and inclusion of additional survey detail and model refinements. New NRC river gauge site and flood gauging will also be incorporated into the model set up.

Ruakaka

Staff are progressing a cost/benefit analysis for the section of river between Cotton Road and SH-15A that is overgrown with willows. The objective of removing the willows is to speed up the water, lower the flood level and reduce the duration of flood water. When removing willows, we try to keep the roots in place and only remove the tree and obstructions. This will help stabilize the banks; however, we would expect to see increased stream back erosion, due to the faster water velocities. The cost/benefit will help determine what flood level reduction can be achieved, how much it will cost and the downstream effects.

Kaihū

The Kaihū Maintenance tender is live on GETS and closes 29 September.

NATURAL HAZARDS**Coastal Flood Hazard Maps**

Consultation on the Draft Coastal Hazard Maps closed on 1 September and staff are currently assessing 47 submissions that were received. Approximately 13,000 properties have been identified within the recent mapping as potentially subject to coastal erosion and/or flooding. Staff are planning on responding to all submissions by 1 November.

Regional LiDAR Project

A response from Central Government on funding for the Northland LIDAR project is expected in September. Staff have continued consultation with interested parties in relation to the specifications for the proposed survey.

HYDROLOGY**Rainfall**

Rainfall received across Northland for August 2016 was regionally close to normal, with it being slightly drier in central catchments and wetter in the coastal regions.

In terms of winter rainfall, most catchments were in the range of 80-110% of the mean rainfall for June, July and August,

Although winter was close to average, the Whangārei, Kerikeri and Western catchments are still in rainfall deficit for the last 12 months. In particular, the

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Dargaville and Tara gauges are down by approximately 25% of the expected rain for the 12 month period, refer to table 1 below:

Table 1 Rainfall Deficits (long term mean versus actual rainfall)

Rainfall stations	Expected annual rainfall	Actual rainfall for August 2015- 2016	Deficit (mm)	Deficit (%)
Kaitaia	1379	1285.6	-93.4	-7
Kerikeri	1705	1474.7	-230	-14
Kaikohe	1569	1820	251	+16
Whangārei	1523	1283	-240	-16
Opononi	1196	1056	-140	-12
Dargaville	1211	924	-287	-24
Ruawai	992	930	-62	-6
Tara	1697	1314	-383	-23

River Flows

River flows across Northland for June, July and August 2016 were below average in some of the western and eastern catchments, but mostly average to above average across Northland.

Groundwater

Groundwater levels across Northland were above average, except for the Taipa, Mangawhai and Whangārei systems which are currently below average for this time of the year.

Soil Moisture

All stations across Northland are indicating soil moisture levels are at field capacity. Soil moisture levels will begin to decline from the end of September onwards.

Climate Outlook

Both the MetService and NIWA have indicated a settled start to September with high pressure systems dominating with the occasional front, resulting in a dry conditions. The return of low pressure systems should see an increase in rainfall totals towards the end of the month.

The global models are returning a 55% chance of an La Niña event establishing in December 2016 through to February 2017, both the current state and recent evolution of the ocean-atmosphere system in the Pacific, as well as the models' forecasts, suggest that if a La Niña event develops, it will be characterized by a relatively short duration and weak amplitude.

Below are the seasonal predictions from NIWA, see below:

Regional predictions for the September – November 2016 season

Northland, Auckland, Waikato, Bay of Plenty

The following outcomes are forecast as the most likely (but not certain) for this region:

- Temperatures are very likely to be above average (70% chance).
- Rainfall totals are equally likely to be near normal (40% chance) or above normal (40% chance).
- Soil moisture levels are most likely (45% chance) to be in the near normal range.

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- River flows are about equally likely to be near normal (40% chance) or above normal (35% chance).

The full probability breakdown is:

Table 2: Probability breakdown for Northland

	Temperature	Rainfall	Soil moisture	River flows
Above average	70	40	30	35
Near average	20	40	45	40
Below average	10	20	25	25

8.2.4 ECONOMIC DEVELOPMENT

Investment and Growth Reserve

Project	Work in July / August	Future developments/ reporting
Better Water Management	Received letter of intent from Crown Irrigation Investments Limited (CIIL) to co-fund phase two work. Phase one study – Northland Strategic Irrigation Infrastructure Study – made publically available via council website. RFP for phase two study – Scoping of irrigation scheme options in Northland – out for tender.	Formal application to CIIL for phase two funding. Review and award tenders received in response to RFP.
Twin Coast Cycle Trail	Correspondence with FNDC confirming funding arrangements, including alignment with MBIE funding. First payment of \$320K has been made to FNDC based on progress report and receipt of invoices.	Awaiting further progress reports and associated invoices. Work on the TCCT is anticipated to be completed by end of 2016.
The Orchard	Letter sent to Northland Inc setting out conditions of payment and performance reporting. Confirmation of MBIE funding of provided.	Awaiting invoice from Northland Inc. for first instalment once lease has been signed.
Resource Enterprise Limited (REL)	Annual financial reporting from REL received and reviewed by staff.	
Twin Coast Discovery Revitalisation	Report for the six months ended June 2016 received (Attachment 1). This reporting has been brought forward to bring it into line with other Northland Inc. reporting deadlines.	.
Regional Promotion		Second report for the six months ended June 2016 is due in August and yet to be received.

Other activities undertaken included:

- Prepared report *Valuing Northland's Creative Industries Sector* for Creative Northland.
- Letter sent to Northland Inc. formally acknowledging receipt of Statement of Intent 2016-19.
- Provided economic information and commentary to various organisations including The Northern Advocate, Marsden Maritime Holdings Limited and Whangārei District Council.
- Attended UNISA officers meeting on following up the key sector trends and labour forecast study.

8.2.5 HAZARD MANAGEMENT**Civil Defence Emergency Management****Warnings and activations**

Date	Event	CDEM Action
8 - 9 August	Severe weather watch – localised heavy rain for Northland	Monitored
9 August	Severe thunderstorm watch eastern Northland	Monitored

Tsunami Warnings

At 2.20 pm on 12 August 2016 MCDEM via the National Warning System issued a Tsunami Advisory - No threat to NZ after a 7.6 magnitude earth quake southeast of the Loyalty Islands, Vanuatu at 1.36 pm (NZST). No action was required.

