

NORTHLAND REGIONAL COUNCIL

Agenda

For meeting to be held in the Council Chamber,
36 Water Street, Whangārei, on Tuesday 22 August 2017,
commencing at 10.30 am

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>AMP – Asset Management Plan/Activity Management Plan</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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TITLE: Health and Safety Report

ID: A974188

To: Council Meeting, 22 August 2017

From: Tracey Warboys, Health and Safety Specialist

Date: 2 August 2017

Executive summary

This report provides an update from the Health and Safety Specialist for the month of July 2017.

Recommendation

1. That the 'Health and Safety Report' by Tracey Warboys, Health and Safety Specialist, dated 2 August 2017, be received.

Background

Summary of events (items of note)

Total of nine reports for the period – decrease in reporting by one against previous month.

- Incidents (four reports)

Unsecured tailgate of a moving truck struck a stationary NRC vehicle while staff member uploading notes at the back of the NRC vehicle. Impact damaged the door to the extent it could not be opened. Employee shaken but not injured. Full investigation undertaken with actions completed. Incident reported to Police who are investigating.

Two separate events involved staff slipping ascending internal stairs (superficial bruising to hip, shin and wrist).

Discomfort, pain and injury (one report).

Hazards (four reports)

Crushed left-hand index finger opening newly acquired step-ladder.

Internal policy review

- Draft Drug and Alcohol Policy revised and with Human Resources for comment – remains WIP. Talks underway to ascertain costs with potential providers that will manage drug testing training provision (general and escort requirements).
- Lone Worker and Fatigue Policies review underway.
- Annual due diligence report underway for EMT review and oversight.

Health and Safety Committee

- Meeting scheduled 16/08/17.
- Well-being plan in progress - remains WIP.

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

- Continued first aider training.
- Site visits/events – nil issues.
- WorkSafe will release the new Health and Safety at Work (Hazardous Substances) Regulations 2017 in December 2017. Currently rules and regulations are set under the Hazardous Substances and New Organisms Act (HSNO). A review of the regulations will be undertaken to identify variances between HSNO and future requirements under the new regulations.

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 10 August 2017

TITLE: Confirmation of Council Minutes – 18 July 2017 Council Meeting and 26 July 2017 Northland Regional Pest Management Plan Deliberations

ID: A971458

To: Council Meeting, 22 August 2017

From: Chris Taylor, Governance Support Manager

Date: 10 August 2017

Executive summary

The purpose of this report is to present for confirmation the minutes of the council meeting held on 18 July 2017, and the minutes of the Northland Regional Pest Management Plan Deliberations held on 26 July 2017.

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

Recommendation

1. That the minutes of the council meeting held on 18 July 2017, and the minutes of the Northland Regional Pest Management Plan Deliberations held on 26 July 2017, be confirmed as a true and correct record.

Attachments

- *Ordinary Council Minutes – 18 July 2017*
- *Northland Regional Pest Management Plan Deliberations Minutes – 26 July 2017*

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 14 August 2017

NORTHLAND REGIONAL COUNCIL

Minutes of the ordinary meeting of the council
held in the Council Chamber, 36 Water Street, Whangārei,
on Tuesday 18 July 2017, commencing at 10.30 am

Present:

Chairman, Bill Shepherd

Councillors:

John Bain

Justin Blaikie

Paul Dimery

Mike Finlayson

Penny Smart

Rick Stolwerk

Joce Yeoman

In Attendance:**Full Meeting**

Chief Executive Officer

Communications Manager

Governance Support Manager

Part Meeting

Northland Inc. Limited Chairman

Northland Inc. Limited Chief Executive

Northland Inc. Limited GM Infrastructure and Investment

Northland Inc. Limited Portfolio Manager TTNEAP

Northland Inc. Limited Business Analyst

GM – Strategy and Governance

GM – Corporate Excellence

Biosecurity Manager

Biosecurity Projects Manager

Resource Management Planning and Policy Manager

Resource Management Manager

Compliance Monitoring Manager

Policy Analyst

Natural Hazards Advisor

The Chairman declared the meeting open at 10.30 am.

Apologies (Item 1.0)**Moved (Shepherd/Bain)**

That the apologies for non-attendance from Councillor Sinclair 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.

Supplementary Item for Council Meeting 18 July 2017 (Item 2.0A)**ID: A952485****Report from Group Manager – Strategy and Governance, Jonathan Gibbard****Moved (Shepherd/Bain)**

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

- Supplementary Item 6.3: 'External Borrowing to Fund a Loan to Northland Emergency Services Trust'

be received.

Carried**Tabled Confidential Item for Council Meeting 18 July 2017 (Item 2.0B)****ID: A965975****Report from Lake Catchment Advisor, Will Trusewich****Moved (Shepherd/Bain)**

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

- Tabled Confidential Item 10.6: 'Delegation to Sign Funding Application'

be received.

Carried**Presentations (Item 3.1)****ID: A964680****Report from Governance Support Manager, Chris Taylor****Moved (Stolwerk/Finlayson)**

That the presentation from Jon Moore, Chief Executive Officer, Northport Limited, be received.

Carried*Secretarial Note:*

- *Northport Limited Chief Executive Officer, Jon Moore, was in attendance and provided the presentation 'Northport Ltd – 2017' which provided an overview of the company and its vision for the future.*
- *The document 'Projected Harvest and Export Volumes' was tabled.*

Health and Safety Report (Item 4.0)**ID: A962056****Report from Health and Safety Specialist, Tracey Warboys****Moved (Dimery/Bain)**

That the 'Health and Safety Report' by Tracey Warboys, Health and Safety Specialist, and dated 4 July 2017, be received.

Carried

Confirmation of Council Minutes – 20 June 2017 Council Meeting and 27 June 2017 Extraordinary Council Meeting (Item 5.1)

ID: A961687

Report from Governance Support Manager, Chris Taylor

Moved (Finlayson/Blaikie)

That the minutes of the council meeting held on 20 June 2017, and the minutes of the extraordinary council meeting held on 27 June 2017, be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.2)

ID: A961861

Report from Governance Support Manager, Chris Taylor

Moved (Stolwerk/Smart)

That the council action sheet be received.

Carried

Council Working Party Updates (Item 5.3)

ID: A959184

Report from Group Manager – Strategy and Governance, Jonathan Gibbard

Moved (Smart/Stolwerk)

That the report 'Council Working Party Updates' by Jonathan Gibbard, Group Manager – Strategy and Governance, and dated 10 July 2017, be received.

Carried

Council Working Group Updates (Item 5.4)

ID: A959196

Report from Group Manager – Environmental Services, Bruce Howse

Moved (Finlayson/Blaikie)

That the report 'Council Working Group Updates' by Bruce Howse, Group Manager – Environmental Services, and dated 5 July 2017, be received.

Carried

Externally Managed Funds: Amendments to the Statement of Investment Policies and Objectives (Item 6.1)

ID: A962692

Report from Finance Manager, Simon Crabb

Moved (Bain/Smart)

1. That the report 'Externally Managed Funds: Amendments to the Statement of Investment Policies and Objectives' by Simon Crabb, Finance Manager, and dated 7 July 2017, be received.

2. That the Property Reinvestment Fund SIPO asset mix benchmark is amended to 50% income assets and 50% growth assets by incorporating the changes marked up in **Attachment 1** pertaining to Item 6.1 of the 18 July 2017 council agenda, and that the adjustments presented in Table One are undertaken.
3. That the Infrastructure Investment Fund SIPO asset mix benchmark is amended to 70% income assets and 30% growth assets by incorporating the changes marked up in **Attachment 2** pertaining to Item 6.1 of the 18 July 2017 council agenda, and that the adjustments presented in Table Two are undertaken.
4. That the Working Capital Fund SIPO asset mix benchmark is amended to 80% income assets and 20% growth assets by introducing the Castle Point 5 Oceans Fund and the Milford Diversified Income Fund and incorporating the changes marked up in **Attachment 3** pertaining to Item 6.1 of the 18 July 2017 council agenda.

Carried

\$2.96M of External Borrowing to Replace All Remaining Internal Borrowing (Item 6.2)

ID: A962138

Report from Finance Manager, Simon Crabb

Moved (Blaikie/Bain)

1. That the report '\$2.96M of External Borrowing to Replace All Remaining Internal Borrowing' by Simon Crabb, Finance Manager, and dated 7 July 2017, be received.
2. That council enters into a loan from the Local Government Funding Agency up to \$3,008,131 (inclusive of 1.6% Borrower Notes) over a 15-year term at a fixed borrowing cost in the range of 4.61% per annum to 4.96% per annum, to replace council's remaining internal borrowings as at 30 June 2017.
3. That the borrowed funds are invested into the Infrastructure Investment Fund upon receipt.

Carried

External Borrowing to Fund a Loan to Northland Emergency Services Trust (Item 6.3 and Supplementary Item 6.3)

ID: A963703 and A963763

Report from Group Manager – Strategy and Governance, Jonathan Gibbard

Moved (Bain/Stolwerk)

1. That the report 'External Borrowing to Fund a Loan to Northland Emergency Services Trust' by Jonathan Gibbard, Group Manager –Strategy and Governance, and dated 11 July 2017, be received.
2. That council adopts the Statement of Proposal (Attachment 1 pertaining to Supplementary Item 6.3 of the 18 July 2017 council agenda) and approves the release of this document for consultation pursuant to sections 82 and 82A of the Local Government Act 2002.

3. That council approves a two-week consultation period, including the opportunity for members of the public to provide written and oral feedback to council during this period.
4. That council delegates to the Group Manager – Strategy and Governance the authority to make any necessary minor formatting, accuracy, typographical, and administrative changes to the Statement of Proposal prior to public consultation.

Carried

Secretarial Note: Councillor Blaikie requested that the motion pertaining to Item 7.1, expressed in parts, be decided part by part (as per Standing Order 22.3).

Kawakawa Hundertwasser Park Centre – Property and Funding Contribution (Item 7.1)

ID: A962402

Report from Economist, Darryl Jones

Moved (Dimery/Smart)

1. That the report 'Kawakawa Hundertwasser Park Centre – Property and Funding Contribution' by Darryl Jones, Economist, and dated 6 July 2017, be received.

Carried

It was further moved (Stolwerk/Shepherd)

2. That council decline the opportunity to sign the draft Memorandum of Understanding for the Project Partnership Group as contained in Attachment 3 pertaining to Item 7.1 of the 18 July 2017 council agenda.

Lost

An additional motion was moved (Finlayson/Bain)

That council accepts the opportunity to sign the draft Memorandum of Understanding for the Project Partnership Group (the Group) as contained in Attachment 3 pertaining to Item 7.1 of the 18 July 2017 council agenda and that Councillor Blaikie be appointed as the Northland Regional Council representative on the Group.

Carried

It was further moved (Finlayson/Dimery)

3. That council agree to make the property at 56 Gillies Street, Kawakawa, available for purchase by Far North Holdings Limited at a price of no less than \$485,000 plus GST (if any).

Carried

It was further moved (Blaikie/Smart)

4. That council agree to allocate \$500,000 (excluding GST) from the Investment and Growth Reserve (IGR) as Impact Investment funding to the Kawakawa Hundertwasser Park Community Trust to support the construction of the Kawakawa Hundertwasser Park Centre.

Carried

It was further moved (Blaikie/Smart)

5. That council agree to make available to Far North Holdings Ltd or Far North District Council a loan facility of up to \$318,000 (plus GST) at a rate of 7% per annum for a term of up to five years from the Investment and Growth Reserve as a further funding commitment to support the development of the Kawakawa Hundertwasser Park Centre.

Carried**It was further moved (Blaikie/Finlayson)**

Secretarial Note: Clarification was provided that the requirements outlined in recommendation 6 related to both the conditions of funding (resolution 4) and the loan facility (resolution 5).

6. That the decisions to support the Kawakawa Hundertwasser Park Centre through the Investment and Growth Reserve (resolutions 4 – 5) are dependent on the proponents achieving the following requirements to council's satisfaction:
 - a. All necessary building and resource consents are obtained.
 - b. A fixed price construction tender that permits the project to proceed is secured.
 - c. Confirmation that funding required to cover the development of the Kawakawa Hundertwasser Park Centre has been obtained.
 - d. Details regarding the content of the gallery/museum component, and the conditions under which portions of the Kawakawa Hundertwasser Park Centre will be made available to the community.
 - e. Evidence of support for the project from the Hundertwasser Non-Profit Foundation.
 - f. A formal commitment from Far North Holdings Limited that should the Kawakawa Hundertwasser Park Centre ever be sold to a private operator the \$500,000 financial investment by Northland Regional Council will become repayable on settlement of sale.
 - g. An agreed list of performance and quarterly reporting mechanisms.
 - h. Appropriate security arrangements are put in place for the loan facility if taken up.

Carried**It was further moved (Blaikie/Smart)**

7. That council delegates to the Chief Executive Officer the authority to:
 - a. continue to engage with the proponents of Kawakawa Hundertwasser Park Centre to satisfy council's requirements as detailed in resolution 6; and
 - b. action resolutions 4 – 5 subject to the Chief Executive Officer's satisfaction that the requirements of resolution 6 have been met.

Carried**It was further moved (Stolwerk/Smart)**

8. That should the Chief Executive Officer not be satisfied that the requirements of resolution 6 have been met by 30 June 2018, then council's financial support for the project is likely to be withdrawn.

Carried

Councillors Finlayson and Blaikie voted against the motion.

It was further moved (Shepherd/Smart)

9. That council acknowledges that funding the project is contrary to the Long Term Plan 2015–2025 requirement that the proposal be recommended for funding by Northland Inc. However, the funding is a one-off allocation that will contribute to the completion of a project that aligns with other council investment decisions and benefits the Kawakawa community.

Carried

Release of Coastal Hazards Maps (Item 7.2)

ID: A961609

Report from Natural Hazards Advisor, Toby Kay

Moved (Stolwerk/Dimery)

1. That the report 'Release of Coastal Hazards Maps,' by Toby Kay, Natural Hazards Advisor, and dated 18 July 2017, be received.

Carried

It was further moved (Shepherd/Stolwerk)

2. That council resolves to consult with property owners in the newly mapped areas around the Whangārei Harbour before the coastal hazard mapping for Whangārei district is finalised and made available to the public via the online maps.

Carried

It was further moved (Dimery/Smart)

3. That council resolves to make the final coastal hazard maps for Far North District and Kaipara District available to the public via the online maps when those maps are finalised.

Carried

Northland Inc. Limited – SOI 2017–2020 and Annual Operational Funding for 2017/18 (Item 7.3)

ID: A961408

Report from Economist, Darryl Jones

Moved (Blaikie/Stolwerk)

1. That the report 'Northland Inc. Limited – SOI 2017–2020 and Annual Operational Funding for 2017/18' by Darryl Jones, Economist, and dated 7 July 2017, be received.
2. That council agree to Northland Inc. Limited's Statement of Intent 2017–2020 as set out in **Attachment 2** pertaining to Item 7.3 of the 18 July 2017 council agenda.
3. That council agrees to the approval of quarterly payments for operational funding upon receipt of an invoice from Northland Inc. For the 2017/18 financial year the total operational funding is \$1,222,176 (plus GST).

Carried

Northland Regional Council – Kiwi Coast Partnership (Item 7.4)**ID: A962023****Report from Biosecurity Projects Manager, Kane McElrea****Moved (Finlayson/Stolwerk)**

1. That the report 'Northland Regional Council – Kiwi Coast Partnership' by Kane McElrea, Biosecurity Projects Manager, and dated 4 July 2017, be received.
2. That council supports the Northland Regional Council – Kiwi Coast Partnership.
3. That council delegates authority to the Chief Executive Officer to negotiate and sign the partnership agreement between NRC and the Kiwi Coast Trust.

Carried**Representative on Te Au Mārie 1769 Sestercentennial Charitable Trust (Item 7.5)****ID: A962175****Report from Governance Support Manager, Chris Taylor****Moved (Blaikie/Finlayson)**

1. That the report 'Representative on Te Au Mārie 1769 Sestercentennial Charitable Trust' by Chris Taylor, Governance Support Manager, and dated 6 July 2017, be received.
2. That Councillor Stolwerk be appointed as the Northland Regional Council representative on Te Au Mārie 1769 Sestercentennial Charitable Trust (the Trust).
3. That, for the avoidance of doubt, Councillor Stolwerk be eligible for vehicle mileage and travel allowances to attend meetings of the Trust.

Carried**Proposed National Environmental Standard for Marine Aquaculture (Item 7.6)****ID: A961344****Report from Policy Development Manager, Ben Lee****Moved (Bain/Stolwerk)**

1. That the report 'Proposed National Environmental Standard for Marine Aquaculture' by Ben Lee, Policy Development Manager, and dated 5 July 2017, be received.
2. That if a submission is to be prepared on the Proposed National Environmental Standard for Marine Aquaculture, staff work with the Policy Working Party to prepare the submission.
3. That the Chairman and Chief Executive Officer be delegated the power to make a submission on the Proposed National Environmental Standard for Marine Aquaculture on council's behalf.

Carried

Proposed National Environmental Standard for Outdoor Storage of Tyres (Item 7.7)

ID: A961481

Report from Policy Analyst, Michael Payne

Moved (Stolwerk/Bain)

1. That the report 'Proposed National Environmental Standard for Outdoor Storage of Tyres' by Michael Payne, Policy Analyst, and dated 4 July 2017, be received.
2. If a submission is to be prepared on the Proposed National Environmental Standard for Outdoor Storage of Tyres', staff work with the Policy Working Party to prepare the submission.
3. That the Chairman and Chief Executive Officer be delegated the power to make a submission on the Proposed National Environmental Standard for Outdoor Storage of Tyres on council's behalf.

Carried

Letter of Appreciation to Catchment Group Members (Item 7.8)

ID: A961566

Report from Resource Management – Planning and Policy Manager, Justin Murfitt

Moved (Yeoman/Blaikie)

1. That the report 'Letter of Appreciation to Catchment Group Members' by Justin Murfitt, Resource Management – Planning and Policy Manager, and dated 5 July 2017, be received.
2. That staff draft a letter of appreciation to be sent to catchment group members on behalf of council under the signature of the Chairman and Chief Executive Officer.

Carried

Regional Software Holdings Limited Statement of Intent 2018–2020 (Item 7.9)

ID: A962872

Report from Group Manager – Corporate Excellence, Dave Tams

Moved (Blaikie/Dimery)

1. That the report 'Regional Software Holdings Limited Statement of Intent 2018–2020' by Dave Tams, Group Manager – Corporate Excellence, and dated 5 July 2017, be received.
2. That council agree to Regional Software Holdings Limited's Statement of Intent 2018–2020 as set out in **Attachment 1** pertaining to Item 7.9 of the 18 July 2017 council agenda.

Carried

Chairman's Report to Council (Item 8.1)**ID: A960132****Report from Chairman, Bill Shepherd****Moved (Shepherd/Finlayson)**

That the report 'Chairman's Report to Council' by the Chairman, Bill Shepherd, and dated 6 July 2017, be received.

Carried

Secretarial Note: A point of clarification – Lockwood Smith was a Member of Parliament for Kaipara from 1984 to 1996.