At 04.38 am on Friday 2 September a magnitude 7.1 earthquake occurred off the East Cape of the North Island. The Ministry of Civil Defence and Emergency Management issued a 'Tsunami Advisory Potential Threat' which was upgraded to a 'Tsunami Warning Marine and Beach Threat'. Regular updates were issued and a Tsunami Warning Cancellation message was issued at 08:30.

Following the earthquake, wave heights of <0.3m were observed. The Northland CDEM Group responded to the warning by providing public information about the potential tsunami in accordance with standard operating procedures.

National Exercise Tangaroa

The Northland CDEM Group, local councils, emergency services, lifeline utility agencies and other key agencies participated in Day 1 of Exercise Tangaroa on 31 August. The scenario for the exercise was a 9.1m earthquake near the Kermadec trench that generated a tsunami comparable to the Japan event. The initial actions involved assessing incoming information, public alerting, evacuations, declarations and interagency coordination. A full report, based upon the de brief will be made available to the next CDEM Group meeting on the outcomes.

Day 2 – A workshop was held on Day 2 (14 September). This included all Group and Local welfare managers and members of the Welfare Coordination Group. The topics for the day included rapid impact assessment, incident action plans, needs assessment, status reports and attending the national welfare teleconference.

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Day 3 – A recovery workshop will be held on Day 3 (28 September) in conjunction with Whangārei District Council (WDC). This will involve a handover from the WDC local controller to the local recovery manager. Short, medium and long term goals for recovering from a large scale event will also be considered.

The Police have advised that a second Mass Rescue table top exercise is planned for 6 October in Northland. The Northland CDEM Group will be a support agency providing Welfare services during the table top exercise. Initial planning for the exercise is progressing and indications are that it will involve a significant role for the Welfare arrangements in the region.

Volunteers Workshop

An initial introduction workshop was held for 25 volunteers who are being considered for roles with a CDC. The initial training was focused upon providing an introduction to Welfare. Further workshop with this group of volunteers is planned.

Lifelines Utility Group

The Northland Lifelines Utility Group (NLG) met on August 4. The meeting was well attended with 32 representatives from member organisations including: local councils, regional council, utility providers, roading, telecommunications, health and government. The New Zealand Transport Agency (NZTA) presented an update on their Resilience Programme. One of the key outcomes is the development of online interactive detour maps to use when arterial roads are affected by an accident or event. Sector groups reviewed the impact assessment in the 2012 NLG Infrastructure Resilience Plan. The information from the 2012 report was largely validated however feedback from the groups will be incorporated.

Information has been collected on the available aircraft resources in the region and the requirements of lifeline utilities in a major disaster. A draft air operations report is being prepared.

Welfare Coordination Group

Northland CDEM Group was successful in receiving \$40k from the Resilience Fund for the 2016/2017 year for developing practical tools for CDEM welfare management. The project will be administered by the Northland CDEM Group with the work being undertaken by a consultant, supported by 10 CDEM Groups through a steering group with representatives from five of the ten groups.

Media and social media

The Northland CDEM Group continues to maintain a variety of content on its Facebook page, with the recent focus being the tsunami exercises and evacuation drills held with community response groups, emergency services and schools in the lead up to Exercise Tangaroa. The MetService weather warnings on the weekend of 22-23 July and on 8 August were also well followed, reaching a total of 4,674 and 10,105 people respectively. Overall the Facebook page has 7401 fans. Views reached approximately 60,000 over the period of the tsunami warning on 2 September.

8.2.6 TRANSPORT**PASSENGER TRANSPORT ADMINISTRATION****Total Mobility 2015 – 2016 year end summary**

2015/ 2016	Total clients	YTD Actual	Budget	Variance	2014/2015 Actual
Total Mobility	1095	\$162,252	\$200,000	- \$37,748	\$162,800

Percentage of expenditure by Agency 2015 – 2016**2015/2016 Financial Year summary**

Total Mobility trips for 2015/2016 were 27,571 – compared to 2014/2015 total trips of 27,818. This reflects a 247 (1%) reduction in client trips taken.

The period under review, Age Concern, had the highest uptake at 66.04%, followed by NorthAble at 12.75%.

Total Mobility working group meeting

A Total Mobility working group meeting was held 10 August, where the Total Mobility end of year figures were presented to the group. A group discussion was held on working together in the future to promote Total Mobility.

Positive Aging Advisory Group (PAAG)

At a meeting on 19 August 2016; the Total Mobility survey results were presented to the Positive Aging Advisory Group. The feedback from this group was positive.

Promotion of the Scheme

Staff, along with member agencies are actively promoting the service through leaflets at doctors' rooms, the DHB etc.

City Link Whangārei – Includes SuperGold Card Passengers and Review

	Actual	Budget	Variance	2014/2015 Actual
2015/2016 Financial Year Total				
Passenger numbers	312,193	324,600	-12,407	312,821
Farebox revenue (GST exc)	\$634,622	\$705,000	-\$70,378	\$647,758

For the 2015/2016 financial period, total passengers conveyed showed a 12,407 (4%) negative variance to budget. Farebox revenue and SuperGold Card funding showed a \$70,378 (10%) negative variance to budget.

When comparing passenger and revenue to the 2014/2015 financial year, passengers carried in 2015/2016 were 628 (0.2%) down and revenue \$13,368 (2.1%) down.

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When compared to the 2013/2014 period (best year to date) passengers are 11,360 (3.5%) down and revenue \$26,512 (4.0%) down.

The above decline follows the national trend as detailed in the June 2016 CEO Report. The single biggest factor in the national decline has been attributed to the low fuel price. Historical figures reflect fluctuations in passenger boardings in line with fuel prices.

Staff will continue to monitor passenger trips operated to ensure there is no negative financial impact on the council.

For the 2015/2018 Regional Land Transport Plan and the council long term plans, staff had projected a short duration for the low fuel prices and budgeted for passenger numbers to continue to increase. As this has not materialised, staff will sit with the financial department to work on bringing the budget figures more in line with recent trends.