Chief Executive's Report to Council (Item 8.2)**ID: A959163****Report from PA/Team Admin – Strategy and Governance, Sally Bowron****Moved (Shepherd/Stolwerk)**

That the report 'Chief Executive's Report to Council' and dated 7 July 2017, be received.

Carried**Receipt of Committee Minutes (Item 9.0)****ID: A961900****Report from Governance Support Manager, Chris Taylor****Moved (Stolwerk/Bain)**

That the unconfirmed minutes of:

- Civil Defence and Emergency Management – 6 June 2017;
- Regional Transport Committee – 7 June 2017; and
- Property Subcommittee – 12 June 2017

be received.

Carried**Business with the Public Excluded (Item 10.0)****ID: A964590****Report from Governance Support Manager, Chris Taylor****Moved (Shepherd/Stolwerk)**

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	Confirmation of Confidential Minutes of the Council Meeting – 20 June 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.2	Receipt of Confidential Committee Minutes – Property Subcommittee 12 June 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
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	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 out, without prejudice or disadvantage, commercial activities 7(2)(h), and to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 7(2)(i).
10.5	Marsden Maritime Holdings Ltd – Appointment of Directors	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).
10.6 (tabled)	Delegation to Sign Funding Application	The public conduct of the proceedings would be likely to result in disclosure of information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied 7(2)(c)(i).

Carried

Secretarial Note: The meeting adjourned at 12.21 pm and Councillors Dimery and Yeoman left at this time. The meeting reconvened at 1.02 pm in public excluded.

CONCLUSION

The meeting concluded at 1.23 pm.

NORTHLAND REGIONAL COUNCIL

Minutes of the Northland Regional Pest Management Plan Deliberations
held in the Council Chamber, 36 Water Street, Whangārei,
on Wednesday 26 July 2017, commencing at 10.30 am

Present:

Chairman, Bill Shepherd

Councillors:

Justin Blaikie
Paul Dimery
Mike Finlayson
David Sinclair
Penny Smart
Rick Stolwerk
Joce Yeoman

In Attendance:**Full Meeting**

Chief Executive Officer
Biosecurity Manager
Biosecurity Specialist – Science and Planning
Biosecurity Projects Manager
Governance Support Manager

Part Meeting

GM – Environmental Services

The Chairman declared the meeting open at 10.33 am.

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

That the apologies for non-attendance from Councillor Bain 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.

**Decisions on Northland Regional Pest Management Plan
2017–2027 (Item 3.1)****ID: A963609****Report from Biosecurity Manager, Don McKenzie; and Biosecurity Specialist –
Science and Planning, Sophia Clark****Moved (Shepherd/Sinclair)**

1. That the report 'Decisions on Northland Regional Pest Management Plan 2017–2027' by Don McKenzie, Biosecurity Manager; and Sophia Clark, Biosecurity Specialist – Science and Planning, and dated 14 July 2017, be received.
2. That the report 'Council Deliberations on the Northland Regional Pest Management Plan 2017–2027' (Attachment 1 pertaining to Item 3.1 of the

Northland Regional Pest Management Plan Deliberations Agenda dated 26 July 2017) be received.

3. That the report on s72 of the Biosecurity Act be received and that council is satisfied the requirements of section 72 of the Biosecurity Act 1993 have been met (Attachment 2 pertaining to Item 3.1 of the Northland Regional Pest Management Plan Deliberations Agenda dated 26 July 2017).
4. That council give approval to staff to prepare the final plan under section 73 of the Biosecurity Act.
5. That council approves the Northland Regional Council as the management agency for the Northland Regional Pest Plan pursuant to section 73(2) of the Act.
6. That Bruce Howse, Group Manager – Environmental Services, be given delegated authority to approve any consequential amendments as a result of council decisions on submissions and any minor accuracy and grammatical amendments.

Carried

It was further moved (Finlayson/Stolwerk)

7. That reference to the National Pest Plant Accord as a statutory document be added to Section 2 of the Northland Regional Pest Management Plan 2017–2027 (NRPMP).
8. Include the addition of plague skink, hedgehogs, Indian myna, wasps, Canada geese and magpies as council supported community pest control area species to Appendix 1 in the NRPMP with no additional rules for these species.
9. Include the addition of alligator weed, hornwort and Lagarosiphon and Egeria spp. to Appendix 1 in the NRPMP with no additional rules for these species.
10. That wild kiwifruit be named as a pest organism in Section 4 Organisms declared as pests.
11. Remove rules 6.1.3 and 6.1.4 from the Exclusion plants section.
12. That 'wild kiwifruit' be removed from the plants listed in Section 6.4.1 – plants banned from sale and distribution and that wild kiwifruit be added to Section 6.2 Eradication plants and that a rule be included to read 'Land occupiers within Northland must destroy all wild or abandoned kiwifruit vines on land they occupy'.
13. That definitions of 'wild' or 'abandoned' be added to clarify rules relating to wild kiwifruit.
14. That 'wild kiwifruit' be defined in Section 14 Glossary as "Any self-propagated or abandoned plant or any unmanaged plant material of the Actinidia genus".
15. That 'abandoned' in relation to wild kiwifruit be defined in Section 14 Glossary as "In relation to wild kiwifruit, the term 'abandoned' is defined as, means being untended or unmanaged for a period longer than 12 months".
16. Amend Bathurst bur rule 6.4.1 to include "If plants are found with burs present, all burs/plants are to be collected and incinerated or buried at least 0.5m underground".

17. Amend rules relating to removal of plants on the basis of health complaints; 6.4.2, 6.4.8, 6.4.9, 6.4.11, 6.4.12, 6.4.17 to include the following distances:
 - a. Brazilian pepper tree and woolly nightshade – 20m from the affected individual's residence or fixed workplace.
 - b. Phoenix palm and rhus trees – 5m from the affected person's property.
 - c. Privet and queen of the night – 50m from the affected person's property.
18. Remove the term 'Good neighbour rule' from rules 6.4.2, 6.4.8, 6.4.10, and 6.4.17.
19. Alteration of privet rule 6.4.9 to read "Good neighbour rule: Land occupiers within Northland must destroy all privet trees on their land within 50m of an adjacent or nearby property, where the adjacent land occupier is taking reasonable measures to manage privet. This rule will be enforced on receipt of a complaint from a directly affected person land occupier".
20. Remove the portion of rule 6.4.5, 6.4.7, 6.4.15 that reads "...and a 50m strip of land around the operational areas of a quarry".
21. That sharp rush (*Juncus acutus*), and black eyed susan (*Thunbergia alata*) be added to Sustained control plants, regionally banned from sale and distribution.
22. Alter section 6.4.1 name from Plant nurseries and retail outlets to "Plants banned from sale and distribution".
23. Addition of sulphur-crested cockatoo to section 7.1 Exclusion animals, and an exemption to rule 7.1.2 "sulphur-crested cockatoo may be held in captivity, bred and sold but not allowing their release into the wild".
24. Addition of blue tongued skink to section 7.1 Exclusion animals and an exemption to rule 7.1.2 "blue tongued skink may be held in captivity, bred and sold but not allowing their release into the wild".
25. Addition of bearded dragon to section 7.1 Exclusion animals and an exemption to rule 7.1.2 "bearded dragon may be held in captivity, bred and sold but not allowing their release into the wild".
26. Removal of feral deer from 'Sustained control animals' and include feral deer in a new 'Eradication animals' section.
27. Orfe to be added to section 9.1 Exclusion freshwater pests.
28. Add reference to MPI's unwanted marine organisms that are not currently in New Zealand in the body of section 10.2.
29. Add advice note following rule 10.2.1 to read "suitable measures include but are not limited to; ensuring all marine gear and equipment on a vessel or used in the marine environment is visibly clean and all on board residual seawater has been treated or is visibly clean and free of marine pests".
30. Addition of rule 10.2.2 "Where an authorised person identifies a property or structure or activity as high risk in the Coastal Marine Area, the owners must implement an approved management plan to reduce the risk of the identified marine pest from spreading".
31. Add advice note following rule 10.2.2 to read "Activity includes but is not limited to; dredging, marine farming (including transport of product or equipment), commercial fishing, tourism charters and marine construction".

32. Include definition of structure in Section 14 Glossary to read “structure means any building, equipment, device, or other facility made by people and which is fixed to land; and includes any raft”. This is aligned with the Resource Management Act 1991 definition of structure.
33. Rephrase rules 10.2.2 and 10.2.6 to read as ‘destroy’ instead of ‘kill’.

Carried

Secretarial Note: Council extended its appreciation to staff for the work required to finalise the Northland Regional Pest Management Plan 2017–2027.

CONCLUSION

The meeting concluded at 10.42 am.

TITLE: Receipt of Action Sheet
ID: A971733
To: Council Meeting, 22 August 2017
From: Chris Taylor, Governance Support Manager
Date: 10 August 2017

Executive summary

The purpose of this report is to enable the council to receive the current council action sheet.

Recommendation

1. That the council action sheet be received.

Attachments

- *Council Action Sheet*

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager – Strategy and Governance
Date: 14 August 2017

Council Actions new

IRISID	Current Status	Request Date	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.583826	Closed	21 Feb 2017	REQ	Council Rates and Rates Arrears	That FNDC provide a report detailing projections of council rates and rate arrears for the end of the year.	COMPLETE. A rates reconciliation paper, including the requested information, is included in the August council agenda.	07 Aug 2017	Council
REQ.585144	Closed	20 Jun 2017	REQ	Management of Foreign Exchange	That the Investment Subcommittee give consideration to the active management of foreign exchange.	COMPLETE. A report is included in the August council agenda.	10 Aug 2017	Council
REQ.585146	Closed	20 Jun 2017	REQ	Reporting to council	That the Environmental Monitoring reporting (in the Chief Executive's Report) include cumulative figures for the year. Also a draft forestry report to be prepared for council's consideration.	COMPLETE/ONGOING. At the June meeting, council did not support additional information being included in the CEO's Report. Subsequently the compliance graph for June 2017 was provided to Councillors Smart and Stolwerk.	26 Jul 2017	Council
REQ.585480	Closed	18 Jul 2017	RESO	Letter of Appreciation	That a letter of appreciation be sent to catchment group members on behalf of council under the signature of the Chairman and Chief Executive Officer.	COMPLETE. Letters have been sent.	10 Aug 2017	Council

TITLE: Council Working Party Update

ID: A970214

To: Council Meeting, 22 August 2017

From: Jonathan Gibbard, Group Manager – Strategy and Governance

Date: 3 August 2017

Executive summary

The purpose of this report is to update council on the recent discussions/activities of its respective working parties. Please note that working parties carry no formal decision-making delegations from the council.

Recommendation

1. That the report 'Working Party Updates' by Jonathan Gibbard, Group Manager – Strategy and Governance, and dated 3 August 2017, be received.
-

Natural Resources Working Party (Chair Cr Blaikie)

The Natural Resources Working Party met on 26 July 2017. Topics for discussion included the Lakes Implementation Plans, NRC Biodiversity role, Biodiversity Action Plan, Water Science Strategy and Update on Environment Fund funding decisions.

Following discussion, the Working Party provided advice on the following next steps:

- To convert the main messages of each Lakes Management Plan into a two-page communication listing the key points for each plan;
- To draft a condensed version of the Biodiversity Action Plan that will be more 'user friendly';
- To obtain feedback from the District Councils on the Water Science Strategy; and
- To prepare an agenda item to council to request an increase in the over allocation of the Environment Fund from 18% to 24%.

Planning Working Party (Chair Cr Yeoman)

The working party met on 26 July 2017. Topics for discussion included the submission on the Proposed National Environmental Standard for Outdoor storage of tyres, the Proposed National Environmental Standard for Marine aquaculture, Regional Plan – amendments to tangata whenua provisions, National planning standards, and Overview of the Policy and Planning team's non-regional plan related work

Following discussion, the Working Party provided advice on the following next steps:

- Support the draft submission presented the submission¹, with some amendments – that the 200m³ limit of stored tyres be per property (un-defined in proposed standard), that there are setbacks from commercial forest and DOC estate (managing risk of fire), and a requirement that the storage site be accessible to fire appliances.
- Agreed with the proposed amendments to the tangata whenua provisions in the Proposed Regional Plan in principle but wanted further clarification of some of the wording.

¹ The Chairman and Chief Executive Officer have delegated the power to make a submission on the Proposed National Environmental Standard for Outdoor Storage of Tyres on council's behalf.

TTMAC Working Party (Co-chair's Cr Dimery, member Tipene)

TTMAC Working Party was hosted by Te Uri o Hau members Connelly and Welsh at Te Hana O Te Ao Marama Marae, Te Hana on 6 July. The working party was represented by Councillors, Smart, Shepherd, Stolwerk and members Mahanga, Rameka (Chair) and Wells-Smith, and Connelly and Welsh as hosts.

Discussion topics included, Economic Development and developing a relationship NorthlandInc, RMA Planning, Roothing, TTMAC Working Party delegated functions and recent RMA amendments - specifically the Mana Whakahono A Rohe arrangements.

Te Uri o Hau whānau also raised the issue about strengthening regional relationships. That while they are grateful that Northland Regional Council had reaffirmed its relationship commitments (with the settlement Trust), that as a hapū, they sat across the regional boundaries of Auckland and Northland, therefore how could a tripartite relationship be mooted and built on.

Marine Management Working Party (Chair Cr Stolwerk)

The Marine Management Working Party met on 11 July 2017. The working party was attended by Vince Kerr and Carmen Hetaraka who provided background to the Mimiwhangata Proposal and current readiness to make an application under the Marine Reserves Act 1971. Supporting representatives from Royal Forest and Bird Protection Society, Ngātiwai Trust Board and a Whangaruru Marine and Coastal Area applicant also attended to give their support to council assisting with progressing the Mimiwhangata application.

Authorised by Group Manager:

Name: Jonathan Gibbard
Title: Group Manager – Strategy and Governance
Date: 14 August 2017

TITLE: Council Working Group Updates
ID: A970216
To: Council Meeting, 22 August 2017
From: Bruce Howse, Group Manager – Environmental Services
Date: 7 August 2017

Executive summary

The purpose of this report is to update council on the recent discussions/activities of its respective working groups. Please note that working groups carry no formal decision-making delegations from the council.

Recommendation

That the report 'Council Working Group Updates' by Bruce Howse, Group Manager – Environmental Services, and dated 7 August 2017, be received.

Ngunguru Working Group (Chair Cr Paul Dimery)

The Ngunguru Working Group met on 2 August 2017. Topics for discussion included:-

- Ngunguru Catchment Programme 2017-2023 – Plan was agreed upon with minor amendments.
- Farm Water Quality Improvement Plan and Soil Conservation Planting Plans – What these look like, how effective they are.

Following discussion, the working group agreed to:

- Begin work with the July 2017-June 2018 work plan;
 - Promote the Ngunguru Catchment Programme 2017-2023 to the community through media release and social media; and
 - Define responsibilities for erosion mitigation from small building sites in the catchment.
-

Authorised by Group Manager:

Name: Bruce Howse
Title: Group Manager – Environmental Services
Date: 7 August 2017

TITLE: Performance of Council's Externally Managed Funds to June 2017

ID: A972132

To: Council Meeting, 22 August 2017

From: Simon Crabb, Finance Manager

Date: 8 August 2017

Executive summary

Jonathan Eriksen will attend the August Council meeting to summarise the 2016-17 annual performance of council's externally managed funds. The annual returns and target objectives of each externally managed fund are presented below:

12 Months to 30-June-17 (not annualised)	CIF	PRF	IIF	WCF
Fund Return %	7.2%	5.8%	4.0%	3.0%
Fund Objective	4.9%	8.6%	4.8%	3.8%
Fund Over / Under Performance	2.3%	-2.8%	-0.8%	-0.8%

Recommendation(s)

1. That the report 'Performance of Council's externally managed funds to June 2017' by Simon Crabb, Finance Manager, and dated 8 August 2017, be received.
2. That the Investment Subcommittee review the likely direction of the NZ dollar and consider entering into a contract to hedge their exposure to currency risk when the New Zealand dollar gets to AUD 90 cents.

1. Community Investment Fund (CIF)

At 30 June 2017, the CIF had a market value of \$13.2M and performed as follows:

CIF	1 month		Quarter		YTD		1 year		Since inception	
	Return	Objective	Return	Objective	Return	Objective	Return	Objective	Return	Objective
	0.2%	0.4%	1.0%	1.2%	7.2%	4.9%	7.2%	4.9%	7.8%	4.9%

The actual year to date (ytd) CIF gains reported in council's P&L is \$878K, which is \$42K greater than the annual budget.

The growth of the CIF since its inception (31-12-12) is \$4.7M as detailed in Table 1.

Table 1

Community Investment Fund - Results since Inception	
Opening Balance (31-12-2012)	\$9,478,926
Deposits into Fund	\$0
Withdrawals from Fund	-\$861,717
Gains / (losses)	\$3,850,479
	\$12,467,687
Post Balance date adjustment (Aug 2016)	-\$160,000
Opening Balance 1 July 2016	\$12,307,689
Total gains earned on fund	\$ 878,083
CIF balance 30 June 2017 (prior to post balance date adjustments)	\$13,185,771

The \$13.2M closing balance in Table 1 reflects the CIF balance presented in the Funds report (attachment 1) and the proposed post balance date adjustments are discussed in agenda item 6.5. The recommendation of this item is that \$500K of the 2016-17 CIF gains is distributed to the Investment and Growth Reserve (IGR) and \$192K is reinvested back into the CIF, resulting in a closing CIF balance of \$13M (being \$12.5M CIF funds and \$500K tagged as IGR funds)

2. Property Reinvestment Fund (PRF)

At 30 June 2017, the PRF had a market value of \$20.75M and performed as follows:

PRF	1 month		Quarter		YTD		1 year		Since inception	
	Return	Objective	Return	Objective	Return	Objective	Return	Objective	Return	Objective
	0.7%	0.7%	1.8%	2.1%	5.8%	8.6%	5.8%	8.6%	8.7%	7.4%

The actual ytd PRF gains reported in council's P&L are \$1.063m, which is \$441K lower than the annual. The growth of the PRF since its inception (October 2014) is \$2.5M as detailed in Table 2.

Table 2

Property Reinvestment Fund - Results since Inception	
Opening Balance	0
Borrowed Funds deposits	\$7,007,416
Property Sale Proceeds	\$10,870,832
Property Purchases	\$0
Gains / (losses)	\$1,487,605
	\$19,365,853
Post balance date adjustment (Aug 2016)	-\$1,181,519
Opening Balance 1 July 2016	\$18,184,334
Property Sale Proceeds 16-17	\$3,218,851
Property Purchases 16-17	-\$1,721,024
Gains / (losses) 16-17	\$1,063,040
Closing balance 30 June 2017 (prior to post balance date adjustments)	\$20,745,202

The \$20.75M closing balance in Table 2 reflects the PRF balance presented in the Funds report (attachment 1) and the proposed post balance date adjustments are discussed in agenda item 6.5. The recommendation of this item is that the \$273K (budgeted amount) of 2016-17 gains is reinvested back into Fund.

3. Infrastructure Investment Fund (IIF)

At 30 June 2017, the IIF had a market value of \$6.26M and performed as follows:

IIF	1 month		Quarter		YTD		1 year		Since inception	
	Return	Objective	Return	Objective	Return	Objective	Return	Objective	Return	Objective
	0.0%	0.4%	-0.5%	1.2%	4.0%	4.8%	4.0%	4.8%	3.4%	4.8%

The actual year to date IIF gains reported in council's P&L are \$244K, which is \$84K lower than the annual budget. The growth of IIF since its inception (August 2015) is \$381K as detailed in Table 3.

Table 3

Infrastructure Reinvestment Fund - Results since Inception		
Opening Balance		\$0
Borrowed Funds deposits		\$5,992,584
Depreciation funding collected		\$33,153
Gains / (losses)		\$137,244
		\$6,162,981
Post balance date adjustment (Aug 2016)		-\$137,244
Opening Balance 1 July 2016		\$6,025,737
Gains / (losses) 16-17		\$243,841
Closing balance 30 June 2017 (prior to post balance date adjustments)		\$6,269,579

The \$6.2M closing balance in Table 3 reflects the IIF balance presented in the Funds report (attachment 1) and the proposed post balance date adjustments are discussed in agenda item 6.5. The recommendation of this item is that there is no reinvestment of IIF gains, and \$33K of net depreciation funding is transferred into the fund.

4. Returns earned on Borrowed funds versus Cost of Borrowed Funds

The returns earned on the borrowed funds invested in the PRF and IIF are \$151K greater than the costs of these borrowings. Furthermore, the returns earned on the proceeds of the property sales invested in the PRF are \$252K greater than the foregone rentals associated with these sold properties.

5. Working Capital Fund (WCF)

The WCF had a quarterly negative return of -2.0% underperforming its quarterly target of 0.9% by -2.9%. This negative return is heavily influenced by the Blackrock NZD return of -3.7%, which is a result of the positive change in the AUD/NZD cross rate. The underlying AUD return of the Blackrock Fund is 1.4% for the quarter and 6.4% for the year to date.

The balance in the Working Capital Fund in the accounts is \$6.67M, which includes a deposit of \$2.250M made to AMP on the 30 June that was not recognised by AMP until the 3 July 2017. The Eriksen's report reflects a WCF balance of \$4.42M.

6. Foreign Currency Risk and Hedging

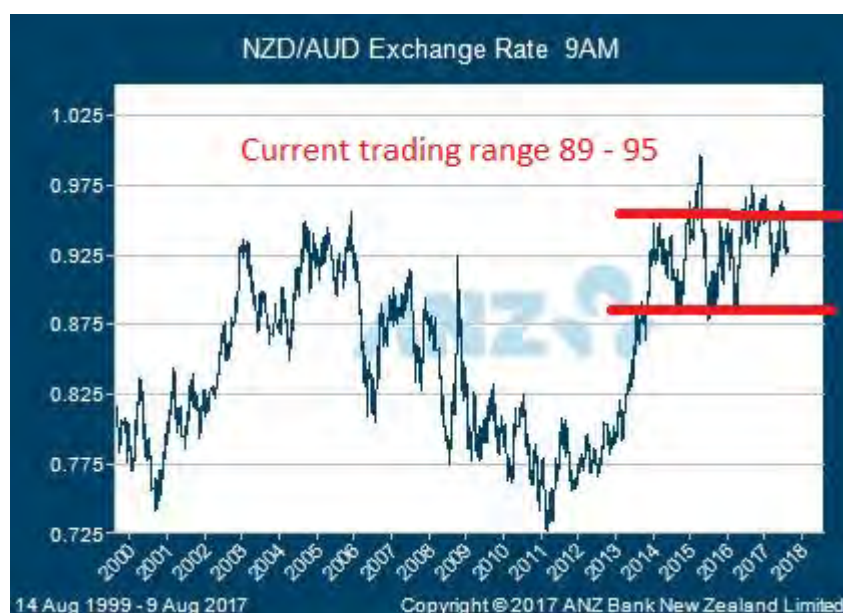
Council has AUD6.0M invested in Externally Managed Funds that are denominated in Australian dollars, currently unhedged and are therefore valued at NZD6.5M on NRCs balance sheet at today's exchange rates (0.9300).

The NZD investment in each fund, the underlying returns in AUD and the corresponding returns in NZD adjusted for exchange rate movements are presented in Table 4.

Table 4

Fund	Fund Manager	NZD Amount 30-6-2017	Quarterly Return		1 Year Return	
			AUD Return	NZD Unhedged Return	AUD Return	NZD Unhedged Return
CIF	Schroders Real Return Fund +5%	\$2,189,251	0.7%	-3.3%	6.9%	7.1%
IIF	Schroders Real Return Fund +3.5%	\$1,441,500	0.8%	-3.2%	5.5%	6.2%
IIF	Blackrock FIGO Fund	\$1,073,172	1.3%	-2.7%	-	-
WCF	Blackrock FIGO Fund	\$1,745,628	1.4%	-3.7%	-	-
Total Investment subject to Currency Risk		\$6,449,551				

To illustrate the impacts of currency risk on both the investment values in council's balance sheet and the investment returns shown in the P&L, the graph below shows the NZD/AUD over the period from 2000 to the present. This graph shows a current 'trading range' between .8900 and .9500 which has been maintained since 2015.



As an Example, if we model that NRC purchased its AUD investments in 2015 at an exchange rate of .8900 the foreign exchange impacts can be presented as follows:

NRC AUD Investments	Date	AUD (Millions)	Rate	NZD (Millions)
Purchased	2015	\$5.172	0.8900	\$5.811
Returns (assume 8%pa for 2 yrs.)		\$0.828	0.9100	\$0.910
Notional	2017	\$6.000		\$6.721
Actual		\$6.000	0.9300	\$6.452
Foreign exchange Losses in Millions				-\$0.270
as a %				-29.62%

This table shows by remaining unhedged (and using a simplified scenario) council has lost up to 29.62% of the returns on AUD denominated assets and will record a NZD270,000 loss over the 2 years since 2015. Although losses are recorded and reflected in our accounts, forex losses or gains will only crystallise when any funds are physically withdrawn.

Councillors should note that if (or more optimistically when) the NZD/AUD rate falls back to the bottom of the trading range (.8900) these **losses will reverse** – this being the ‘upside’ of remaining unhedged. However, if the cycle then repeats and strengthens from the low rate of .8900 towards .9500, council should consider hedging that ‘leg’ of the cycle to protect itself against the foreign exchange losses as illustrated above.

One strategy to manage or hedge currency risk is to enter into a forward exchange contract (FEC). The big question is what is the optimal exchange rate to enter into a FEC. The recommendation from our independent advisor is to review the likely direction of the exchange rate when the New Zealand dollar gets to around AUD 90 cents. At that level, it may pay to hedge if the NZ dollar seems likely to appreciate again.

The Investment Subcommittee will be fully briefed on the hedging products considered, the cost of the hedge (around 3-5bps plus the cost of margin calls when the hedge is rolled over) , and the duration of the hedge as well as any financial reporting or material risks incurred by entering any hedges.

Attachments:

- Attachment 1: Externally Managed Investment Funds Report (included in the Supporting Information)
-

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 10 August 2017

TITLE: Performance of Council's Internally Managed Funds to 30 June 2017

ID: A971989

To: Council Meeting, 22 August 2017

From: Kym Ace, Financial Systems Administrator

Date: 8 August 2017

Executive summary

Overall, council's investment portfolio (excluding the Externally Managed Funds) for the 12 months to 30 June 2017, has made a return of 4.68% against a budgeted return of 4.33%.

Performance and compliance against council's Treasury Management Policy is provided in this report and reporting for Externally Managed Investment Funds is provided in a separate agenda item (item 6.1).

Recommendations

1. That the report 'Performance of Council's Internally Managed Funds to 30 June 2017' by Kym Ace, Financial Systems Administrator, and dated 8 August 2017, be received.

1. Summary of performance

Investment Portfolio Return (excluding Externally Managed Investment Funds) for the 12 months to 30 June 2017			
Actual		Budget	
4.68%	\$6.54M	4.33%	\$5.91M

This \$635K favourable variance is predominantly due to:

- \$277K favourable dividend income.
The favourable dividend variance of \$277K is due to the greater than expected dividends received from Marsden Maritime Holdings. Actual dividends received totalled 14 cents per share compared to the budgeted 12.75 cents per share.
- \$316K favourable rental income.
Rental returns are greater than budget predominantly due to the budgeting assumption that 18–22 Carruth St (Anderson McLean) would be sold and earn no rental income. This property has remained in the portfolio throughout the 2016/17 financial year earning unbudgeted rental income. The sale of this property was anticipated to settle on 30 June 2017. At 30 June, this agreement was unconditional but proceeds have not been received.
- \$63K favourable interest income.
The interest income is greater than budgeted as the Investment & Growth Fund project funding has not come on line as anticipated.

2. Performance by investment type

The table below shows the rate of return by investment type (as a percentage of the average investment value per investment type).

Investment Portfolio (excluding Externally Managed Funds) to 30 June 2017			
Investment		Return	
Type	Market Value		
	\$ million	Actual	Budget
Cash	8.8	6.48%	6.45%
Bonds (AIAL)	0	6.73%	6.95%
Internal borrowings	2.9	7.00%	7.00%
Commercial Investment properties	45.4	6.17%	5.77%
Shares – MMH Ltd.	96.3	3.66%	3.33%
Total	\$153.4	4.68%	4.33%

Marsden Maritime Holdings Limited

Shares in Marsden Maritime Holdings Limited are valued in the table above at their 30 June 2017 market price of \$4.35 (notional value). The returns presented are the dividends as a percentage of the average notional portfolio value. Northland Regional Council holds 22,142,910 shares in Marsden Maritime Holdings Limited. The cost value of these shares is \$7,827,563 (35 cents per share).

3. Policy and Legislative Compliance

The activities detailed in this report are in accordance with council's Treasury Management Policy and the 2015–2025 Long Term Plan both of which were approved in accordance with council's decision making requirements of sections 76–82 of the Local Government Act 2002.

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 9 August 2017

TITLE: Regional Rates Collection for 2016/17

ID: A972700

To: Council Meeting, 22 August 2017

From: Simon Crabb, Finance Manager

Date: 7 August 2017

Executive summary

The purpose of this report is to provide information on councils rates transactions for the 2016-17 financial year, and present a summary of the outstanding rates owing at year-end (GST inclusive), and the rationale behind the calculation of the provision for doubtful debts.

Recommendation

1. That the report 'Regional Rates Collection for 2016/17' by Simon Crabb, Finance Manager, and dated 7 August 2017, be received.
2. That the Far North District Council report 'Revenue and Collections Quarterly Report 30 June 2017' be received.

Background

Confirmation of councils rates transactions for the year and the outstanding rates balance as at 30-6-2017 are provided by each district council as part of the year-end Annual Report process.

Attachment 1 is the Rates Reconciliation Statement for the year ended 30 June 2017. This reconciliation summarises council's rate strike, cash received, remissions, write-offs, penalties charged, the Maori freehold land impairment adjustment that are accounted for when calculating the amount of rates revenue and outstanding rate arrears in our year-end accounts.

Attachment 2 is the Rates Reconciliation Statement for the year ended 30 June 2017 excluding Maori freehold land impairment adjustments. This reconciliation is aligned to the balance of our rate arrears balance held in the FNDC books.

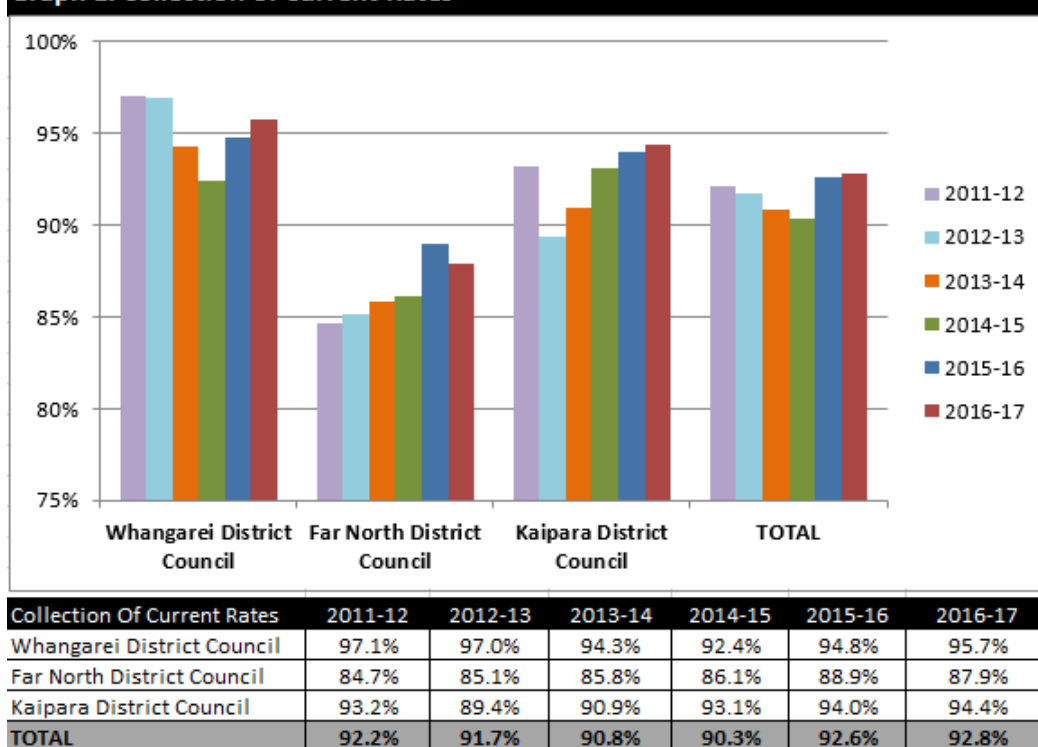
2016-17 Total Outstanding Rate Arrears

As at 30 June 2017, councils total outstanding rate arrears in its year-end accounts is \$2,950,921. This reflects a reduction of \$77,617 from last year's balance of \$3,028,538.

2016-17 Current Year Rates

In 2016-17 council received **92.8%** (2015-16: 92.6%) of the annual rates struck. The average current rates collection rate over the past three years is 91.9% (2015-16: 91.3%).

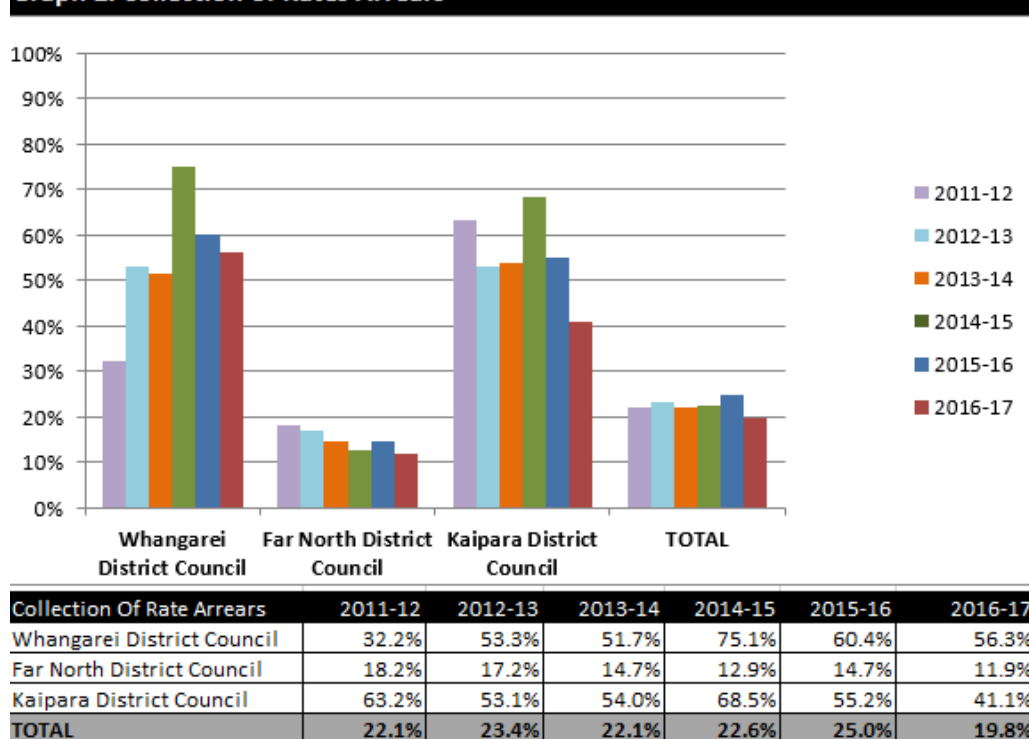
Graph 1 presents the level of current rates received per district council over the past six years.

Graph 1. Collection of Current Rates

Rates Arrears

Rate arrears (including penalty arrears) collected in 2016-17 totalled \$766,475 representing a collection rate of **19.8%** (2015-16: 25.0%) of the rates arrears balance at the start of the year excluding the MFL impairment adjustments. The average rate arrears collection rate over the past three years is 22.5% (2015-16: 24.1%).

Graph 2 below presents the collection rate of rate arrears per district council over the past six years.

Graph 2. Collection of Rates Arrears

Rating impairment required under IPSAS 23

The Accounting Standard IPSAS 23 governs the recognition and measurement of rating revenue and this standard stipulates that revenue is recognised when it is probable that council is going to receive payment.

Due to our historical experience of non-payment of rates on Maori Freehold Land, it was considered necessary (and confirmed as necessary by Deloitte) that the 2016-17 rates revenue struck on Far North Maori Freehold Land (MFL) should be reduced and a corresponding reduction made to the provision for doubtful debts expense. The overall effect is lower revenue, lower expenditure and **no impact on the bottom line** for the year. The amount of the MFL adjustment for 2016-17 was \$375,494 (2015-16: \$429,894)

Provision for Rate doubtful debts at 30 June 2017

Attachment 2 presents the provision for rate doubtful debts calculation at 30 June 2017.

The rationale behind the rates doubtful debt calculation is:

- All outstanding rate arrear penalties and rate postponements are 100% provided for.
- All other rate arrears are provided for by the 3 year average non-collection percentage specific to each District Council.
- The IPSAS rating revenue impairment is removed from the provision for doubtful debts, as it is already accounted for as reduced revenue.

Based on the above rationale the total provision for rate doubtful debts at 30 June 2017 is \$2,360,622, representing 80% of the total arrears balance and a reduction of \$32,709 from the previous year.

Far North District Council Revenue and Collections Quarterly Report 30 June 2016

Attachment 3 is a report provided by FNDC on the actions in place to collect current rates and rate arrears. Officers from FNDC will attend the 22 August meeting via a teleconference link to answer any questions relating to their report.

Attachments:

Attachment 1: Rates Reconciliation Statement for the year ended 30 June 2017 (included in the Supporting Information)

Attachment 2: Provision for rate doubtful debts calculation at 30 June 2017 (included in the Supporting Information)

Attachment 3: Revenue and Collections Quarterly report 30 June 2017 – provided by FNDC

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 8 August 2017

Item: 6.3
Attachment 3**MEETING: NORTHLAND REGIONAL COUNCIL MEETING****Name of item: REVENUE AND COLLECTIONS QUARTERLY REPORT**
30 June 2017

Author: Janice Smith – Chief Financial Officer

Date of report: 27 July 2017

Document number: A1894023

Executive Summary

The purpose of the report is to provide quarterly reporting to Northland Regional Council on action to collect current rates and rate arrears, and to provide information on how collection is tracking against targets.