	Actual	Budget	Variance	2015/2016 Actual
July 2016				
Passenger numbers	24,077	27,547	-2,604	26,681
Farebox revenue (GST exc)	\$49,154	\$55,223	-\$5,238	\$54,482
August 2016				
Passenger numbers	30,337	28,630	+1,707	27,546
Farebox revenue (GST exc)	\$60,347	\$62,604	-\$2,257	\$55,223

July 2016 figures will be lower as the school holidays ran from 9 July to 25 July. This will result in a full three weeks without scholar revenue being collected.

Staff will be holding "Car Free Day" on 22 September 2016. This is designed to get as many motorists out of their cars and onto a CityLink bus. All passengers will be conveyed free of charge. Competitions will be held to coincide with the event and will assist in promoting the service.

SuperGold Card Scheme –

SuperGold Card Passengers carried	Actual	Budget	Variance	2014/2015 Actual
2015/2016 Financial Year Total	60,113	61,699	-1,586	60,084

SuperGold Card Passengers carried	Actual	Budget	Variance	2015/2016 Actual
July 2016	4,599	4,949	-350	5,429
August 2016	5,050	5,080	-30	5,029

Mid North Bus Service Trial

Staff presented at a workshop with Councillors on 16 August where they presented the proposed routes, timetables and costings for approval. Based on the information provided and the positive outcome of two separate meetings with councillors who

were unable to attend the presentation, staff were to go ahead and release the tender documents for the service.

Staff are to provide monthly feedback through the CEO report and three monthly financial and statistical reports to council.

NAVIGATION, SAFETY AND MARITIME OPERATIONS

Oil Spill Preparedness and Response

Oil spill equipment scheduled maintenance carried out.

No oil spill incidents in July. Three oil spills were reported during August involving light fuel, two of which the source of the spill could not be confirmed and one identified as carbon emission on the water.

Two council employees received regional responder training by Maritime NZ.

Port and Harbour Safety

The harbourmaster examined two Pilot Exemption applicants from Golden Bay cement, and assisted the company with renewal of their pilotage exemption training manual. This work is leading up to a new cement vessel due to operate from Portland from November this year. The harbourmaster, along with two Whangārei pilots, also attended a simulation run for the new vessel testing its manoeuvrability. Recommendations on new lead lights were made following the simulation.

The harbourmaster and deputy continued assisting with the new deep water channel design for the refinery, with ongoing work on risk assessments. A number of conference calls have been held with international consultants, and simulations were attended by the Harbourmaster and Deputy in Auckland which will assist in development of the channel.

Navigational Safety Harbourmasters annual meeting was attended in Wellington. A number of outcomes will be worked on over the next year to improve national consistency in bylaws, aids to navigation changes and incident reporting.

Maritime Incidents, Enforcement and Safety

Staff dealt with 40 incidents during the months of July and August.

A vessel was swamped and sank in Otehei Bay. The skipper took responsibility and dealt with the wreck. Another vessel on its way from Leigh to Mangawhai by potential new owners, had to be abandoned when it was hit by a large wave and sunk on the bar at the entrance to Mangawhai harbour. The current owner retrieved and disposed of the debris from the harbour.

Other incidents reported were of vessels adrift, dragging anchor, taking on water, debris reports, bylaw breaches by a fishing boat leaving stabiliser out, navigation aid light failures and a speeding jet ski. Staff also dealt with reports of illegal mooring occupation and illegal anchoring.

One infringement was issued for breach of bylaw requirements to service a mooring. One infringement fine for speeding has been challenged and is headed to court. Legal work is also ongoing by our insurers on who is the legal owner of a wreck that was removed by council this year and thus liable for the costs. One legal case against

the council around a mooring and salvage incident was dropped, and council's insurance costs were repaid.

Aids to navigation:

Work ongoing in Whangārei for buoys and beacons maintenance. A tender has been put out to contractors capable of undertaking the replacement work for the large beacons.

Twelve incidents were received for July and August of navigation lights reported as extinguished, damaged or out of position, lights were replaced and repositioned as required.

Moorings:

Work is focusing on communication and data transfer between council and mooring contractors. Mooring contractor licenses are being implemented and negotiated. Development work for the replacement of Kerikeri mooring piles is ongoing, with surveys underway.

Un-serviced moorings are still a focus, with continued push by staff to enforce the bylaw requirements.

It has also been noticeable over the last 2 years that large numbers of moorings have changed hands related to the housing boom around the Bay of Islands, and requirements to moor larger vessels are meeting the limits of available space.

Others:

Skipper assistance was provided to other departments for water quality, coastal structures and sediment sampling in Whangārei, Kaipara, Bay of Islands and Mangawhai.

Waikare has been slipped for a major 4 year survey and repaint of the hull, which is now completed.

Interviews were held for Deputy Harbourmaster replacement and a local Northland candidate was selected who will start around October 2016.

8.7.2 SUPPORT SERVICES

Public communications

Media releases

- 'Revamped spillway, new stock bridge opened'
- 'Nominations open soon for would-be regional councillors'
- 'Regional council Dargaville office on the move'
- 'Portable hut for Warawara Forest guardians'
- 'Asian paddle crabs already impacting Ngunguru estuary?'
- 'Northland air quality data now on LAWA website too'
- 'Popular free pest plant workshops back'
- 'Resident satisfaction survey sets baseline for regional council'
- 'Early chance to comment on new Regional Plan'
- 'Nineteen stand for regional council'
- 'Summer survey to help improve future harbour water quality'
- 'Property buy to aid Kawakawa Hundertwasser project; NRC'

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- 'Controlled Substance Licence training next month'
- 'Lighter, 'smarter' lakes boat joins NRC fleet'
- 'Courtesy call, warning as spring burning season looms'
- 'Fish ladders offer hope to native fish'
- 'Okay to swim at most popular swim spots; NRC'
- 'Discovery of very rare aquatic plant thrills'
- 'Tsunami warning for East Coast of the North Island' (*release issued on behalf of Northland Civil Defence Emergency Management Group*)
- 'Northlanders warned to watch for strong tides, currents today' (*release issued on behalf of Northland Civil Defence Emergency Management Group*)
- 'Irrigation study could help make 'massive difference' in North'.