1) Background:

This document has been prepared to highlight the actions taken by Far North District Council to manage the collection of the Northland Regional Council's rates and to reduce the monies outstanding. This report is prepared as at the end of the 3rd quarter of the financial year 2016/17 and provides a comparison between the 2015/16 and 2016/17 rating years.

2) Discussion and options

- Debt Management Team
 - The six parcels of abandoned land put out to tender in April 2017 were all purchased. Four cases all cleared the outstanding rates and provided for an additional \$22,500 of previously statute barred rates to be brought back to account and cleared. Two cases did not recover sufficient funds to clear the outstanding rates and the balance of \$19,000 had to be written off. Work is progressing on the notification of the next tranche of cases.
 - Debt officers have been "allocated" a case load to work on from the top 50 highest General Title arrears accounts. This continues to be the focus for the team in the coming months.
 - The team are continuing to
 - audit existing collection types to ensure minimum repayments are being met
 - Increase phone communications with those in arrears with no collection type in place
 - review accounts with collection agencies to ensure any long standing arrears are brought back to Councils Debt collection team to proceed

with the next appropriate course of action e.g. abandoned land or legal collection processes

- Unfortunately there has been a resignation in the team which has not yet been filled and this has reduced the team to three for the time being. It is hoped to find suitable options to support the team in the near future.
- A review of all debt management procedures being undertaken to ensure adequate monitoring and actions are proceeding in a timely manner.
- The ongoing promotion of the Internal Affairs Rates Rebates Scheme in day to day communications with Ratepayers and regular meetings with relevant community organisations is another key focus.

Collection Data

A breakdown of the current and arrears outstanding debt is summarised in the following table:

NRC Outstanding Debt as at 30 June 2017			
	General Title	Maori Freehold Land	Total
Rates Strike (full year)	7,791,738	667,313	8,459,051
Rates Adjustments/ Current Penalties/Rebates	-12,097	-74,451	-86,548
Current Rates Collected to 30 June 2017	-7,367,282	-193,354	-7,560,636
Current Rates to be collected	412,359	399,508	811,867
Arrears	712,627	1,851,801	2,564,428
Arrears Penalties	72,913	250,228	323,141
Less Arrears Collected	-330,717	-29,329	-360,046
Arrears to be collected	454,823	2,072,700	2,527,523
Total Debt to be collected	867,182	2,472,208	3,339,390

Current year collection on General Title rates was 94.5% whilst collection on Maori Freehold Land rates was 28.9%.

Collection of arrears on General Title rates has increased to 46.4% whilst collection of arrears on Maori Freehold Land rates has increased to 1.5%.

The total value of outstanding rates at the end of the year is \$3,339,390 compared to \$3,021,973 at June 2016.

Arrears Collection Type Analysis						
	Arrears \$			% of Collection Type to Total Debt to be Collected		
Collection Type	General Title	Maori Freehold Land	Total	General Title	Maori Freehold Land	Total
Direct Debits (repay arrears within 2 years - REP)	845	393	1,238	0%	0%	0%
Direct Debits other (not under REP)	10,894	14,021	24,914	1%	1%	1%
DMT Agreements to pay	8,493	56,250	64,744	1%	2%	2%
Extrenal Collection Agency	168,563	12,598	181,161	19%	1%	5%
Abandoned Land to be investigated	42,547	993	43,541	5%	0%	1%
Legal	14,427		14,427	2%	0%	0%
Deceased	29,473	4,637	34,110	3%	0%	1%
Mortgage demand action commenced	26,030	37	26,067	3%	0%	1%
Accounts with no mortgage debt recovery commenced	123,877	5,996	129,872	14%		
Total under above arrangements	425,150	94,924	520,074	49%	4%	16%
Balance to be collected by other means	442,032	2,377,284	2,819,317	51%	96%	84%
Total Debt to be collected	867,183	2,472,208	3,339,391	100%	100%	100%

As this is the final report for the year, the current rates outstanding will convert to arrears and are not yet under payment terms. This has increased the value of the “balance to be collected by other means” in this report.

Council's remission policies

Council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Maori freehold land. Overall the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. The following table shows the instance of remissions for each policy and the financial impact of these remissions.

Policy Name	Number Remissions Granted Year to date			
	2017		2016	
	Qty	\$value	Qty	\$value
Maori Freehold Land Remissions	722	\$ 177,595	451	\$ 68,522
Charitable or Community Organisations	50	\$ 8,469	39	\$ 6,041
Remission of Postponements	32	\$ 7,369	0	\$ -
Contiguous Properties	450	\$ 57,221	790	\$ 127,577
Porpoerties partly in District	1	\$ 76	0	\$ -
Conservation Property	211	\$ 18,243	225	\$ 25,013
Total	1,466	\$ 268,973	1,505	\$ 227,133

TITLE: Forest Management Plan - Reporting Actual Performance Against Targets 2016/17

ID: A970643

To: Council Meeting, 22 August 2017

From: Phil Heatley, Strategic Projects Manager

Date: 31 July 2017

Executive summary

The purpose of this report is to present the actual performance of council's forest holding against the prescribed actions of the Forestry Management Plan and budget for the 2016/17 financial year. It concludes with the recommendation that the report be received.

Council's forestry consultant, Ian Jenkins of Jenksmax Consulting Limited, will be available at the meeting to answer any questions.

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 82 of the Local Government Act 2002. In accordance with section 76 of the Local Government Act, this matter is not considered to be significant.

Recommendation

1. That the report 'Forest Management Plan – Reporting Actual Performance Against Targets 2016/17' by Phil Heatley, Strategic Projects Manager, and dated 31 July 2017, be received.

Report

1. 2016/17 Forest Harvest	
Forestry Management Plan - Prescribed Actions	Actual Actions Performed
<p>1.1 Harvest: The next planned harvest is 23 ha (11,000 tonnes - 1991 stand) scheduled for the summer of 2019/20, or when market conditions are favourable.</p> <p>Forest harvest expenses 2016/17 budget \$3.9K, for planning and inventory.</p>	<p>Achieved: No forest harvest activity undertaken in the 2016/17 year. Last harvest was Feb-June 2016.</p> <p>Actual costs of \$3.9K, inventory completed \$1.3K, some late harvest costs of archaeological sign off \$0.8K, FG levy \$0.7K and environmental \$1.1K.</p>

2. 2016/17 Forest Re-establishment	
Forestry Management Plan - Prescribed Actions	Actual Actions Performed
<p><u>2.1 Re-establishment:</u></p> <p>There was no replanting scheduled for 2016/17 financial year as harvest not completed till June 2016.</p> <p>Re-planting was planned for 2017 winter (July).</p> <p>2016/17 budget \$9.3K, for site prep, landing burn, pre-plant spray and tree stock deposits.</p> <p>Net stocked area at 30 June 2016 = 303 ha.</p>	<p>Achieved: All works completed, and site ready for planting.</p> <p>Actual spend was \$11.4 K, owing to under budgeting cost of landing burn, but all other costs came in at, or under budget.</p> <p>Net stocked area at 30 June 2017 = 303 ha, still down 16 ha awaiting July replant. Average age is now 15 years. 91% is now second rotation.</p>

3. 2016/17 Forest Operations	
Forestry Management Plan - Prescribed Actions	Actual Actions Performed
<p><u>3.1 Pruning, thinning and fertilising:</u></p> <p>2004 stand - 42 ha and 2005 stands – 21 ha fertilising (subject to foliar sampling).</p> <p>2016/17 budget \$35K.</p>	<p>Not required: The 2004 and 2005 stand foliar samples were within Forestry Management Plan specified levels and therefore fertilising was not required.</p> <p>Actual spend \$0.9K (sampling and analysis), saving of \$34K resulted.</p>

4. 2016/17 Forest Maintenance	
Forestry Management Plan - Prescribed Actions	Actual Actions Performed
<p><u>4.1 General forest maintenance:</u></p> <p>Maintenance as required (e.g. road maintenance, fencing, spraying, culverts, firebreaks, permits, etc).</p>	<p>Achieved: Forest roads sprayed, roads and culverts maintained, no major road repairs required due to storms, boundary fencing, forest gate and vandalism repairs, etc.</p>

2016/17 budget \$22.8K, including contingencies of \$11K.	Actual spend \$5K, savings of \$17.8K resulted as some maintenance covered under previous harvest costs (-\$3.8K), contingencies not required (-\$11K), spray costs (-\$2.8K under) fencing/gate repair cost (-\$0.2K) near budget cost.
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5. 2016/17 Other	
Forestry Management Plan - Prescribed Actions	Actual Actions Performed
5.1 Animal control: Ongoing control of forest pests.	Achieved: Council (Biosecurity Department) is implementing the pest and weed control plan effectively. Generally minimal damage was observed, ongoing possum and pig control.
5.2 KiwiLink CPCA: Ongoing control of forest pests. 2016/17 budget \$8K.	Achieved: Council (Biosecurity department) is implementing the KiwiLink CPCA. Actual spend \$4.7K.
5.3 Archaeological sites: Appropriate management of archaeological sites.	Achieved: All archaeological sites were preserved during 2016/17. Heritage NZ approval for site Q07/1075 in 1985 harvest area. Successfully harvested, no damage, signoff costs as per forest harvest expenses above.
5.4 Forest health: Monitor and maintain forest nutrition and health.	Achieved: The 2016/17 foliar sampling programme continued showing adequate foliar levels for tree growth and above the Forestry Management Plan trigger points for fertilising. Overall the forest is showing improving nutrient status. Part of the NZFOA Forest Health Surveillance Programme. Mt Tiger inspected and reported May 2016. No significant issues noted. Forest Health Surveillance Certificate current. 2017 results inspection and report pending.

<p><u>5.5 Fire prevention:</u> Monitor, mitigate risk, respond and control to any fire or threats to forest.</p> <p>2016/17 budget \$4.4K.</p>	<p>Achieved: NRC Fire Plan updated and response contract implemented for 2016/17 fire season. No fires or incidences were reported in the 2016/17 year.</p> <p>Actual spend \$2.8K.</p>
<p><u>5.6 Recreational use:</u> No formalised public access to the forest to be granted.</p>	<p>Achieved: No formalised public access to the forest was granted in 2016/17. Ongoing public casual entry continues. Efforts continue to curb undesirable trespass (e.g. motorbikes, hunters, etc).</p> <p>Waikaraka walkway group dialogue continued.</p>
<p><u>5.7 Emissions Trading Scheme:</u> Monitor and respond to NZETS opportunities and obligations as they develop.</p>	<p>Achieved: Replanting is meeting the obligations regarding the deforestation liability. A decision was made not to join as a post-1989 forest land owner.</p> <p>Monitoring is ongoing. Carbon NZU price slight fall from 2016 \$17.85/NZU to 2017 \$17.20/NZU. Holding.</p>
<p><u>5.8 Forestry insurance:</u> Maintain forest tree crop insurance and FRF Act cover.</p> <p>2016-17 budget \$7K.</p>	<p>Achieved: Forestry insurance was in place for the 2016/17 financial year and has been renewed for the 2017/18 financial year.</p> <p>Actual spend \$8.6K.</p>
<p><u>5.9 Forestry other:</u> Payments for rates, memberships, other, etc.</p> <p>2016/17 budget \$3.2K.</p>	<p>Achieved. Membership of NZFOA maintained. Rates paid.</p> <p>Actual spend \$2.6K.</p>
<p><u>5.10 Harvesting expenses, administration, consultancy</u> Payments for forest management, administration, valuation and consultancy.</p> <p>2016/17 budget \$24K.</p>	<p>Achieved. Includes forest management, some legal costs, tree crop valuation, etc.</p> <p>Actual spend \$25.5K.</p>

6. 2016/17 Financial Results	
2016/17 Annual Budget	2016/17 Actual Annual Performance
<p><u>6.1 Budgeted annual operating expenditure:</u> The budgeted operating figures were for the year ended 30 June 2017:</p> <p>Net harvest income \$0 Forest costs \$117.7K Net 2016/17 - \$117.7K</p>	<p><u>6.1 Actual annual operating expenditure:</u> Achieved with a favourable variance:</p> <p>Net harvest income \$0 Forest costs \$65.5K Net 2016/17 - \$65.5K</p> <p>The favourable variance (+\$52.2K or 55% spend) is predominantly due to:</p> <ul style="list-style-type: none"> • Reduced fertilising costs (\$34K) as the foliar sampling results showed the trigger points for performing fertilising were above the required levels prescribed in the Forestry Management Plan. • \$17.8K less spent on general forest maintenance, owing to favourable conditions, and deferrals. • \$0.4K less spent over all on other areas.
<p><u>6.2 Forest valuation 2015/16 (PBE IPSAS 27):</u> The forestry holding was valued at \$2.420 million as at 30 June 2016.</p>	<p><u>6.2 Forest valuation 2016/17 (PBE IPSAS 27):</u> The forestry holding was valued at \$2.783 million as at 30 June 2017.</p> <p>The valuation increase is 15%. It is mainly a result of tree growth (i.e. the forest estate is one year closer to maturity) and improved log prices and the lower valuation discount rate which more than offset increased harvest costs and forest costs.</p>
<p><u>6.3 NZ Units 2015/16 (ETS):</u> As at 30 June 2016 council held a total of 17,460 NZ Units valued at a total of \$311,425 (\$17.85 per Unit).</p>	<p><u>6.3 NZ Units 2016/17 (ETS):</u> As at 30 June 2017 council held a total of 17,460 NZ Units valued at a total of \$300,312 (\$17.20 per Unit).</p> <p>This results in a non-cash revaluations loss of \$11.1K</p>

7. 2016/17 Forest Management Plan	
7.0 Forest Management Plan: Maintain a current Forest Management Plan to guide forest management, planning and operations.	Achieved: The Forest Management Plan is up to date (2015–19) and was approved by council 7 May 2015 and is now in place and underpins the future forest programme.

Authorised by:

Name: Malcolm Nicolson
Title: Chief Executive Officer
Date: 9 August 2017

TITLE: Reinvestment of Gains Earned on Council's Externally Managed Funds

ID: A972258

To: Council Meeting, 22 August 2017

From: Simon Crabb, Finance Manager

Date: 4 August 2017

Executive summary

The purpose of this paper is to seek approval on the amount of gains to reinvest back into Community Investment Fund (CIF), Property Reinvestment Fund (PRF) and Infrastructure Investment Fund (IIF) for the 2015-16 financial year, with a view of balancing councils desire of developing a capital investment base and providing sufficient income to fund operations.

The recommendations in this report have been incorporated into the Draft Financial Result (refer agenda item 6.9); however councillors will have an opportunity to model any modifications at the meeting via an interactive spreadsheet.

Recommendations

1. That the report 'Reinvestment of Gains Earned on Council's Externally Managed Funds' by Simon Crabb, Finance Manager, and dated 4 August 2017, be received.
2. That \$692,311 of Community Investment Fund gains earned in 2016-17 is reinvested into the Community Investment Fund with \$500K of this amount set aside and tagged as Investment and Growth Funds.
3. That \$272,783 of Property Reinvestment Fund gains earned in 2016-17 is reinvested into the Property Reinvestment Fund;
4. That all of the Infrastructure Investment gains earned in 2016-17 are transferred to council's general funds and that \$33,000 of net depreciation funding is transferred to the Infrastructure Investment Fund.
5. That up to \$200,000 of funding from the Investment and Growth reserve is approved to cover the cost of Feasibility assessment and business case development in the 2017-18 financial year.

Report

Community Investment Fund (CIF) and Investment and Growth Reserve (IGR)

The gains earned from the CIF for the year was \$878K (\$42K above budget of \$836K). The budgeted reinvestment of CIF gains back into the fund is \$504K.

At the July Investment Subcommittee meeting, it was recommended that \$500K of the CIF gains be made available as Investment and Growth funding but held and tagged as such within the CIF until required.

ITEM: 6.5

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To generate a CIF balance (excluding the \$500K of tagged IGR funding) of \$12.5M, \$192,311 of gains is proposed to be reinvested, leaving \$185,711 of gains available for general funding.

Table 1 summarises this recommendation.

TABLE ONE: COMMUNITY INVESTMENT FUND	2016-17	
	Actual	Budget
Opening Balance	12,307,689	12,164,852
Total Gains earned on fund	878,083	836,000
CIF balance 30 June 2017 (as per Item 6.1)	13,185,771	13,000,852
Proposed Post Balance date adjustments		
Total CIF Gains	878,083	836,000
Gains Reinvested into Fund	(192,311)	(503,856)
Gains Reinvested into Fund tagged as IGR Funds	(500,000)	-
Gains to withdraw as general funding	(185,771)	(332,144)
CIF balance after post balance date adjustments	13,000,000	12,668,708
represented as:		
Community and Investment Funds	12,500,000	12,668,708
Investment and Growth Funds	500,000	0
	13,000,000	12,668,708

Table 2 presents the 2016-17 movement and balance of the IGR incorporating the \$500K tagged CIF gains and the redirected \$1.7M of council's investment income.

Table 2 INVESTMENT AND GROWTH "RESERVE"	2016-2017 YEAR END - DRAFT	2017-2018 REVISED FORECAST
OPENING BALANCE	3,509,829	2,795,410
REDIRECTION OF NRC INVESTMENT INCOME	1,700,000	1,700,000
COMMUNITY INVESTMENT FUND SET - ASIDE FUNDING	500,000	642,690
WITHDRAWALS		
Payments to Northland Inc.		
Payment to Northland Inc (opex)	(1,094,020)	(1,115,900)
Payment to Northland Inc. (tourism)	(104,192)	(106,276)
Payment to Northland Inc. (Feasibility) *	(165,000)	(200,000)
Payment to Northland Inc. (Regional Promotion)	(450,400)	(410,500)
Loans Issued		
Northland Inc. Car Loan No 3	(26,500)	-
Northland Inc. Car Loan No 4		
Project Funding		
Better Water Management Project	(314,500)	(7,750)
Twin Coast Cycle Trail	(354,793)	(225,000)
The Orchard	(69,999)	-
Extension 350	(150,000)	(250,000)
Waitangi Mountain Bike	(380,595)	(19,405)
Kawakawa Hunterwasser Project	-	(500,000)
Twin Coast Discovery	(75,000)	(200,000)
HAC**	-	(800,000)
Maungatapere Berries	-	(400,000)
Other project investment	-	(300,000)
OTHER DEPOSITS		
Interest earned on I&G fund Balance	84,525	33,393
Repayment from Northland Inc. of Car Loan Interest	2,162	107
Repayment from Northland Inc. of Car Loan Principle	30,231	7,304
Repayment from REL of Interest	28,695	69,750
Receipt of Other Subsidy funding	157,250	-
Repayment from REL of Principle	-	-
Independent Investment Advisor Fee & Legal Fees	(32,281)	(18,704)
CLOSING BALANCE	2,795,410	695,117

ITEM: 6.5

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The payment of \$165K to Northland Inc. Ltd for feasibility studies* in 2016-17 consists of:

• Myself Project	30,000
• Kaurinui - Kawakawa	20,000
• Whangarei Marina	20,000
• Dargaville Retirement Village	25,000
• Northland Indigenous Wood Products	50,000
• Whangarei Falls Cultural Tours	20,000
Total	165,000

In calculating the forecasted closing balance of \$695K, an amount of \$200K has been deducted for feasibility assessment and business case development. Council has considered this \$200K provision in recent workshops and a recommendation to confirm this allocation is included in this agenda. An amount of \$30K for unallocated projects has also been deducted in the calculation of the forecasted closing balance.

The Hundertwasser Art Centre (HAC)** amount of \$800K in the 2017-18 revised forecast is provisional as the final details of this funding agreement is still under negotiation.

The IGR is not a specific fund nor aligned to one investment, rather it is a portion of council's historical surpluses that have been set aside (or reserved) for the purpose of funding Northland Inc. Ltd and other economic development projects.

Property Reinvestment Fund (PRF)

Council established the Property Reinvestment Fund for holding funds pending the identification of approved property investments and to produce an inflation-proofed rental-like yield to subsidise Council operations.

Council placed \$7M of borrowed funds and \$7.8M of property sale proceeds into the PRF during 2015-16. A further \$5.677M of property sale proceeds were placed into the fund, and \$1.663M was withdrawn to purchase three properties in 2016-17. As at 30 June 2017, 18-22 Caruth Street was unconditional and due to settle, however the cash proceeds were not received.

The gains earned from the PRF for the year was \$1.063M (\$441K lower than budget of \$1.504M). The budgeted reinvestment of PRF gains is \$272K. Our standard operating protocols prescribe a reinvestment of budget plus any gains above budget, so in this case the recommended reinvestment amount for 2016-17 is \$272K. \$272K represents 1.4% of the average PRF capital balance for 2016-17.

Table Three summarises this recommendation.

TABLE THREE: PROPERTY REINVESTMENT FUND	2016-17	
	Actual	Budget
Opening Balance	18,184,334	18,704,528
Investment of Property sale proceeds	3,218,851	
Withdrawal of funding for Property purchases	(1,721,024)	
Total Gains earned on fund	1,063,040	1,504,094
PRF Balance 30 June 2017 (as per Item 6.1)	20,745,202	20,208,622
Proposed Post Balance date adjustments		
Total PRF Gains	1,063,040	1,504,094
Gains Reinvested into Fund	(272,783)	(272,783)
Gains to withdraw as general funding	(790,257)	(1,231,311)
PRF balance after post balance date adjustments	19,954,946	18,977,311
Reconciled to the PRF Reserve		
Investment of 18-22 Caruth Street Sale	2,516,150	-
	22,471,092	18,977,311

Infrastructure Investment Fund (IIF)

The IIF was established by Council to hold funds pending the identification of approved infrastructure projects.

The net gains earned from the IIF for the year was \$244K (\$84K lower than budget of \$328K). There was no budgeted reinvestment of any IIF gains.

It is recommended that no IIF gains are reinvested back into the IIF, however, it is recommended that the net infrastructure depreciation funding of \$33K collected in 2016-17 and earmarked for future renewal capital works is transferred into the IIF.

Table Four summarises this recommendation.

TABLE FOUR: INFRASTRUCTURE REINVESTMENT FUND	2016-17	
	Actual	Budget
Opening Balance	6,025,737	6,244,082
Total Gains earned on fund	243,842	327,814
IIF balance 30 June 2017 (as per Item 6.1)	6,269,579	6,571,896
Proposed Post Balance date adjustments		
Total IIF Gains	243,842	327,814
Gains Reinvested into Fund	0	0
Gains to withdraw as general funding	(243,842)	(327,814)
Depreciation funding collected		
Awanui river works	59,340	64,662
Kaeo - Whangaroa river works	7,169	19,232
Whangarei Dam	63,951	32,986
	130,461	116,880
Depreciation funding allocated to renewal capital works		
Awanui river works	(59,340)	(64,662)
Kaeo - Whangaroa river works	-	(19,232)
Whangarei Dam	(38,121)	(32,986)
	(97,461)	(116,880)
IIF balance after post balance date adjustments	6,058,736	6,244,082

Considerations:**1. Options**

No.	Option	Advantages	Disadvantages
1	Reinvest gains derived from the PRF, CIF and IIF in accordance with presented recommendation's	Maintain a balance of building the capital balance of council's investment funds and providing sufficient funding for work programmes.	The growth in Fund balances are limited to the reinvestment amounts upon which future gains are generated.
2	Reinvest a greater level of gains derived from the PRF, CIF and IIF.	The growth in Fund balances are enhanced and future gains are generated from higher capital bases	Lower level of gains are available for operational funding of councils work programmes.
3	Reinvest a lower level of gains derived from the PRF, CIF and IIF.	The growth in Fund balances are reduced and future gains are generated from lower capital bases	More gains are available to for operational funding of councils work programmes.

Staff recommend Option 1.**2. Significance and engagement**

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it has previously been consulted on and provided for in council's Annual Plan and is in accordance with the approved Treasury Management Policy.

3. Policy and legislative compliance

The activities detailed in this report are in accordance with council's Treasury Management Policy and the 2016/17 Annual Plan.

4. Financial implications

The level of gains reinvested has an impact on the amount of investment income available for council to use as general funding of its activities. On the other hand, reinvested gains build a capital base and maintain the real value and purchasing power of each fund. A prudent balance of these two considerations must be made in an endeavour to achieve both councils short term and longer term priorities.

5. Further considerations

Being a purely administrative matter, community views, Māori impact statement and implementation issues are not applicable

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 7 August 2017

TITLE: Request for Approval to Carry Forward Operational Budget from the 2016-2017 Financial Year into the 2017/2018 Financial Year

ID: A969256

To: Council Meeting, 22 August 2017

From: Vincent McColl, Financial Accountant

Date: 11 August 2017

Executive summary

The purpose of this report is to seek approval to carry forward \$578,520 of unspent operational expenditure from the 2016/17 financial year into the 2017/18 financial year and advise council of the treatment for approved commitments in the Investment and Growth Reserve (IGR) totaling \$1,352,155 that remain unspent at 30 June 2017.

Recommendation(s)

1. That the report "Request for Approval to Carry Forward Operational Budget from the 2016-2017 Financial Year into the 2017-2018 Financial Year" by Vincent McColl, Financial Accountant, and dated 11 August 2017, be received.
2. That Council approves the operational expenditure carry forwards from the 2016/17 financial year into the 2017/18 financial year of:
 - a. \$25,000 for a Regulatory Services related projects;
 - b. \$21,403 for a Customer Services related project;
 - c. \$516,917 for Environmental Services related projects;
 - d. \$15,200 for Strategy and Governance related projects; and
3. That Council be advised that \$1,352,155 of approved funds for a number of economic development projects will not be transferred from the Investment and Growth Reserve in the 2016/17 financial year but will be deferred to future years.

Background:

As with previous years, carry forwards of unspent 2016/17 operational budgets are required to enable the completion of the various council work programmes in the 2017/18 financial year.

Following the 30 June 2017 year-end staff review, which was based upon the actual operational expenditure incurred and the review of ongoing requirements, a total of \$578,520 is proposed to be carried forward into the 2017/18 financial year.

There is also \$1,352,155 of committed funds unspent through the IGR.

Explanations of the proposed operational expenditure to be carried forward from the 2016/17 financial year into the 2017/18 financial year are provided below:

Regulatory Services: Proposed operating expenditure carry forward of \$25,000

Description	Department	2016-17 Budget	2016-17 Spent	2016-17 Budget Unspent	Amount to Carry forward
FDE Effluent Reduction Programme	Monitoring	38,273	4,163	34,110	25,000

Approval of \$25,000 operational expenditure carry forwards is sought in relation to:

In August 2015 council approved a carry forward of \$55,000 from the 2014-15 surplus for a farm dairy effluent reduction programme. The project was commenced in 2015-16 and has progressed well. This is a multi-year programme with the \$25,000 expected to be spent in the 2017-18 financial year. A carry forward of the unspent funds is needed to continue delivery of the programme.

Customer Services: Proposed operating expenditure carry forward of \$21,403

Description	Department	2016-17 Budget	2016-17 Spent	2016-17 Budget Unspent	Amount to Carry forward
Regional land transport management projects	Transport Planning	52,069	3,229	48,840	21,403

Approval of \$21,403 operational expenditure carry forwards is sought in relation to:

New NZTA requirements meant the delay and re-write of the regional land transport plan. This project is now expected to be completed in 2017/18 and \$9,670 of these costs are requested to print and promote the RLTP. The balance of \$11,733 is requested to complete the fatigue & poor observation and the share the road projects in 2017/18.

Environmental Services: Proposed operating expenditure carry forward of \$516,917

Description	Department	2016-17 Budget	2016-17 Spent	2016-17 Budget Unspent	Amount to Carry forward
Lidar	Natural Hazards	400,000	3,066	396,934	396,934
Waipu/Paparoa Survey	Natural Hazards	280,000	160,017	119,983	96,475
Coastal hazard mapping	Natural Hazards				23,508

Approval of \$396,934 operational expenditure carry forwards is sought in relation to:

The Lidar programme for 2016/17 was able to commence. The deposit of \$150,000 was paid for by revenue from contributing parties. Our portion likely won't be spent until sometime in 2017/18. The budget of \$400,000 consisted of a \$200,000 carry forward from the 2014/15 surplus and an additional \$200,000 allocation from the Land Management Reserve in the 2015/16 and 2016/17 financial years.

ITEM: 6.6

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Approval of \$96,475 operational expenditure carry forwards is sought in relation to:

Survey work to provide the necessary survey data to develop flood models of the Waipu and Paparoa catchments. The models will enable us to produce flood maps to help manage flood risk in these catchments. There is a particular need to produce the flood maps for the Waipu catchment where there is considerable development pressure. We want to ensure that development in these catchments is sustainable and ensure that communities are aware of the risks they face, so that they can increase their resilience.

The programme on this project slipped due to procurement challenges. The surveyors will be starting in the 2017/18 financial year.

Approval of \$23,508 operational expenditure carry forwards is sought in relation to:

Finalise the Northland coastal hazard mapping started in 2016/17. The work has not been completed by the end of the year because:

- We had to process a large number of detailed submissions on our draft mapping consultation. Comprehensive consideration of these submissions ensured that our specification for the finalisation of the maps was robust. This meant that the programme slipped slightly.
- The work to finalise the maps was more complex than anticipated in two harbour areas. This has meant that Tonkin and Taylor have spent more time working on these areas than originally programmed. Due to cost efficiencies, part of the work has been contracted to eCoast.

It is important that we get the mapping finalised and released so that it can be integrated into district plans and used to manage coastal hazard risk throughout Northland.

Strategy and Governance: Proposed operating expenditure carry forward of \$15,200

Description	Department	2016-17 Budget	2016-17 Spent	2016-17 Budget Unspent	Amount to Carry forward
Te Uri o Hau - Sites of significance / Iwi Management Plan	Maori Engagement	17,200	9,500	7,700	7,700
Ngāti Kuri - Iwi Environmental Management Plan	Maori Engagement	17,800	9,800	8,000	7,500

Approval of \$7,700 operational expenditure carry forwards is sought in relation to:

The Te Uri o Hau sites of significance project contract is underway and second milestone has already been achieved. This carry forward is requested to complete the contract.

Approval of \$7,500 operational expenditure carry forwards is sought in relation to:

The Ngāti Kuri environmental management plan contract is underway and first half has already been achieved. This carry forward is requested to complete the contract in 2017/18.

Notification of unspent funds relating to IGR reserve projects

In 2016/17 a number of projects were planned to be funded from the Investment and Growth Reserve. The following projects were not completed and as such the unspent funds will not be transferred out of the reserve. They will however be required in future years.

Therefore the balance remaining of \$1,352,155 will now be funded from the Investment and Growth reserve in future years.

Project	2016-17 Budget	Spent 2016-17	Amount to Carry forward
Twin Coast Tourism Discovery	350,000	75,000	200,000
Kawakawa Hundertwasser	500,000		500,000
Better Water Management	165,000	157,250	7,750
Twin Coast Cycle Trail	579,793	354,793	225,000
Waitangi Mountain Bike	400,000	380,595	19,405
Onyx Capital (Maungatapere Berries)			400,000
	1,994,793	967,638	1,352,155

Twin Coast Discovery Highway Revitalisation Project unspent \$200,000 due to:

This project was originally funded for the three-year period 2014/15 to 2016/17. As a result of changes to the project arising from stakeholder feedback, the project was altered slightly from that originally envisaged. This resulted in a delay in developing and initiating the second phase. Northland Inc. is on track to complete the revitalisation project by the end of December 2017.

Kawakawa Hundertwasser Project unspent \$500,000 due to:

It took longer than originally envisaged for the Kawakawa Hundertwasser Park Charitable Trust and associated partners to develop a viable proposal and for the business case to be assessed. At its council meeting on 18 July 2017, council agreed to allocate \$500,000 as Impact Investment funding to the Trust to support the construction of the Kawakawa Hundertwasser Park Centre. Until this decision, council's funding allocation was just an agreement 'in principle'.

Better Water Management Project unspent \$7,750 due to:

The Stage 2 study funded by this allocation – a scoping of irrigation scheme options – was planned to be completed by 30 June 2017. However, due to some additional reporting requirements, it was not completed until 31 July.

Twin Coast Cycle Trail Project unspent \$225,000 due to:

While construction of the trail has been completed, the remaining funding from council will only be provided to Far North District Council once the trail easements have been finalised in line with the terms of the funding. FNDC expect the remaining easements to be executed by the end of the year.

Waitangi Mountain Bike Park unspent \$19,405 due to:

Completion of the trails in Stage 2 have taken longer to complete than expected.

Onyx Capital unspent \$400,000 due to:

The finalisation of the loan funding has been delayed as the parties have yet to come to a satisfactory agreement regarding security arrangements for the loan.

Considerations:
1. Options

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested operational carry forwards	Allows the completion of 2016/17 work programs	Reduces retained earnings though at budgeted levels
2	Approve none of the operational carry forwards	Retains more surplus in the 2016/17 financial year.	Work programmes from the 2016/17 financial year don't get finished or 2017/18 programmes must be deferred to allow for 2016/17 work already contracted.
3	Approve only the I&G projects	Retains more surplus in the 2016/17 financial year.	Work programmes from the 2016/17 financial year don't get finished or 2017/18 programmes must be deferred to allow for 2016/17 work already contracted.
4	Approve some of the operational carry forwards	Some projects and work programmes go ahead	Some projects and work programmes do not go ahead. Some of 2017/18 programmes might be deferred to allow for 2016/17 work already contracted

The staff's recommended option is option 1. This maintains all contractual and I&G work programmes.

2. Significance and engagement

This does not trigger the significance and engagement policy.

3. Policy and Legislative Compliance

Being a purely administrative matter, Community Views and Māori Impact Statement are not applicable.

4. Financial Implications

\$578,520 funded from the year end surplus and \$1,352,155 from the IGR.

5. Implementation issues

No implementation issues.

Authorised by Group Manager:

Name: Dave Tams

Title: Group Manager – Corporate Excellence

Date: 11 August 2017

TITLE: Request for Approval to Carry Forward Capital Expenditure Budget from the 2016/17 Financial Year into the 2017/18 Financial Year

ID: A964624

To: Council Meeting, 22 August 2017

From: Vincent McColl, Financial Accountant

Date: 11 August 2017

Executive summary

The purpose of this report is to seek council approval to carry forward \$574,560 of unspent general capital budget from the 2016/17 financial year into the 2017/18 financial year.

Recommendation(s)

1. That the report 'Request for Approval to Carry Forward Capital Expenditure Budget from the 2016/17 Financial Year into the 2017/18 Financial Year' by Vincent McColl, Financial Accountant, and dated 11 August 2017, be received.
2. That Council approves the carry forward of \$574,560 general capital expenditure budget from the 2016/17 financial year into the 2017/18 financial year.

Background:

Staff have carried out a final review on any ongoing capital projects and associated capital expenditure carry forwards for council consideration and approval.

When developing the capital expenditure programme and budget, staff endeavour to schedule the ongoing renewals and replacements in a manner that smooths the expenditure, funding requirement, and the resulting work programme.

As part of the budget process finance staff ensure that all capital expenditure is adequately funded via depreciation over the expected useful life of each asset class.

Following the 30 June 2017 year-end staff review, which was based upon the actual capital expenditure incurred and the review of ongoing requirements, a total of \$574,560 is proposed to be carried forward into 2016-2017. This is made up entirely of general capital expenditure as opposed to Capital Expenditure (Capex) funded by targeted rates.

2016-2017 Actual and Budgeted Capital Expenditure

The revised capital expenditure budget for 2016/17 is \$4,408,740. The total actual capital expenditure incurred in 2016/17 is \$3,649,644 resulting in an underspend of \$759,096.

Attachment One contains the breakdown of this underspend.

2017-2018 Budgeted Capital Expenditure and Proposed Carry Forwards

The original 2017/18 capital expenditure budget is \$1,516,479 and by adding the total requested 2016/17 carry forwards of \$574,560 this budget will increase to \$2,091,039. The detail of the original 2017/18 capital expenditure programme and the proposed capital carry forwards are presented in **Attachment Two**.

Explanations to proposed capital carry forward expenditure for 2016-2017***Information Technology: Proposed capital expenditure carry forward \$300,000***

Approval of \$300,000 capital carry forward expenditure is sought in relation to:

- Contribution to future rating shared service of \$300,000 as a recognition of the potential cost of future rating and rates collection. The cost is not known at this time as the final configuration of any future solutions is unknown.

Finance & Admin: Proposed capital expenditure reduction of -\$94,100

Approval of a \$94,100 reduction to the 2017-18 vehicle replacement capital expenditure budget as there were advance purchases actually made in 2016-17 that were originally anticipated (and budgeted) to occur in 2017-18.

Hydrology: Proposed capital expenditure carry forward \$3,549

Approval of \$3,549 capital carry forward expenditure is sought:

- To be used to complete the replacement water level structures / equip housings. We have paid the deposit and the goods will not arrive until early 2017/18.

Harbour Safety and Navigation: Proposed capital expenditure carry forward \$142,650

Approval of \$142,650 capital carry forward expenditure is sought:

- \$41,275 to be used to purchase electronic survey gear and software. This capital expenditure will enable maritime staff to carry out hydrographic surveys in mooring and other areas where required at a fraction of the cost of contractors. This is proposed to repurpose the underspent hydrographic surveys and mooring acquisition capital budgets.
- \$35,087 to be used for completing the 2016/17 hydrographic survey programme already underway.
- \$60,000 for pile replacement in the Whangarei Harbour. This is unspent from the budget due to the availability of contractors to complete the work. The project will be able to be completed in 2017/18.
- \$6,287 for the Kai Iwi Lakes bylaw signage. This project has been delayed until the bylaw was signed off. Now that this has happened the signage can be undertaken.

Land and biodiversity: Proposed capital expenditure carry forward \$107,529

Approval of \$107,529 capital carry forward expenditure is sought:

- To be used to complete the Flyger Road nursery expansion. The work is well underway but expected to be completed in the 2017/18 financial year.

Transport: Proposed capital expenditure carry forward \$116,704

Approval of \$116,704 capital expenditure carry forward is sought in relation to:

- The development of an electronic ticketing system for the bus services. This is a national project that NRC is a part of. The project has been delayed due to NZTA changes to the tendering process.