Councillor constituency columns and photographs

To comply with the official pre-election period, councillor constituency columns are on hold until after the October local body elections.

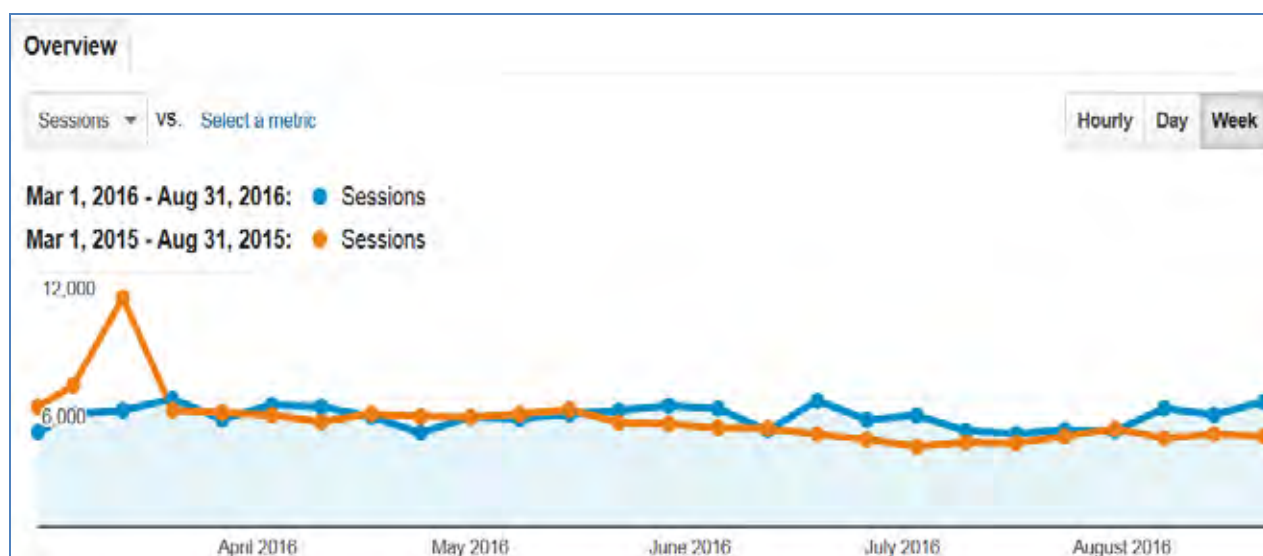
Publications

A special edition of council's Regional Report was produced for distribution to more than 60,000 properties Northland-wide in early August to tie in with the beginning of the feedback period for the Draft Regional Plan and five Waiora Northland Water draft catchment plans.

Five summary documents to support the five Waiora Northland Water draft catchment plans (Mangere, Doubtless Bay, Waitangi, Poutō and Whangārei) were also produced.

Other work-streams that required publications/communication input and ongoing work during July and August included:

- Regional pest management plan;
- State of the Environment Report;
- Annual Report and Annual Report Summary.

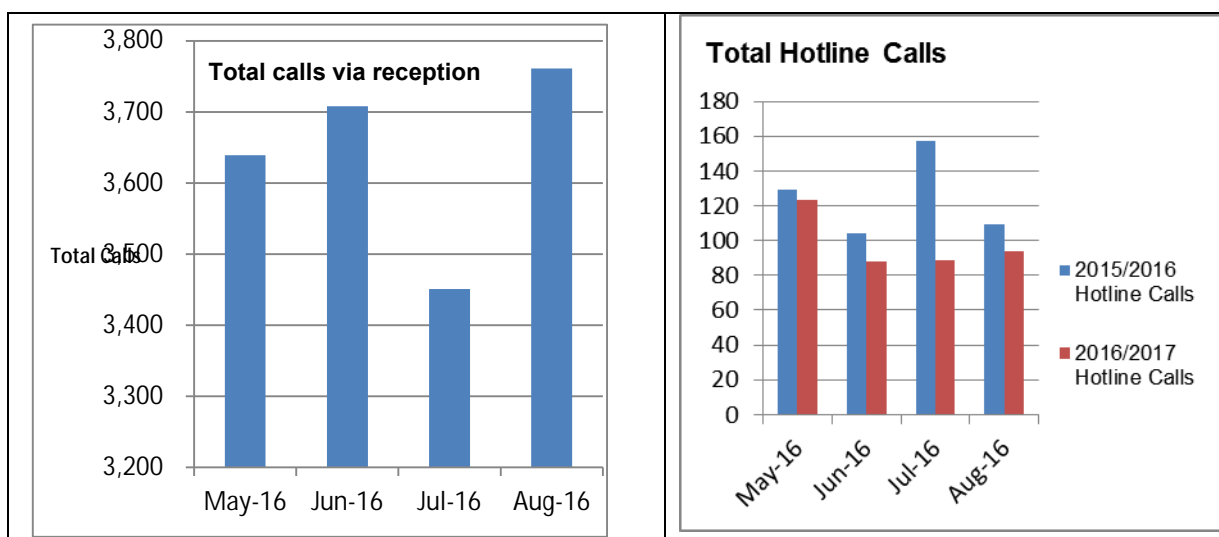
Online Channels**# Visits to the NRC website (compared to the same period last year):**

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Key Performance Indicators	May-16	Jun-16	Jul-16	Aug-16
WEB				
E-payments made	8	4	15	19
GIS Service - Number of unique visitors	833	671	456	272*
GIS Service - Number of visits	1,024	841	627	425*
# subscription customers (cumulative)	1,099	1,113	1,119	1,118
SOCIAL MEDIA (cumulative)				
# Twitter followers	1,096	1,114	1,136	1,147
# NRC Facebook fans	1,312	1,346	1,397	1,492
# NRC Overall Facebook Reach	20,673	12,231	39,624	48,133
# CDEM Facebook fans	7,213	7,275	7,350	7,860
# CDEM Overall Facebook Reach	71,908	23,388	24,345	42,739

* These figures do not reflect current usage. The Google Analytics reporting tool is not pointing to the correct GIS service at this time.

Customer Services

Events

Event	Date	Location	Description	Staff contact
September				
Free Ride Day with CityLink	22	Whangārei	CityLink Whangārei is encouraging people to catch the bus for free on World Car Free Day.	Natasha Stubbing or Anita Child
Auckland on the water boat show	29-2	Auckland	Biosecurity attend this event with Auckland, BOP and Waikato council. The focus is on preventing the spread of marine pests.	Cameron Bunton
October				
Westpac Northland Business Excellence Awards - Entrants Launch	5	Whangārei	This event launches the awards programme with a sponsors and entrants function.	Natasha
New Zealand Dairy Industry Awards – Northland Sponsors Launch function	14	Whangārei	This sponsor's event launches the 2017 awards programme.	Natasha
Tikipunga Falls Community Event	15	Whangārei	A community partnership event focusing on improving water quality.	Lorna Douglas
Westpac Northland Business Excellence Awards – Awards Dinner	28	Whangārei	The awards dinner celebrates and recognises successful businesses from across Northland.	Natasha
Kerikeri Garden Safari	29-30	Kerikeri	This gardening event is focused on educating the public about weeds and methods to eradicate them.	Natasha

Enviroschools/Education**WaiFencing assessment workshops held**

Over 70 students from throughout the north put their fencing skills to the test at council's Flyger Road property in Whangārei and on Northland College's dairy farm in Kaikohe. After fencing skills were assessed, the events culminated in constructing new fences to protect waterways.

Project Possum assessment workshops held

Over 90 people gathered at Trefoil Park, near Kaikohe, during the first week of August for the Project Possum – stage 1 assessment workshops. Over three days, senior secondary students from throughout the north put their possum pest control skills to the test. Possum skinning, machine plucking and trapping NCEA Unit Standards were assessed by Northland Regional Council biosecurity staff and Can Train NZ.

WaiRestoration resource developing

Toimata Foundation and council are working together on producing a resource for the WaiRestoration project to show other regions how to implement this project. A meeting to further this work was held in Auckland on 17 August.

Ruawai Kindergarten and Whangārei Intermediate reflect on change

On 1 July, Cr Bain took part in Whangārei Intermediate's Enviroschools Bronze celebration. On 16 August, a sharing and decision-making session was held at Ruawai Kindergarten, culminating in their achievement of Enviroschools Bronze.

Facilitation of Enviroschools communities

Despite the school holidays, during July and August, the following school/kindergarten communities were visited: Bay of Islands Academy, Bream Bay, Dargaville High, Dargaville Intermediate, Huanui, Hukerenui, Hurupaki, Mangakahia, Okaihau, Oromahoe, Otaika Valley, Panguru, Russell, St Joseph's (Drg), Taipa, Tangowahine, Whangārei Boys High and Whangārei Intermediate.

***Iwi Liaison*
Governance****Te Tai Tokerau Māori Advisory Committee**

August saw the final formal meeting of Te Tai Tokerau Māori Advisory Committee prior to the elections – with the final marae based workshop scheduled for September at Waimanoni Marae, Kaitiāia. At the meeting the committee discussed the work programme and milestones achieved during this triennium and approved a report making recommendations to the outgoing and incoming council as to the value of the committee, and the benefit of retaining the committee in the new council's governance structure.

Te Oneroa-a-Tōhē Board

A workshop was held on 19 August, in Kaitiāia, for Te Oneroa-a-Tōhē Board. A number of logistical matters were discussed, including confirmation of a Request for Proposal which seeks the services of an external consultant to support the Board to develop the Beach Management Plan (BMP). It's anticipated that the appointment of the consultant will be confirmed at 23 September Board meeting. Up until now, Board meeting have largely revolved around the establishment of the Board. The 19 August workshop marked the first step in the process to start developing the BMP and involved discussing / identifying the uses and values associated with the beach management area.

Kaipara Harbour Working Party

During August Council hosted the fourth meeting of the Kaipara Moana Working Party (consisting of Auckland Council, Kaipara District Council, Whangārei District Council and Northland Regional Council).

The August workshop marked a significant milestone in that Ngati Whatua was also invited to meet with the working party. A positive meeting was held, with both councils and Ngati Whatua agreeing to proactively work together with the intension to seek a Treaty settlement that both meets Ngati Whatua expectations and represents an outcome that's workable and supported by councils.

Council has a number of learnings from other Treaty settlements within Te Tai Tokerau (most recently through the settlement of Te Hiku claims) and is seeking to ensure these are addressed through the Kaipara settlement process. This includes ensuring that any settlement provides appropriate financial redress to support the management body and remediation activities for the harbour.

Enabling development of Maori Land

Whanaketia te whenua ka ora ai te Tangata is part of the Northland Forward Together programme of work. As previously reported, council is maintaining a watching brief at

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this stage until the scope and resource requirements are further clarified. Council is however engaging in the workstreams relating to rating on Maori land and GIS. These two work-streams met recently with Northland Regional Council nominated staff invited to attend. The rates workshop brought NRC staff up to speed as to rating nuance and current rating policies and their application by the Far North and Whangārei District Councils. Likewise, the GIS project group also met where the GIS land capacity model developed by Far North District Council was reviewed and discussed as a possible tool that all councils could utilise.

Governance Support

Council Workshop Topics – July and August 2016

- Purchase of Trefoil Park for environmental and educational purposes
- Purchase of 56 Gillies Street Kawakawa for future Hundertwasser Park development
- LGNZ Webinar: The LGA 2002 Amendment
- Hannah Street and CBD property consolidation strategy
- Pest control and Reconnecting Northland
- Regional Software Holdings Limited (RSHL)
- Chinese Investors
- Institute of Directors – governance training
- Sewage discharge from vessels – issues and options
- Economic Service Delivery Review
- Potential projects for end of year surplus
- The Code of Conduct
- Digital Enablement
- Waitangi Mountain Bike Park
- Trial Mid North Passenger Transport Service

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.

Council Property Update***Residential***

- A single Kotuku Street property is left to sell. The process is in train.

Commercial

- A commercial property sale by council is under agreement with settlement targeted for later in the year.
- An industrial property sale by council is under agreement with settlement targeted for mid-September.
- The purchase agreement of a Kawakawa property, intended to become part of the planned Hundertwasser Park, has settled. It has commercial occupancy with respectable returns. An opportunity for council staff to 'hotdesk' free space is being explored.