Communications: Proposed capital expenditure carry forward reduction of -\$1,772

Approval of a -\$1,772 capital expenditure reduction is sought in relation to:

- \$20,522 for the purchase of events display equipment. This capital expenditure was delayed to allow for any changes in branding to be implemented before buying new equipment.
- A \$22,294) reduction to the 2017-18 Mid North Customer service fit out budget as this amount was unbudgeted expenditure actually spent in 2016-17.

Considerations:**1. Options**

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested capital carry forwards	Allows the completion of the 2016/17 capital program	Reduces retained earnings at budgeted levels
2	Approve none of the Capex carry forwards	Retains more earnings for other capital projects	Projects underway or delayed won't get the required funding to be completed
3	Approve some of the Capex carry forwards	Some of the capital projects get to be completed	Some of the capital projects don't get completed

The staff's recommended option is option 1. This maintains the capital program from the prior year allowing for projects underway and delayed (due to various reasons) to be completed.

2. Significance and engagement

This does not trigger the significance and engagement policy.

3. Policy and Legislative Compliance

Being a purely administrative matter, Community Views and Māori Impact Statement are not applicable.

4. Financial Implications

\$574,560 of capital carried forward from the 2016/17 financial year to the 2017/18 financial year.

5. Implementation issues

No implementation issues.

Attachments:

- Attachment 1: Capital Expenditure Reporting June 2017 year to date
- Attachment 2: Proposed Revised 2017-18 Capital Expenditure Budget

Authorised by Group Manager:

Name: Dave Tams

Title: Group Manager – Corporate Excellence

Date: 11 August 2017

Capital Expenditure Reporting June 2017 Year to Date				
Activity	YEAR TO DATE			Carry Forward Proposed
	Provisional 2016-17 Actual	2016-17 Revised Capital Expenditure Budget	Variance	
Monitoring	124,640	141,746	17,106	-
Biosecurity	14,230	15,131	901	-
Emergency Management	0	0	0	-
Land and Biodiversity	162,523	271,500	108,977	107,529
Harbour Safety and Navigation	231,643	447,234	215,591	142,650
Oil Pollution Response	0	0	0	-
River Management	323,861	2,163,778	1,839,917	3,549
Commercial Investments	1,778,919	0	-1,778,919	-
Information Systems	283,726	626,459	342,733	300,000
Communications	27,198	25,909	-1,289	(1,772)
Transport	11,767	128,471	116,704	116,704
Support	691,137	588,512	-102,625	(94,100)
GRAND TOTAL FOR COUNCIL	3,649,644	4,408,740	759,096	574,560

	2016-17 Provisional Actual Capital Expenditure	2016-17 Revised Capital Expenditure Budget	Variance	Carry Forward Proposed	Comments
Monitoring					
Air Quality Beta Attenuation Monitor (BAM)	32,417	26,679	(5,738)	-	Project completed but over budget
Remote Operated Surface Vessel	32,442	35,914	3,472	-	
Dissolved Oxygen Loggers	24,434	25,000	566		
Others	35,347	54,153	18,806	-	
TOTAL MONITORING	124,640	141,746	17,106	-	
Biosecurity					
GPS Replacements and Upgrades	4,564	5,131	567	-	
Game Trail Cameras and GPS	9,666	10,000	334	-	
TOTAL BIOSECURITY	14,230	15,131	901	-	
Land and Biodiversity					
Stage 4 Nursery Development	102,471	210,000	107,529	107,529	Work currently underway
Others	60,052	61,500	1,448	-	
TOTAL BIOSECURITY	162,523	271,500	108,977	107,529	
Harbour Safety and Navigation					
Canter Truck	143,844	128,263	(15,581)		Project completed but over budget
Hydrographic Surveys	-	51,305	51,305	41,275	Wanting to use to buy the equipment for doing it ourselves
Pile Replacements in Whangarei Harbour	-	60,000	60,000	60,000	
Hatea Beacon Upgrade	42,139	92,000	49,861		
Others	45,661	115,666	70,005	41,375	Wanting to use the balance of the hydrographic surveys capex and the moorings acquisitions to contribute to hydrographic surveys. Additionally the delayed Kai Iwi Lakes signage.
TOTAL HARBOUR SAFETY AND NAVIGATION	231,643	447,234	215,591	142,650	
River Management					
Water Level Sensor Replacement	24,596	25,653	1,057	-	
ADCP Flow Measuring Device Replacement	30,766	30,783	17	-	
Kerkeri River Flood Reduction By-Pass Spillway	106,206	1,918,658	1,812,452	-	Not expected to be used
Awanui River Renewal	62,379	61,995	(384)		
Whangarei Dam remedial work	38,122	80,000	41,878	-	
Other	61,792	46,689	(15,103)	3,549	Hydro capex running behind budget.
TOTAL RIVER MANAGEMENT	323,861	2,163,778	1,839,917	3,549	
Commercial Investments					
Purchase of Kawakawa Property for Hundertwasser	489,870	-	(489,870)	-	
Storage Facility	623,453	-	(623,453)		
Commercial Property Purchases	573,700	-	(573,700)		
Residential Property Improvements	79,589	-	(79,589)		
Building purchase investigations	12,308	-	(12,308)		
	1,778,919	-	(1,778,919)	-	

Information Systems					
IRIS	35,843	35,728	- 115		
Hardware replacement programme	203,158	224,220	21,062		
Rating System	-	300,000	300,000	300,000	Dependant on the results of litigation
Mobile Devices	25,880	34,000	8,120		
Other	18,846	32,511	13,665		Depends on the outcome of legal proceedings
TOTAL INFORMATION SYSTEMS	283,726	626,459	342,733	300,000	
Communications					
Display Systems	-	20,522	20,522	20,522	Waiting for rebranding implementation
Video production	4,904	5,387	483		
Mid North Customer Service Centre Fit Out	22,294	-	(22,294)	- 22,294	
TOTAL COMMUNICATIONS	27,198	25,909	(1,289)	(1,772)	
Transport					
CityLink Electronic Ticketing System	11,767	128,471	116,704	116,704	Project under way but to be spent in 2017/18
TOTAL TRANSPORT	11,767	128,471	116,704	116,704	
Support					
Furniture, Desk set-up and Office configuration	48,986	51,305	2,319	-	
Vehicle replacement programme	499,340	405,240	(94,100)	(94,100)	
Air Con Replacement	111,584	131,967	20,383	-	Project completed
Other	31,226	-	(31,226)	-	Secuirty improvements
TOTAL SUPPORT	691,137	588,512	(102,625)	(94,100)	
TOTAL	3,649,644	4,408,740	759,096	574,560	

Proposed Revised 2017-18 Capital Expenditure Budget

ATTACHMENT 2

Human Resource

Furniture, Desk set-up and office configuration

Info Systems

Hardware replacement schedule (including tablets fo

New Staff Desktop setup

Elearning - IRIS and other content

Business Intelligence Implementation

Water Street Wall penetration Sealing

Rating Software

Property

Air-con replacement - 5yr project

Commercial

Residential Insulation and Chattels

Finance and Admin

Vehicle Replacement programme

Hydrology

Replacement water level structures / equip housings

Harbour Safety & Navigation Administration

Aids to Nav

Safety Signs

Hydrographic Surveys

AIS System

Pile Replacement Whg Harbour

Hydrographic Survey Equipment

River Works Administration

Replacement Flow Measuring Data loggers

Replacement Telemetry Communications upgrade

Replacement Water Level Sensors

New Groundwater Equipment / Bores

DRUC Calibrator

ADCP Flood Traveller

IRIS150 Logger

Safety System Corrections - Hydro

Satelite Loggers

Survey Traverse Kit

Pumppro Units Replacement

Awanui River Works

Awanui River Renewal

Land and Biodiversity Admin

Stage 4 Nursery Development

Riparian Planner Initiative

Monitoring

Air Quality Beta Attenuation Monitor (BAM) for PM10

Regional Transport General Administration

Total Mobility Administration System (TMAS)

CityLink Electronic Ticketing System

<i>2017-18 Annual Plan Budget</i>	<i>Proposed Carry forwards from 2016- 17</i>	<i>2017-18 Proposed Revised Capital Budget</i>
52,670		52,670
52,670	0	52,670
247,281		247,281
10,534		10,534
40,000		40,000
50,000		50,000
24,000		24,000
	300,000	300,000
371,815	300,000	671,815
87,000		87,000
87,000	0	87,000
50,000		50,000
50,000	0	50,000
336,033	-94,100	241,933
336,033	-94,100	241,933
	3,549	3,549
0	3,549	3,549
26,335		26,335
18,961	6,287	25,248
52,670	35,087	87,757
20,000		20,000
	60,000	60,000
	41,275	41,275
117,966	142,650	260,616
6,320		6,320
5,267		5,267
26,335		26,335
15,801		15,801
20,000		20,000
4,000		4,000
23,810		23,810
130,000		130,000
27,500		27,500
2,000		2,000
24,000		24,000
285,033	0	285,033
63,001		63,001
63,001	0	63,001
10,534	107,529	118,063
40,000		40,000
50,534	107,529	158,063
8,427		8,427
8,427	0	8,427
10,000		10,000
	116,704	116,704
10,000	116,704	126,704

Administration - Community Relations

Fit Out Mid North Customer Service Centre
Phone/Contact System Upgrade
Display Equipment

Total Council Capital Expenditure

<i>2017-18 Annual Plan Budget</i>	<i>Proposed Carry forwards from 2016- 17</i>	<i>2017-18 Proposed Revised Capital Budget</i>
50,000	-22,294	27,706
34,000		34,000
	20,522	20,522
<i>84,000</i>	<i>-1,772</i>	<i>82,228</i>
1,516,479	574,560	2,091,039

TITLE: Special Reserves at 30 June 2017

ID: A971941

To: Council Meeting, 22 August 2017

From: Vincent McColl, Financial Accountant

Date: 11 August 2017

Executive summary

The purpose of this report is to update councillors on the special reserves held by council, the purpose of each reserve, and the balance held in each special reserve as at the end of the 2016/17 financial year.

Recommendation

1. That the report 'Special Reserves at 30 June 2017' by Vincent McColl, Financial Accountant, and dated 11 August 2017, be received.

Background:

The equity in council's balance sheet represents the communities' interest in council and is measured by the value of total assets less total liabilities. Equity is classified into a number of general and special reserves to enable a clearer identification of the specified uses for which various funds have been assigned.

A general reserve does not have a specific purpose, whereas a special reserve holds funds that are set aside to cover expenditure on specific projects. In addition special reserves may facilitate the funding of works of an inter-generational nature, capital expenditure in particular, over the most appropriate time period.

The special reserves and their respective balances (surplus/(deficit)) in place at the end of the 2016/17 financial year are as follows:

Land Management Reserve	\$780,016
Awanui River Reserve	(\$698,665)
Whangaroa Kaeo Rivers Reserve	\$69,773
Whāngārei Urban Rivers Reserve	(\$9,975,285)
Infrastructure Investment Fund Reserve	\$6,058,736
Kaihu River Reserve	\$79,450
Infrastructure Facilities Reserve	(\$456,413)
Recreational Facilities Reserve	(\$941,407)
Property Reinvestment Fund Reserve	\$22,471,092
Equalisation Reserve	\$1,388,603
Hātea River Reserve	\$163,850
Investment and Growth Reserve	\$2,795,410

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Kerikeri-Waipapa Rivers Reserve	\$467,393
Approved Carry Forwards Reserve	\$181,586
Kaitaia Bus Service Reserve	\$30,318
Whangarei Heads Pest Management Reserve	\$13,488
Whangarei Transport Reserve	(\$42,607)
Emergencies Services Reserve	\$117,885
Mid North Bus Reserve	\$143,835
LIDAR Project Reserve	\$446,934
Total Special Reserves	\$23,093,992

During the 2015/16 financial year council borrowed \$13m to reduce the borrowing costs associated with the Whangarei Urban Rivers, Infrastructure Facilities, and Recreational Facilities reserves. As a result a higher amount of net rates have been transferred to each of these reserves.

In June 17, council approved a further \$3M of external borrowings to replace the remaining internal loans associated with the Whangarei Dam and Awanui River schemes. By securing a long-term low cost borrowing rate (4.86%), council has further reduced the burden on the respective targeted ratepayers by enabling faster repayment of the Awanui and Whangarei river reserves.

Some special reserves earn, or are charged interest depending on their closing balance being in deficit or surplus. Our current protocol is for reserves in surplus of \$50K or greater earn interest at 3% (being the 12 month working capital return). Reserves in deficit are charged interest at 7% (based on the rate that could have been achieved by council when advancing the funds to the reserves), or the actual cost of borrowing where specific long-term loans have been aligned to a capital project. This interest accrues throughout the year depending on the current balance of the reserve.

A description of the purpose of each reserve, the transfers from and/or to the reserve for the year, and the closing balance of each reserve as at 30 June 2017 is provided below.

Land Management Reserve

The Land Management Reserve was created to allow council to set aside unutilised Land Management rates for the purpose of funding projects in future years. In addition, the Land Management Reserve can be utilised to fund emergency events such as remedial storm expenditure on a case by case basis, thereby reducing the need for borrowing in the event of an emergency.

The reserve movements of (\$320,176) from the land management reserve constitute environment fund contributions of \$125,000, Council's LIDAR contributions of \$100,000, and other land management projects of \$95,176. This produces a closing balance of \$780,016.

Land Management Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	1,100,192	1,028,291
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	(320,176)	(339,500)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	780,016	688,791

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A further \$274,500 is committed from this reserve in 2017/18 for the Environment Fund, LIDAR work, and several other smaller programmes. Taking these future commitments into account the estimated reserve balance at 30 June 2018 is \$505,516.

Awanui River Reserve

The Awanui River Reserve was created to hold any targeted Awanui River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Awanui River Flood Management scheme.

In the 2016/17 financial year the Awanui River Management project had an operating surplus of \$24,296. Capital expenditure of \$91,526 was incurred with \$59,340 of depreciation funding transferred from the Infrastructure Investment Fund (IIF) producing a closing book and cash reserve deficit of (\$698,665).

Awanui River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	(690,774)	(739,530)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	24,296	65,620
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	(91,526)	(61,995)
	(758,005)	(735,905)
Depreciation funding utilised	59,340	61,995
Closing Balance as at 30 June 2017	(698,665)	(673,910)
Accumulated depreciation funding not utilised and held in IIF	-	-
Closing cash balance as at 30 June 2017	(698,665)	(673,910)

Whangaroa Kaeo Rivers Reserve

The Whangaroa Kaeo Rivers Reserve was created to hold any targeted Whangaroa Kaeo Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangaroa Kaeo Rivers Flood Management scheme.

In the 2016/17 financial year there was an operating surplus of \$55,030 resulting in a closing reserve balance of \$69,773. Depreciation of \$7,169 was transferred to the IIF resulting in a closing cash balance of \$76,942.

Whangaroa Kaeo Rivers Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	14,742	(25,122)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	55,030	26,601
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
	69,773	1,479
Depreciation funding utilised	-	-
Closing Balance as at 30 June 2017	69,773	1,479
Accumulated depreciation funding not utilised and held in IIF	7,169	-
Closing cash Balance as at 30 June 2017	76,942	1,479

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Whāngārei Urban Rivers Reserve

The Whāngārei Urban Rivers Reserve was created in the 2011-2012 year to hold any targeted Whāngārei Urban Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the flood risk reduction project for the Whāngārei CBD.

The operating surplus of \$272,968 has been transferred to the reserve. Capital expenditure of \$38,122 was incurred which was fully funded by depreciation funding transferred from the IIF. This produces a deficit/overdrawn balance of (\$9,975,286). Adding the unused accumulated depreciation held in the IIF gives a cash balance of (\$9,916,304).

Whangarei Urban River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	(10,248,254)	(9,786,317)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	272,968	388,080
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	(38,122)	-
	(10,013,408)	(9,398,237)
Depreciation funding utilised	38,122	-
Closing Balance as at 30 June 2017	(9,975,286)	(9,398,237)
Accumulated depreciation funding not utilised and held in IIF	58,982	-
Closing cash Balance as at 30 June 2017	(9,916,304)	(9,398,237)

Infrastructure Investment Fund (IIF) Reserve

The IIF reserve was established to stabilize the impact of irregular large infrastructure projects on council's income and capital requirements. It will help to spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence.

The balance of the reserve reflects the balance of funds held in the IIF. During the 2015/16 year \$5,992,584 was transferred into the reserve to start the fund and an additional \$33,153 of unused depreciation funding was also transferred. In 2016/17 a further \$33,000 of unutilised depreciation funding is proposed to be transferred to the reserve (see agenda item 6.5) producing a closing balance of \$6,058,736.

Infrastructure Investment Fund Reserve	Actual	Revised Budget
Opening Balance 2015/16	5,992,584	-
Accumulated depreciation not utilised 2015/16	33,153	
Infrastructure asset depreciation transferred 2016/17	130,461	117,880
Depreciation utilised for capital expenditure 2016/17	(97,462)	61,995
Total Accumulated Depreciation available to utilise	66,152	179,875
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	-	-
Closing Balance as at 30 June 2017	6,058,736	6,244,082

Accumulated depreciation balance in IIF by asset	Actual
Awanui River	-
Whangaroa Kaeo Rivers	7,169
Whangarei Urban Rivers	58,982
Total	66,152

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Kaihu River Reserve

The Kaihu River Reserve was created to hold any targeted Kaihu River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Kaihu River Flood Management scheme.

In the 2016/17 financial year there was an operating surplus of \$3,574 transferred to the reserve producing a closing balance of \$79,450.

Kaihu River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	75,876	41,123
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	3,574	(20,373)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	79,450	20,750

Kerikeri–Waipapa Rivers Reserve

The Kerikeri–Waipapa Rivers Reserve is set up to hold any targeted Kerikeri-Waipapa rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the flood risk reduction project for the Kerikeri-Waipapa area.

The operating surplus of \$253,556 has been transferred to the reserve and capital expenditure of \$106,206 has been funded from the reserve producing a closing reserve balance of \$467,393.

Kerikeri Waipapa Rivers Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	320,042	(1,662,495)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	253,556	144,081
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	(106,206)	
Closing Balance as at 30 June 2017	467,393	(1,518,414)

Infrastructure Facilities Reserve

The Infrastructure Facilities Reserve was created to set aside any targeted Infrastructure rates collected and not fully utilised in any given year for the purpose of funding future infrastructure projects. Currently this reserve consists of the cost of capital and holding costs associated with the Marsden Point Rail Link Joint Venture project.

The operating surplus of \$401,586 has been transferred to the reserve producing a closing balance of (\$456,413) overdrawn.

Infrastructure Facilities Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	(857,999)	(1,047,489)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	401,586	202,991
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	(456,413)	(844,498)

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Recreational Facilities Reserve

The Recreational Facilities Reserve was established to set aside any targeted Regional Recreational Facilities rates collected and not fully utilised in any given year for the purpose of funding the Northland Events Centre. Currently this reserve represents the internal borrowing associated with the Northland Events Centre grant of \$13M and the subsequent repayments (from the targeted Regional Recreational Facilities rate) of such borrowing.

During the 2016/17 year the surplus Targeted Regional Recreational Facilities rates of \$1,204,402 have been transferred to this reserve resulting in a closing deficit/overdrawn reserve balance of (\$941,407). This reserve is expected to be fully repaid during the 2017/18 financial year.