ISSUE: Te Tai Tokerau Māori Advisory Committee Review**ID:** A875814**To:** Council Meeting, 20 September 2016**From:** Jonathan Gibbard, Group Manager Strategy and Governance; and Rachel Ropiha, Kaiarahi Mātauranga Māori**Date:** 31 August 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input type="checkbox"/> Annual/Long Term Plan	<input checked="" type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

This paper provides council with the results of an internal review undertaken by Te Tai Tokerau Māori Advisory Committee of its achievements over the past triennium, the effectiveness and value of the committee measured against the committee's Terms of Reference and provides recommendations to council on the future of the committee.

The report '*Review and Future Focus of Te Tai Tokerau Māori Advisory Committee*' (refer **Attachment 1**), is based on feedback gathered from committee members via a working party of committee members (specifically established to undertake the review), a survey of all committee members and general feedback received throughout the triennium.

The purpose of the report is to provide information to the outgoing council, and inform the incoming council, when considering the council's governance structure post elections.

Legal compliance and significance assessment:

The activities detailed in this report are part of the council's day to day operations, are provided for in the council's 2015–2025 Long Term Plan, and are in accordance with the council's decision making process and with sections 76–82 of the Local Government Act 2002. The matter does not trigger the council's Significance Policy; however, it may be of significance to the non-elected members of the Te Tai Tokerau Māori Advisory Committee and wider Māori communities of Northland.

Recommendation:

That the report 'Te Tai Tokerau Māori Advisory Committee Review', by Jonathan Gibbard, Group Manager Strategy and Governance; and Rachel Ropiha, Kaiarahi Mātauranga Māori, and dated 31 August 2016, be received.

ATTACHMENT 1

Report: Review and future focus of Te Tai Tokerau Māori Advisory Committee

Executive Summary:

The report provides a brief summary of the achievements of Northland Regional Councils Te Tai Tokerau Māori Advisory Committee (a standing committee of council) and provides recommendations to the outgoing and incoming councils as to its future role, function and make-up, should the new council (post 2016 elections), re-establish the standing committee as part of its governance structure.

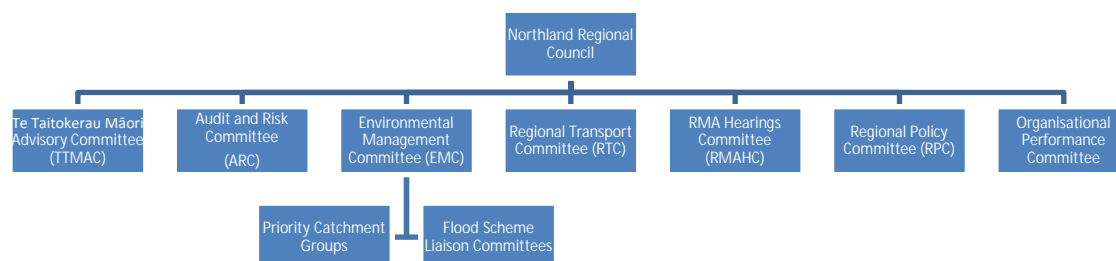
The report concludes that the committee should be viewed as a positive step in the right directions towards building a lasting relationship between council and Māori and that the committee should be re-established post 2016 local body elections. While progress has been slow, and at times frustrating for some members, there is an overwhelming desire to continue this journey and recognition that more time is required for the committee to achieve the outcomes of its terms of reference and develop a true working partnership.

Background:

There are specific requirements for local government to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision making processes (primarily through the Resource Management Act 1991 and Local Government Act 2002 – please refer [Appendix 1](#) for relevant legislative extracts).

In 2013 council established a standing committee of council - namely the Te Tai Tokerau Māori Advisory Committee (the committee) – as one way for council to recognise and provide for these obligations. The committee membership consists 26 iwi/hapū and four council seats - all with full voting rights.

The committee sits at the same level as councils other standing committees and is the highest form of committee a council can establish (see below for councils current committee structure).



Following the triennial local body elections (8 October 2016), the new council will consider its governance structure, including the establishment of standing committees. The committee considered it appropriate to prepare a report to be presented to the outgoing and incoming council, to help inform council when it considers whether to re-establish this standing committee, and if so, its role, functions and make-up.

Report:

In preparing this report, the committee established a small working party, consisting of Cr Samuels, Dimery, Carr and members Tipene, Shortland and Hohaia, to review the role, functions and make-up of the committee, what it has achieved, and collate a report for the committee to consider at its August 2016 meeting and approve recommendations to council.

As part of this review process, the working party agreed that it was necessary to canvas all committee members, seeking their views on key questions, and that that information should inform the final report. This information was collected via an electronic survey and is summarised below.

Snapshot of committee activities

While the committee was established in 2013, initial committee membership and development of the committee Terms of References was not confirmed until February 2015. Below, is a brief summary of committee activities between February 2015 and August 2016:

1. Nine formal committee meetings held (bimonthly).
2. Five Māori caucus sessions – providing an opportunity for non-elected members to discuss issues of interest prior to formal committee meetings.
3. Six marae based workshops held (bimonthly) at:
 - Waiora marae, Ngataki
 - Te Rāwhiti marae, Rāwhiti
 - Ōmanaia marae, Ōmanaia
 - Tuparehuia marae, Whangaruru
 - Hiruharama marae, Te Tii
 - Te Rerenga Parāoa Marae, Whangārei
4. Two focused workshops were held:
 - Oil Exploration Workshop 1 – providing an opportunity for the regulators and Statoil to present to the committee and council and answer questions.
 - Oil Exploration Workshop 2 – providing an opportunity for those opposed to the oil industry to present to the committee and council and answer questions.
5. Four working groups established:
 - Tangata Whenua Engagement Models – established to review council approach to engaging with tangata whenua during policy development and make recommendations to the committee as to how council can improve on its current engagement approach.
 - Māori Technical Advisory Group – the establishment of this 9 members working group is a direct result of the Tangata Whenua Engagement Models working group review and subsequent committee recommendation to council. The purpose of this working group is to provide input, from a Māori perspective, into the development of the Annual Plan/Long Term Plan, new Regional Plan and Regional Pest Management Strategy and Marine Pathways Plan.

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- Te Tai Tokerau Māori Advisory Committee Review – established to review the committee role, functions and make-up and provide a report back to the committee with recommendations for the outgoing and incoming council as to the future of the Te Tai Tokerau Māori Advisory Committee, post 2016 elections.
6. Two members of the committee were appointed to participate in the Regional Policy Committee workshops and provide cultural advice and input on tangata whenua specific policies as the council developed the new Regional Plan for Northland.
 7. Committee recommendations to council included:
 - Te Ture Whenua Māori Reform Bill - The committee recommended that council does not make a submission to the Te Ture Whenua Māori Act 1993 Reforms.
 - Resource Management Act Law Reforms - The committee recommended to council that the central government proposed model of an “iwi participation arrangement” should not be supported and that council advocate for a model that provides for both iwi and hapū participation and recognises Te Tiriti o Waitangi.
 - Māori economic development – The committee recommended to council that greater weighting be given to support Māori economic development by Northland Inc.
 8. The committee also received 32 information reports from council, either through staff presentation or written reports. A list of these is provided as Appendix 2.

Te Tai Tokerau Māori Advisory Committee survey results:

On 21 July an electronic survey was circulated to all committee members in order to gain wider committee feedback to help inform and shape this report. The survey was open for seven days (closing Wednesday 27 July).

Nine of the 28 committee members completed the survey (representing a 32% response rate).

Overall the results indicate that the respondents considered the committee to be worthwhile and a step in the right direction towards a stronger relationship between council and Māori and that the committee should be re-established post 2016 elections.

Below is a summary of the key results and themes expressed by those who completed the survey (consisting of 24 specific questions).

Member expectations

Members generally held similar expectations upon becoming a member of the committee, in that the committee would provide an opportunity *“To form a closer relationship between our hapū and regional council; mindful of our kaitiaki role in terms of resource management; and to collaborate with other hapū on issues of common interest.”* and *“That there would be a Māori voice within council and that it would be taken seriously.”*

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Members were asked to rate the degree to which they thought their expectations had been met. 56% of respondents disagreed that their expectations had been met, while 11% were neutral and 33% agreed. Respondents comments included:

- *I do not believe that my expectations have not been met – as with all council designed and driven initiatives, there effectiveness can only be measured over time. We have not been established long so this kaupapa is yet to prove its worth in catering for hapū needs and aspirations. In light of these facts, our hapū believes this initiative has potential and highly recommends that TTMAC remain active, in order to accomplish our desired outcomes as Treaty partners.*
- *My understanding/needs may not be the same as NRC. The committee agenda was not that of the TTMAC. Issues raised by hapū were not dealt with but were referred to other local councils. Coordination for hapū across the rohe was limited. Could have been more responsive to hapū needs.*
- *The discussions had by the committee have no teeth, they are bound by council rules and regulations and fly in the face of tikanga.*

Effective advocate of Māori perspectives

Members were asked a range of questions relating to the committee's advocacy of Māori perspectives and the committee's effectiveness.

- Members were asked if they thought that the committee provided an opportunity to air and advocate for Māori (44% agreed and 22% strongly agreed) and 67% agreed and 11% strongly agreed that the committee was effective.
- 44% agreed and 11% strongly agreed when asked if they felt the committee was able to influence council policies and decisions, while 11% disagreed and 33% were neutral.
- 33% disagreeing and 33% were neutral when asked if the committee provided an opportunity to integrate Māori perspectives into council processes and policy.

A wide range of views were expressed by respondents to these questions with a range of supporting comments provided below:

- *I agree there were times when NRC listened and took on board our concerns, and there were times where we would both agree on various ideas, views and actions points – unfortunately their power over and ability to implement or action our agreed outcomes were limited as they were obligated to meet the desired outcomes of other council members whom did not attend our meetings nor did they reflect Tikanga Māori values – thus rendering their own members invisible.*
- *There was the sense of being listened to yet there remains an innate tension of 'competing interests' that's quite hard to put your finger on – While I agree I am making a difference, the real questions is 'what degree of difference' is being made; and how positive is it? A good reason to maintain continuity of the Māori Committee.*
- *The draft plan is significantly different to what it would have been without tangata whenua input.*

Committee make-up, structure and operations

Members were asked a range of questions relating to the committee make-up, structure and how it operated.

- 22% agreed and 33% strongly agreed that the committee provided a safe and open forum for discussion, while 22% were neutral and another 22% either disagreed or strongly disagreed.
- 56% agreed and 11% strongly agreed that the committee operated in a manner that reflected tikanga Māori while 33% were neutral.
- 78% agreed that NRC listened to the committee, while 22% disagreed.

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- 78% agreed that the size of the committee was right, while 22% were neutral.

Again a wide range of views were expressed by respondents to these questions with a range of supporting comments provided below:

- *I have always felt safe and open to express my hapū concerns (this is a positive step in the right direction for council and although there are still teething matters as with any newly established group, I strongly recommend that they continue these forums into the future).*
- *Would like to see Action sheet with outcomes/results to agree/strongly agree.*
- *Staff support was excellent. The committee is run as a council committee not under tikanga Māori apart from karakia and mihi. Tikanga Māori normally allows for more discussion on matters. The council members attendance and input was great. More councillors could attend to improve their understanding of Māori world views.*
- *I think there was a high degree of meaningful dialogue...not necessarily reaching consensus but that the issues were 'thrashed out' in a meaningful way. There is a remarkable level of respect shown by members towards each other despite quite divergent views across a wider range of social, economic and especially political views. Being listened to, in my view, is merely the obverse of active participation by members: this is key.*
- *It is important that TTMAC has complete coverage for the rohe.*
- *It's a shame we can't have meetings when a quorum is not achieved because there are always important kaupapa that need resulting – perhaps compromise by reducing the required quorum depending on the importance of the matters outstanding. I trust my peers judgement and decision making, so I have no problem supporting the idea of reducing these numbers if need be.*
- *The group is large but that is a reflection of Northland makeup of iwi and hapū. Working groups are good for specialist work required.*

Conclusion / Recommendations:

The committee notes that while small inroads may have been made, the committee and the impact were not insignificant given there was no opportunity prior to the establishment of this committee to sit with council at the council table. Committee members consider the committee to be a success and that retention of this committee was vital for council to enable it to fulfil its obligations but also in building a bridge between Māori and council and as such laying relationship foundations.