Recreational Facilities Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	(2,145,809)	(2,263,180)
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	1,204,402	1,188,385
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	(941,407)	(1,074,795)

Property Reinvestment Fund Reserve

The Property Reinvestment Fund Reserve was created to enable proceeds from property sales to be set aside for reinvestment at a future date.

During 2016/17, this reserve recognised \$3,161,360 of property sale proceeds, \$1,663,532 of property purchases, and \$2,516,150 for the unconditional sale of 18-22 Carruth Street. In addition, as recommended in Agenda item 6.5 the budgeted reinvestment amount of \$272K is recognised in this reserve, generating a closing balance of \$22,741,092.

Property Reinvestment Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	18,184,331	18,704,528
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	272,783	272,783
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	4,013,977	-
Closing Balance as at 30 June 2017	22,471,092	18,977,311

Equalisation Reserve

The Equalisation Reserve was created to set aside 50% of council's forestry net income arising in any harvesting year. This reserve is intended to provide future funding of council's general activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this fund be used to fund the cost of forestry operating in non-harvesting years.

A total of \$568,488 is required from the Equalisation reserve to cover election expenses, the legal fees of a prominent case, offset doubt debts, and fund forestry operations. These movements resulted in a closing balance of \$1,388,603.

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Equalisation fund Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	1,957,091	1,926,456
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	(568,488)	(745,726)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	1,388,603	1,180,730

Hātea River Reserve

The Hātea River Reserve was created to set aside a component of the Council Services Rate (\$1.50+GST) specifically levied across the Whāngārei constituency to ensure funding is immediately available in the event dredging of the Hātea River is required.

This year there was an operating surplus of \$15,185 transferred to the reserve producing a closing reserve balance of \$163,850.

Hātea River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	148,665	60,856
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	15,185	5,158
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	163,850	66,014

Investment and Growth Reserve

The Northland Regional Council Investment and Growth Reserve was established in 2011/12. The reserve was created to set aside investment income to fund activities and projects that contribute towards the economic well-being of Northland.

Agenda item 6.5 presents the costs funded from the IGR, a recommendation to transfer \$500K of Community Investment gains to the IGR, and a closing reserve balance of \$2,795,410.

Investment and Growth Reserve	Actual	Annual Plan Budget
Opening Balance as at 1 July 2016	3,509,829	3,045,214
Redirected Investment Income	1,700,000	1,700,000
Community Investment Fund Gains	500,000	-
Operational Funding of Northland Inc	(1,813,612)	(1,808,712)
Project Funding	(1,344,887)	(250,000)
Loans	(26,500)	-
Other Deposits	270,581	133,319
Closing Balance as at 30 June 2017	2,795,410	2,819,820

Approved Carry Forwards Reserve

The Approved Carry Forwards Reserve was set up to record operational projects for council that have not been completed during the current year and need to be carried forward to the next financial year. This is the subject of agenda item 6.6. At 30 June 2017 the closing balance of the projects proposed to be carried forward is \$181,586 (excluding LIDAR which has been carried forward into it's own reserve as per below).

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Approved Carry Forwards - General Funds	Actual	Revised Budget
Opening Balance as at 1 July 2016	1,029,307	
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	(847,721)	(849,307)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	181,586	(849,307)

Kaitaia Bus Service Reserve

The Kaitaia Bus Service Reserve was created to hold any Targeted Kaitaia Transport rates collected and unspent in any given year to cover any future funding shortfalls of Kaitaia bus service.

The operating surplus of \$8,087 has been transferred to the reserve producing the closing reserve balance of \$30,318. This closing balance will be utilised when setting the 2018/19 Targeted Kaitaia Transport Rate.

Kaitaia Bus Service Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	22,231	25,704
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	8,087	2,363
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	30,318	28,067

Whangarei Heads Pest Management Reserve

The Whangarei Heads Pest Management Reserve was created to hold any targeted Whangarei Heads Pest Management rates collected and unspent in any given year to cover any future funding shortfalls in the Whangarei Pest Management programme.

This year there was a deficit from operating of (\$6,543) transferred from the reserve producing a closing reserve balance of \$13,488.

Whangarei Heads Pest Management Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	20,031	-
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	(6,543)	(8,233)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	13,488	(8,233)

Whangarei Transport Reserve

The Whangarei Transport Reserve was created to hold any Targeted Whangarei Transport rates collected and unspent in any given year to cover any future funding shortfalls in the Whangarei bus and total mobility programmes.

As detailed below, for the 2016/17 financial year Whangarei Bus made a deficit of (\$45,971) and Total Mobility made a surplus of \$12,909. This resulted in \$33,063 being transferred out of the reserve making the reserve balance (\$42,607) overdrawn.

\$9,544 of this overdrawn amount was taken into account when setting the 2017-18 Targeted Whangarei Transport rate and \$33,063 will be incorporated into the level of the 2018-19 Targeted rate in an endeavour to repay this reserve.

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Whangarei Transport Reserve	2016-2017 Actual	2016-2017 Revised Budget
Whangarei Bus	(45,971)	-
Total Mobility	12,909	-
Operational Net Surplus/(Cost) before transfer from/(to) Special Reserve	(33,063)	-
Operational Net Surplus/(Cost) after transfer from/(to) Special Reserve	(33,063)	-

Whangarei Transport Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	(9,544)	-
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	(33,063)	(33,569)
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	(42,607)	(33,569)

Emergency Services Reserve

The Emergency Services Reserve was created to hold any Targeted Emergency Services rates collected and unspent in any given year to ensure all collected rates go to emergency services in the future.

The closing balance of \$117,885 represents two years of targeted rates collected (and adjusted for non-collection) and not allocated to date.

Emergency Services Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016 (revised)	54,888	-
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	62,997	14,253
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	117,885	14,253

Mid North Bus Reserve

The Mid North Bus Service Reserve was created to hold any targeted Mid North Transport rates collected and unspent in any given year to cover any future funding shortfalls of Mid North bus service.

The operating surplus of \$143,835 was generated due to delays in starting the Mid North bus service and has been transferred to the reserve. This closing balance will be utilised when setting the 2018/19 Targeted Mid North Bus Rate.

Mid North Bus Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	-	-
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	143,835	0
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	143,835	0

LIDAR Reserve

The LIDAR Reserve was created to hold any LIDAR contributions as this project is run over a number of years and includes funding from seven parties.

The current unspent funding of \$446,934, has been transferred to the reserve. This is made up of \$396,934 of Council funding and \$50,000 of LINZ funding producing the closing reserve balance of \$446,934.

LIDAR Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2016	-	-
Increase /(Decrease) in Reserve throughout 2016/17 (operational transfer)	446,934	-
Increase /(Decrease) in Reserve throughout 2016/17 (capital transfer)	-	-
Closing Balance as at 30 June 2017	446,934	-

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager Corporate Excellence
Date: 11 August 2017

TITLE: Draft Financial Result to 30 June 2017

ID: A972822

To: Council Meeting, 22 August 2017

From: Vincent McColl, Financial Accountant

Date: 11 August 2017

Executive summary

The purpose of this report is to present the **draft financial reports for the year ending 30 June 2017** for councillors' information. The draft result of **\$244k surplus** is provisional. There may be further adjustments and amendments as the year-end reconciliations are reviewed by senior staff and the accounts (including notes) for the draft Annual Report are prepared. There may also be amendments arising from council decisions. Deloitte is scheduled to commence their three-week on-site audit on 28 August 2017.

This result excludes \$5.9M of non-cash revaluation gains to infrastructure assets, investment properties, forestry and other financial assets. Taking these non-cash revaluation gains into account and the movements in the special reserves, the statutory accounts within the annual report will present a total Comprehensive Revenue and Expense of approximately \$8.0M. Variances in this report are against the **revised budget** rather than the annual plan budget which is provided as information.

For the Draft Statement of Comprehensive Revenue and Expense refer to **Attachment one**.

Recommendation

1. That the report 'Draft Financial Result to 30 June 2017' by Vincent McColl, Financial Accountant, and dated 11 August 2017, be received.

Background:

Financial results

The provisional Net Surplus after Transfers to and from Special Reserves and excluding non-cash items is **\$244K** compared to a budgeted surplus of \$55K.

The draft 2016/17 Annual Report will be provided to the Audit Working Party in September with the final 2016/17 Annual Report provided to council on 24 October 2017 for adoption. The Annual Report will provide detailed funding impact statements by activity group and full detailed explanations of any material variance.

The main variances to the **revised budget** are explained below:

Revenue

- **Rates** has a unfavourable variance (worse than budget) of **(\$224K) or (1%)** predominantly due to an impairment on the rates struck on Māori freehold land in the Far North of

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\$375K partially offset by unbudgeted rates penalties and a reduced provision for doubtful debts expense.

- **User Fees and Sundry** has a favourable variance (better than budget) of **\$608K or 15%** which is due to higher than budgeted prosecutions income of \$356K, LIDAR revenue of \$200K, and \$62K of biosecurity charging, and \$37K for harbour safety billing. This is partially offset by lower than budgeted bus revenue of (\$83K).
- **Grants and Subsidies** has a favourable balance (better than budget) of **\$488K or 29%**. This variance is predominantly due to MPI funding for half of the strategic Water Management Project of \$157K, unbudgeted MFE subsidies for the Kaipara Harbour Sediment Study of \$149K, higher NZTA subsidies on transport projects due to being able to claim more for expenses of \$107K, and unbudgeted MFE subsidies for an oyster farm asbestos clean-up of \$39K.
- **Finance Income** has a favourable variance (better than budget) of **\$124K or 14%**. This is predominantly due to unbudgeted use of monies interest on the historical GST refund of \$43K and more than budgeted interest on internally managed funds due to projects not coming online as anticipated of \$63K.
- **Other Revenue** has a favourable variance (better than budget) of **\$599K or 11%** which is due to higher than budgeted commercial property income of \$316K and higher than budgeted Marsden Maritime Holdings Limited dividends of \$277K. The commercial property income is favourable due the budgeting assumption that the Carruth Street property would be sold but the property has remained in Council possession earning rental income throughout the financial year.
- **Other gains** has an unfavourable variance (worse than budget) of **(\$432k) or (15%)** which is primarily due to lower than budgeted gains on the externally managed funds of (\$416K). Details on the gains on externally managed funds are in agenda item 6.1.

Expense

- **Personnel Costs – Other** has an unfavourable variance (expenditure exceeding budget) of **(\$147K) or (20%)** due to an increase in annual and flexi leave balances of (\$61K), unbudgeted redundancy payments of (\$64K), and higher than budgeted KiwiSaver of (\$30K).
- **Other Expenditure on Activities** has a favourable variance (expenditure less than budget) of **\$1.51M or 7%**. This consists of many variances across all council activities including lower than budgeted Northland Inc Grants of \$718K, lower than budgeted doubtful debts of \$428K, postponed LiDAR costs of \$250K, lower than budgeted Whangarei bus CPI and passenger number incentive claims of \$102K, , lower than budgeted printing and photocopying of \$110K, promotions and advertising of \$94K, lower than budgeted expenditure on the digital infrastructure project of \$84K and lower than budgeted environment fund claims of \$70K. This is offset with more than budgeted legal fees for commercial property (mostly rental arbitrations) of (\$142K), unbudgeted rent expenses for the temporary storage space and the Northern Transport Alliance of (\$105K), and unbudgeted organisational development costs of (\$84K).

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- **Depreciation and Amortisation** has an unfavourable variance (expenditure exceeding budget) of **(\$258K)** or **(20%)** due to unbudgeted depreciation on buildings and dam assets that is required in 2016/17 of (\$157K) which is offset by an increased fair value gain, and an increase on vehicle depreciation of (\$240K) due to an increase in vehicles for new project field staff, the replacement of the maritime canter truck at a higher value than the previous vehicle, and an increase in the average value of new vehicles purchased. This is offset with lower than budgeted depreciation on Plant and Equipment of \$103K and net vehicle sale proceeds \$31K.

The net transfer to the Special Reserves is \$2.06M greater than budget (more funds transferred into the reserves) predominantly due to the lower Investment and Growth reserve movements for the Northland Inc Projects, movements in carry forwards, and lower use of the forest income equalisation fund than budgeted. Further detail on the Special Reserves is provided in agenda item 6.8.

Capital Expenditure

Total capital expenditure for the year was \$3.65M which is \$0.76M less than the \$4.41M revised annual budget. A detailed breakdown of capital expenditure variances and proposed carry forwards is provided in agenda item 6.7.

Attachments:

- Attachment one: DRAFT Statement of Comprehensive Revenue and Expense

Authorised by Group Manager:

Name: Dave Tams
Title: Group Manager – Corporate Excellence
Date: 11 August 2017

DRAFT Statement of Comprehensive Revenue and Expense*For the year ended 30 June 2017*

<i>Total Council</i>	<i>DRAFT Council 30-Jun-17</i>	<i>Revised Budget 30-Jun-17</i>	<i>Variance</i>	<i>Variance %</i>	<i>Annual Plan 30- Jun-17</i>
Revenue					
Rates	20,413,428	20,637,017	(223,589)	-1%	20,637,017
User Fees and Sundry	4,668,657	4,060,562	608,095	15%	4,397,567
Grants and Subsidies	2,167,519	1,679,246	488,273	29%	1,347,536
Finance Income	1,008,007	883,664	124,344	14%	3,937,297
Other Revenue	5,866,685	5,267,162	599,523	11%	5,267,162
Other Gains	2,396,823	2,828,919	(432,096)	-15%	-
Total Revenue	36,521,119	35,356,569	1,164,550	3%	35,586,578
<i>Expenditure by Type</i>	<i>DRAFT Council 30-Jun-17</i>	<i>Revised Budget 30-Jun-17</i>	<i>Variance</i>	<i>Variance %</i>	<i>Annual Plan 30- Jun-17</i>
Expenditure					
Personnel Costs - Salaries	12,410,413	12,400,986	(9,427)	0%	12,400,986
Personnel Costs - Other	884,364	737,761	(146,603)	-20%	737,761
Other Expenditure on Activities	20,005,445	21,512,357	1,506,913	7%	21,517,652
Depreciation and Amortisation	1,581,560	1,323,275	(258,285)	-20%	1,323,275
Finance Costs	583,397	578,864	(4,533)	-1%	803,578
Total Expenditure	35,465,180	36,553,244	1,088,064	3%	36,783,253
Net (Cost)/Surplus before transfer from/(to) Special Reserves	1,055,939	(1,196,675)	2,252,614	-188%	(1,196,674)
Total Special Reserves Transfers	(812,210)	1,251,361	(2,063,571)	-165%	1,251,361
Net (Cost)/Surplus after transfer from/(to) Special Reserves and excluding Non Cash Revaluation Gains	243,729	54,687	189,042	346%	54,687

TITLE: Proposed Projects for Year End Surplus

ID: A972847

To: Council Meeting, 22 August 2017

From: Vincent McColl, Financial Accountant

Date: 11 August 2017

Executive summary

This paper provides Council with a range of opportunities to consider in utilising the year-end surplus. The draft year-end surplus is \$243,729 and the recommended projects for consideration total \$232,950.

Recommendations

1. That the report 'Proposed Projects for Year End Surplus' by Vincent McColl, Financial Accountant and dated 11 August 2017, be received.
2. That Council use the 2016-17 surplus to fund the following projects in 2017-18:
 - a. \$91,700 to implement the remuneration strategy
 - b. \$80,000 to implement the Infrastructure as a service strategy
 - c. \$46,250 for a Waipapa customer services officer
 - d. \$15,000 to refresh council's reception areas.

Background:

1. Year end draft result estimates a surplus of \$244k
2. Staff have considered a range of options for council to consider how best to utilise this:
 - a. **Implement the remuneration strategy - \$91.7k**
This was approved by council at the 20 June 2017 meeting and is vital to achieving Council's long term remuneration plans.
 - b. **IaaS Operational Monthly Costs for 2017/18 year - \$80k**
Current Server and Storage Area Network (SAN) infrastructure is due for replacement in July 2017 and May 2018. The Information Services Strategic Plan changes the traditional approach of providing core infrastructure from on premise to 'as-a-Service'. Depreciation savings from no longer buying server hardware will offset these costs over time but additional budget is needed to fill the immediate budget gap.
 - c. **Customer services officer salary for Waipapa - \$46.25K**
This service centre directly faces The Warehouse and is likely to attract walk-in visitors. For many of these visitors it will be their first interaction with the council.

The employment of a customer services officer will help to provide a friendly and professional experience for customers visiting this office.

d. **Refresh of Councils Reception areas- \$15k**

A cosmetic refresh of councils reception areas including painting, new display units, minor signage and other miscellaneous costs such as wiring changes.

Considerations:

1. Options

No.	Option	Advantages	Disadvantages
1	Approve project 2a	Re-affirms commitment to remuneration strategy and builds Council's wealth by retaining profits for future use.	Work priorities as determined by staff aren't undertaken
2	Approve all presented options	Work priorities as determined by staff are undertaken.	Reduced build-up of Councils wealth
3	Approve some of the presented options	Some of the staff priorities are undertaken and builds Council's wealth by retaining profits for future use.	Some of the staff priorities aren't undertaken.
4	Approve some of the presented options and some options presented by Council	Some of the staff and council priorities are undertaken	Some of the staff priorities aren't undertaken.

The staff's recommended option is option 2.

2. Significance and engagement

This does not trigger the significance and engagement policy.

3. Policy and Legislative Compliance

Being a purely administrative matter, Community Views and Māori Impact Statement are not applicable.

4. Financial Implications

\$232,950 funded from the year end surplus

5. Implementation issues

No implementation issues.

Authorised by Group Manager:

Name: Dave Tams

Title: Group Manager – Corporate Excellence

Date: 11 August 2017

TITLE: Maritime Boat Ramp Signage

ID: A972774

To: Council Meeting, 22 August 2017

From: Jim Lyle, Regional Harbourmaster

Date: 7 August 2017

Executive summary

Council recently updated the Navigation Safety Bylaw 2017 which came into force on 1 August 2017.

One of the key changes to the bylaws was the changes to the lifejacket rules, now requiring those on vessels under six metres to wear lifejackets (or PFDs) at all times when underway. There are also several changes to the exemptions that will need to be updated on the signage.

There are 50 boat ramp information signs in Northland, manufactured by Metal-image Ltd. The signs can be updated by changing the individual plates, however the changes are quite a key point on the main plate.

Because the change was as a result of submissions, the change was not budgeted for and total costs for the updated plates are estimated to be around \$30,000. This does not include staff time.

Because these signs form an important part of the education programme, the signs will be updated, and there is a possibility that there will be an over spend in the Maritime budget. This paper is to make council aware of this extra cost, and the possible implications to the Maritime budget.

Recommendations

1. That the report 'Maritime Boat Ramp Signage' by Jim Lyle, Regional Harbourmaster, and dated 7 August 2017, be received.
2. That council notes the potential over spend of the Maritime budget to enable boat ramp information signs to be updated (estimated at a cost of \$30,000).

Considerations:

Option 1

- a. That the Maritime budget is used to update the signage.
- b. Advantage: the work can be done in time for next summer.
- c. Disadvantage: the budget is unplanned, and may overrun expected expenditure.