Te Tai Tokerau Māori Advisory Committee makes the following recommendations to council:

1. That the new council reconfirm its commitment to building a strong relationship with iwi/hapū, post 2016 triennial local body election, including through the retention of the Te Tai Tokerau Māori Advisory Committee.
2. That the current number of iwi/hapū members is appropriate to achieve geographic representation across Tai Tokerau and that the current membership be retained.
3. That council consider appointing more councillors to the committee, in order to improve greater councillor awareness and understanding of tangata whenua views, with the desired outcome that the committee's recommendations to council are actioned.

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4. That the quorum requirements for the committee be reduced. While this recognises the large committee size, and high proportion of the committee who are not councillors and have other competing commitments, member attendance is vital to the committee's success and member commitment to attend committee meeting is a pre requisite of committee membership.
5. That council clarify whether marae based workshops are a council workshop (facilitated by committee members) or a committee workshop. If they are a committee workshop, that council should facilitate the attendance of all committee members to attend these workshops, through the payment of meeting fees and travel allowance for all committee members (not just members whose rohe the workshop is held in).
6. That council increase the frequency of formal committee meetings to enable the committee to progress a work programme in a timelier manner. The committee recognises that this needs to be balanced against the desire to hold marae based workshops and that it's not possible to hold more than one meeting/workshop per month.
7. That the committee have more say as to what their work programme consists of and what matters they provide council with advice on (rather than it be driven by council).
8. That committee members are encouraged, and provided opportunities, to provide input into the committee agenda and work programme (recognising that any committee work programme must be within regional council legislative jurisdiction to influence).
9. That Te Tai Tokerau Māori Advisory Committee request council to seek permission from the other Northland councils for a TTMAC non-elected representative to be invited to attend meetings of the Northland Regional Governance Strategic Forum with full speaking rights.
10. That council seek a non-elected representative from Te Tai Tokerau Māori Advisory Committee, to be a member of the Environmental Management Committee, to represent Māori views and ensure a connection between the two committees.

Appendix 1: Legislative Extracts

Resource Management Act 1991

The Resource Management Act 1991 sets out how and what local authorities are required to do in regards to Māori and their relationship to the environment, and responsibilities in regards to the Treaty of Waitangi. When exercising its powers and functions sections 6, 7 and 8 prescribe the following;

Section 6 (a) Councils must recognise and provide for “the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other toanga”.

Section 7 (a) Councils must provide for ‘kaitiakitanga’.

Section 8 Requires councils to take into account the principles of the Treaty of Waitangi.

Local Government Act 2002

The Local Government Act 2002 expanded on this legal obligation by the inclusion of specific provisions relating to Māori. The emphasis of these provisions is on Māori participation in Council's decision-making rather than a requirement to consult.

Section 81 of the LGA prescribes the following;

- (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of council; and
- (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the council; and
- (c) provide relevant information to Māori for the above purposes.

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Appendix 2: List of TTMAC Information Items

Process and agenda template for marae based workshops
Long Term Plan 2015 - 2025
Roles and functions of Regional and District councils
Strategic Direction
Te Ture Whenua Māori Land Reforms
Fresh and coastal water management
TTMAC Work programme
TTMAC Caucus meetings
Te Karearea Strategic Partnership
Consents and monitoring
Swamp Kauri extraction and management
Hapu and Iwi Management Plans held by council
Regional Plan review process
Regional Plan – Tangata Whenua Issues and options
Identifying sites of significance to Tangata Whenua
Natural Hazard mapping project
Resource Management Law Reforms
Marsden Point Shipping proposal
Northland Inc Statement of Intent
Waiora Northland Water
Regional Pest Management Strategy
Civil Defence Emergency Management – Marae Preparedness Plans
Northland Transport Alliance
Treaty Settlement updates
Biosecurity Risks in Northland
Northland Regional Council Catchment Groups
Te Oneroa a Tohe Board
Local Elections 2016
Significance and Engagement Policy
Rates Remission and Postponement Policies
Review and future focus of Te Tai Tokerau Māori Advisory Committee
Marae based workshop reports (5)

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ISSUE: Receipt of Committee Minutes**ID:** A874282**To:** Council Meeting, 20 September 2016**From:** Chris Taylor, Governance Support Manager**Date:** 8 July 2016

Report Type:	<input checked="" type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The purpose of this report is to acknowledge the unconfirmed minutes of the following committees:

- Regional Policy Committee – 18 July 2016;
- Regional Transport Committee – 3 August 2016;
- Te Tai Tokerau Māori Advisory Committee – 11 August 2016;
- Finance Committee – 16 August 2016; and
- Environmental Management Committee – 29 August 2016.

The minutes for each committee will be circulated under separate cover.

Legal compliance:

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

Recommendation:

That the unconfirmed minutes of the:

- Regional Policy Committee – 18 July 2016;
- Regional Transport Committee – 3 August 2016;
- Te Tai Tokerau Māori Advisory Committee – 11 August 2016;
- Finance Committee – 16 August 2016; and
- Environmental Management Committee – 29 August 2016

be received.

ISSUE: Business with the Public Excluded**ID:** A876586**To:** Council Meeting, 20 September 2016**From:** Chris Taylor, Governance Support Manager**Date** 13 September 2016**Executive summary:**

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

Recommendations:

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

Item No.	Item Issue	Reason\Grounds
10.1	Confidential Minutes of the Council Meetings – 19 July 2016 and 16 August 2016	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.2	Receipt of Confidential Minutes	<p>The reason for excluding the public from the Finance Committee meeting (16 August 2016) is as stated in the minutes of the open section of that meeting.</p> <p>The reason for excluding the public from the Economic Development Working Party (29 August 2016) is the public conduct of the proceedings would be likely to result in the 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) 7(2)(i).</p>

10.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons 7(2)(a).
10.4	Extension to the City of Whangārei (CityLink) Bus Service for a Further Period of Nine Months	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, commercial activities 7(2)(h)).