Option 2

- a. The signs are not updated.
- b. Advantage: no cost
- c. Disadvantage: may have safety implications, and liability issues should an incident occur.

The staff's recommended option is Option 1, to update the signage.

Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it has previously been consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

Policy and legislative compliance

The decision sought in this paper will ensure that council's signage is up to date and consistent with the council's Navigation Safety Bylaw 2017.

Further considerations**Community views**

The signs are community information panels, and in public view.

Māori impact statement

No known issues.

Financial implications

Because these signs form an important part of the education programme, the signs will be updated, and there is a possibility that there will be an overbudget spend in the Maritime budget. This paper is to make council aware of this extra cost, and the possible implications to the Maritime budget.

Implementation issues

No known issues.

Authorised by Group Manager:

Name: Tony Phipps
Title: Group Manager – Customer Service/Community Resilience
Date: 9 August 2017

TITLE: Amendments to Elected Members' Expenses and Allowances Policy

ID: A970234

To: Council Meeting, 22 August 2017

From: Chris Taylor, Hōiho Specialist

Date: 2 August 2017

Executive summary

On 27 July 2017, the Remuneration Authority issued the Local Government Members (2017/18) Local Authorities) Determination 2017. The determination sets the base remuneration, allowances and expenses payable to elected members and was deemed to have come into force on 1 July 2017.

Council's Elected Members' Expenses and Allowances Policy (the Policy) needs to be amended to give effect to the new determination.

This report explains the key changes incorporated within the 2017/18 Determination. The report also seeks council approval for the necessary changes to the Policy and for staff to submit the amended policy to the Remuneration Authority for approval.

Recommendations

1. That the report 'Amendments to Elected Members' Expenses and Allowances Policy' by Chris Taylor, Governance Support Manager, and dated 28 July 2017, be received.
2. That the fees related to hearings be confirmed as follows:
 - i. A member of a local authority who acts as the chairperson of a hearing is entitled to be paid a fee of \$100 per hour of hearing time related to the hearing.
 - ii. A member of a local authority who is not the chairperson of a hearing is entitled to be paid a fee of \$80 per hour of hearing time related to the hearing.

(For the avoidance of doubt the Chair, or member acting as the Chair, of the regional council is not eligible to claim hearing fees)
3. That all costs reasonably attributable to the personal use of a mobile phone and related mobile telephone service supplied by council must be paid by the elected member.
4. That the Elected Members' Expenses and Allowances Policy, as amended, be ratified by council and submitted to the Remuneration for approval.

Background

Under the Local Government Act 2002, the Remuneration Authority (RA) must set the base remuneration, allowances and expenses payable to elected members. Typically, the RA

undertakes an in-depth review of remuneration settings in election year with a less involved re-assessment in interim years.

In May 2017, the RA released a consultation document seeking input regarding short term improvements, that would feed into the new determination taking effect from 1 July 2017, as well as some 'deeper changes' which it proposed introducing in 2019. Council workshopped the consultation document on 1 June 2017, the feedback from which was incorporated into a submission to the RA.

On 27 July 2017, the RA issued the Local Government Members (2017/18) Local Authorities) Determination 2017 (available on the Remuneration Authority's website: <http://remauthority.govt.nz/clients-remuneration/local-government-elected-officials/>). Key changes incorporated within the Determinations were as follows:

Remuneration

The RA has applied an increase of 1.7% across the board to remuneration for all member positions. This reflects changes in the New Zealand Labour Market Statistics used by the RA as the basis for changes in parliamentary remuneration.

Vehicle mileage allowance

The 'threshold distance', being the first 30km of travel to and from meetings held at a local authority's offices for which allowances were not paid, has been removed.

The RA has adopted a fixed reimbursement rate of 81 cents per kilometre for electric vehicles and 73 cents per kilometre for all other vehicles, including hybrid vehicles to all local authority travel up to a maximum of 10,000km, and 37 cents per kilometre for distances beyond that.¹

Travel Time allowance

The travel time allowance of \$37.50 per hour remains unchanged. However, the Chairperson is now eligible to claim travel time allowances (although this will be reassessed along with remuneration levels for the 2019 determination).

Communications allowance

Changes to the communications allowance in the new determination are intended to allow local authorities to have the ability to supply items of information and communications technology equipment to members that is consistent with that used by the local authority.

Councillors are encouraged to familiarise themselves with this section of the Determination, however key changes include that members will be reimbursed for the use of their own:

- Personal computer, tablet or laptop (**one** device only) to a maximum of \$200 per annum (previously \$150 per device).
- Mobile telephone to a maximum of \$150 per annum (previously \$60)
- Internet service for the purpose of the member's work on local authority business to a maximum of \$400 per annum (previously \$250)
- Mobile telephone service for the purpose of the member's work on local authority business to a maximum of \$400 or the actual costs will be reimbursed upon production of the relevant telephone records and receipts.

¹ Note: The previous allowance was 74 cents per kilometre up to 5000km, and 37 cents per kilometre for distances beyond that.

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Also to note, if the council supplies a mobile phone and related mobile telephone service to a member for use on local authority business and allows for its personal use, the local authority **may** decide what portion, if any, of the local authority's cost reasonably attributable to such personal use must be paid by the member.

Hearing fees

The RA has decided that, because of the highly technical and legal nature of plans considered under the Resource Management Act 1991 (RMA), that members' remuneration for plan hearings under the RMA should be the same as that for resource consent hearings.

Currently the Chair of a non-council initiated resource consent hearing is entitled to be paid a fee of \$100 per hour of hearing time and any member who is not the Chair, \$80.²

The new determination allows for a fee of **up to** \$100 per hour of hearing time for the Chair and **up to** \$80 for a member who is not the Chair.

Acting Chairperson

The new determination clarifies that when a member is acting in the role of the Chairperson during a period when the Chairperson's salary and allowances are not being paid, the member must be paid the remuneration and allowances of the Chairperson instead of the person's usual remuneration or allowances.

Considerations:**1. Options**

No.	Option	Advantages	Disadvantages
1	Approve the amended changes to the Policy.	Council meets its statutory obligations under the Local Government Act.	Nil
2	Do not approve the amended changes to the Policy.	Nil	Council does not meet its statutory obligations.

The staff's recommended option is that council approves the recommended changes.

² Note: The Chair, or member acting as the Chair, of the regional council is not eligible to claim hearing fees.

2. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is purely an administrative matter.

3. Policy and Legislative Compliance

The Local Government Act (Schedule 7, section 6) stipulates that the government appointed body, the Remuneration Authority, must determine the remuneration, allowances and expenses payable to elected members. The decisions sought in this report are to ensure that council's policy is compliant with the legislative requirements.

4. Financial Implications

It is estimated that the amendments to the Elected Members' Expenses and Allowances Policy will lead to an increase of approximately \$31,000 in councillor remuneration for the 2017/18 financial year.

Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement and Implementation Issues are not applicable.

Attachments:

- *Attachment One: NRC Elected Members' Expenses and Allowances Policy August 2017 (included in the Supporting Information).*

Authorised by Group Manager:

Name: Jonathan Gibbard
Title: Group Manager Strategy and Governance
Date: 7 August 2017

TITLE: Recommendation for Over Allocation of the Environment Fund
ID: A973106
To: Council Meeting, 22 August 2017
From: Duncan Kervell, Land Manager
Date: 8 August 2017

Executive summary

This report requests approval of an over allocation of 15% of the Environment Fund budget to ensure withdrawals and underspends are accounted for to enable full use of available budget.

Recommendation(s)

1. That the report 'Recommendation for Over Allocation of the Environment Fund', by Duncan Kervell, Land Manager, and dated 8 August 2017, be received.
2. That for 2017/18 council approves an over allocation of the Land/Biodiversity Component of the Environment Fund budget (\$725K) by up to 15% (\$109k) to account for withdrawn projects and underspends to enable full utilisation of the Environment Fund budget.

Background:

Year to date \$535,553 of the Environment Fund budget has been allocated to a total of 74 projects for land management and biodiversity, \$125,000.00 has been allocated to 54 projects for biosecurity. The remaining Environment Fund balance of \$189,461 is over-subscribed and there are numerous awaiting projects.

The final reconciliation of the 2016/17 Environment Fund showed underspends and withdrawals of \$250,574, which equated to 24% of the total 2016/17 budget. Withdrawals and underspends happen for a variety of reasons (for example drought or flood, individual personal circumstances changing, changing farming priorities during the year) and are difficult to manage.

Accordingly, this paper requests an Environment Fund over allocation of 15% (\$109k) of the 2017/18 Environment Fund (Land/Biodiversity component) budget. The financial considerations section in this report describe why a 15% overallocation is considered preferable to 24%.

A 15% overallocation would raise the amount of the land and biodiversity component of the Environment Fund available to allocate from \$725,000 to a total of \$834,000. In addition to this, procedures are being reviewed to attempt to reduce the number of landowners withdrawing and underspending their allotted Environment Fund applications. Hence another factor as to why 15% overallocation is considered preferable to 24%.

Considerations:
1. Options

No.	Option	Advantages	Disadvantages
1	Provide an over allocation based on 15% of total 2017/2018 fund	Ensures full utilisation of the Environment Fund budget by reducing the impact of withdrawals and underspending.	If withdrawals and underspends are less than 15% then there will be an unfavourable variation to year end budget.
2	Decline the 15% overallocation.	None	The withdrawals and underspends means that the total Environment Fund budget is not utilised at the end of financial year.

The staff's recommended option is that council approves Option 1.

2. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities.

3. Policy and Legislative Compliance

The activities detailed in this report are in accordance with council's 2015-25 Long Term Plan which was approved in accordance with council's decision-making requirements of sections 76-82 of the Local Government Act 2002.

4. Financial Implications

There is the potential of an unfavourable variation to year end budget if the over-allocation is not withdrawn or underspent in a given financial year.

The following table demonstrates different scenarios and their financial implications.

No.	Scenario	Situation	Financial implication
1	Current Scenario	No additional overallocation of budget is authorised.	The Environment Fund budget is underspent due to withdrawals and underspends, resulting in a \$109k favourable variation to budget.

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2	Worst case	15% additional budget is allocated to account for withdrawals or underspends, but no withdrawals or underspends occur.	\$109k unfavourable variation to budget.
3	Most likely scenario	Based on the 4-year average of 15% of underspends and withdrawals, it is likely that 15% of the total spend will be withdrawn or underspent.	No material variation to budget.

If an unfavourable variance to budget occurs, then this would need to be serviced from the land management reserve or any potential year end surplus. However, the 15% 4-year average for underspends and withdrawals indicates that a material unfavourable variation to budget is unlikely.

Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement and Implementation Issues are not applicable.

Authorised by Group Manager:

Name: Bruce Howse

Title: Group Manager – Environmental Services

Date: 8 August 2017

TITLE: Northern Wairoa Project – Delegation to Sign Freshwater Improvement Fund Confirmation of Intent to Proceed Form

ID: A972814

To: Council Meeting, 22 August 2017

From: Duncan Kervell, Land Manager

Date: 8 August 2017

Executive summary

The purpose of this report is to seek delegation for Malcolm Nicolson (the CEO) to be signatory of the Confirmation of Intent to Proceed Form (the form) for the Northland Regional Council's (NRC) Northern Wairoa Freshwater Improvement Fund (FIF) application to the Ministry for the Environment (MfE).

The Northern Wairoa Freshwater Improvement Project application has been invited to progress to Stage 2 with the process requiring the form to be signed and returned to MfE following the council meeting on 22 August.

Recommendations

1. That the report 'Northern Wairoa Project – Delegation to Sign Freshwater Improvement Fund Confirmation of Intent to Proceed Form' by Duncan Kervell, Land Manager and dated 8 August 2017, be received.
2. That the delegation for the Chief Executive Officer to sign the 'Confirmation of Intent to Proceed Form' on behalf of the NRC be formally ratified.

Background

On 13 April 2017, NRC submitted three funding applications for the MfE's Freshwater Improvement Fund for water quality improvement of:

- Northland dune lakes
- Northern Wairoa
- Bay of Islands rivers.

On 2 August 2017, the Ministry contacted NRC to advise that the Northern Wairoa Freshwater Improvement Project application was invited to Stage 2 of the funding process.

The Northern Wairoa application requires that a Confirmation of Intent to Proceed form to be signed and returned by 23 August 2017.

Stage 2 includes more detailed work planning towards a Deed of Funding being signed within six months of the letter of invitation to proceed, dated 7 August.

The NRC CEO was the signatory to the original three applications, so delegation for the CEO to sign the confirmation form is sought from council.

Considerations:**Options**

No.	Option	Advantages	Disadvantages
1	Approve CEO delegation to sign the form	NRC meets deadline to progress to Stage 2 of the FIF funding.	None
2	Decline delegation	None	FIF Northern Wairoa bid misses deadline to progress to Stage 2.

The staff's recommended option is Option 1.

1. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities.

2. Policy and Legislative Compliance

The activities detailed in this report are in accordance with council's 2015-25 Long Term Plan which was approved in accordance with council's decision-making requirements of sections 76-82 of the Local Government Act 2002.

3. Financial Implications

There are no financial impacts within this decision. Stage 2 of the funding process provides opportunity to shape financial contributions over the five years of the project.

Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement and Implementation Issues are not applicable.

Attachments:

Attachment 1: Letter of Invitation to Stage 2 (included in the Supporting Information)

Attachment 2: Confirmation to Proceed Form (included in the Supporting Information)

Authorised by Group Manager:

Name: Bruce Howse

Title: Group Manager – Environmental Services

Date: 8 August 2017

TITLE: Decisions on Regional Pest Management Plan 2017–2027**ID:** A969246**To:** Council Meeting, 22 August 2017**From:** Don McKenzie, Biosecurity Manager**Date:** 9 August 2017

Executive summary

The purposes of this report, dictated by the express requirements of the Biosecurity Act (the Act) for Regional Pest Management Plan (RPMP) preparation, are fourfold:

- (a) to confirm council is satisfied with the considerations provided for in section 73 of the Act.
- (b) to confirm that the council is satisfied that the content of the RPMP, as amended following consideration of submissions, meets the requirements of section 74 of the Act.
- (c) to approve the decisions report on submissions for public notification pursuant to section 75 of the Act.
- (d) To confirm that council is satisfied that all considerations of section 100t of the Act have been satisfied for the Proposed Northland Regional Pest and Marine Pathway Plan 2017-2027.

Notification of decisions on the Regional Pest Management Plan will be done together with previous council decisions on submissions on the Marine Pathway Management Plan. After notification, submitters may appeal to the Environment Court over the decisions.

Recommendations

- 1. That the report 'Decisions on Regional Pest Management Plan 2017–2027' by Don McKenzie, Biosecurity Manager, and dated 9 August 2017, be received.
- 2. That the council confirms it is satisfied with the matters specified under section 73 of the Biosecurity Act (**Attachment A** pertaining to Item 7.4 of the 22 August 2017 council agenda).
- 3. That the council confirms it is satisfied that the content of the RPMP, as amended following consideration of submissions, meets the requirements of section 74 of the Act.
- 4. That the Section 75 report on the plan (**Attachment 3** pertaining to Item 7.4 of the 22 August 2017 council agenda), including reasons for accepting or rejecting submissions be approved for submitter and public notification pursuant to section 75(2), (3) and (4) of the Act.

5. That council is satisfied that all considerations of section 100t of the Biosecurity Act have been satisfied for the Proposed Northland Regional Pest and Marine Pathway Plan 2017-2027.
6. That council delegates to the Group Manager – Environmental Services the authority to make any necessary minor formatting, typographical and administrative changes prior to public notification.
7. That Council authorises a public notice be issued stating the council's decision on the plan; and stating where the plan resulting from the council's decision can be read.

Background:

The Proposed Regional Pest Management Plan (PRPMP) forms an integral part of the Proposed Regional Pest and Marine Pathway Management Plan 2017 – 2027 (PRPMPMP).

At the extraordinary Council meeting of 8 March 2017, the PRPMPMP and the accompanying analysis of costs and benefits were approved for public notification in accordance with sections 70, 71 and 90, 91 of the BSA. Sections 70 and 71 relate to regional pest management plan (RPMP) preparation whereas sections 90 and 91 are specific to the marine pathway management plan (MPMP) component.

A compliance check was carried out at that stage covering:

- the express requirements of sections 70 and 71 for the then proposed RPMP
- the related requirements of the National Policy Direction for Pest Management 2015

The availability of the PRPMPMP for submissions was subsequently advertised on 18 March 2017. The period for submissions closed on 21 April 2017. Hearings of submissions were then held on 22 – 24 May 2017.

There were 515 submissions made on the PRPMP. A summary report on the submissions was prepared including with staff recommendations on associated changes to the PRPMP. The report and recommendations were considered by Council on 27 July 2017 and all recommendations were accepted.

At the same meeting, Council resolved:

1. That the report on s72 of the Biosecurity Act be received and that Council are satisfied the requirements of section 72 of The Biosecurity Act 1993 have been met.
2. That Council give approval to staff to prepare the final plan under section 73 of the Biosecurity Act.
3. That Council approves the Northland Regional Council as the management agency for the Northland Regional Pest Plan pursuant to section 73(2) of the Act.

Having called for and heard submissions on the document and agreed to changes as a result of those submissions, the Biosecurity Act 1993 requires several additional steps before decisions on submissions can be notified.

Having satisfied itself over the steps in s70 – 73, the next steps for the council to complete the preparation process required under the Biosecurity Act are:

- (e) to confirm that the council is satisfied that the content of the RPMP, as amended following consideration of submissions, meets the requirements of section 74 of the Act.
- (f) to approve the decision report on submissions for public notification pursuant to section 75 of the Act.

Notification of decisions on the RPMP will be done together with decisions previously made on the Marine Pathway Management Plan by 26 August 2017. After notification, submitters may appeal to the Environment Court over the Council decisions.

Approval of changes to RPMP:

The Act refers to the preparation of an initial 'proposal' (sections 70 and 71) which is then followed, after consultation, by the preparation of a plan (section 73). As with the MPMP, in the case of the RPMP the 'proposal' took the form of a draft plan. Hence there is no need to now 'prepare' a separate plan but rather to approve any amendments made to the draft RPMP following the consideration of submissions. Considerations of all subsections of section 73 are provided in **Attachment A**.

A summary of the amendments to the RPMP agreed at the 27 July 2017 meeting is reflected in the Amendments spreadsheet (**Attachment 1**) and details can be viewed in the section 75 decisions report (**Attachment 3**). The full RPMPMP and amended cost benefit analysis can be accessed via www.nrc.govt.nz/augustagenda

Satisfaction on contents of RPMP:

Before notifying its decisions on submissions, the Council must satisfy itself that the contents of the RPMP meet the requirements of section 74 of the Act. The requirements in this section are an abbreviated version of those stipulated for the initial proposal (proposed RPMP) under section 71. The earlier assessment done showed that the RPMP is compliant with section 71. In essence, section 74 is therefore a check that any changes made to the original proposal are also compliant with the Act.

A tabulated summary of compliance against the requirements of both sections 71 and 74 is attached (**Attachment 2**).

The contents of the RPMP comply with the requirements of section 74 of the Act. As no major change is proposed to the RPMP, the document also remains consistent with the national template prepared for all regional councils.

In respect of section 100t a consideration was provided as part of the Marine Pathway Plan information provided to council in the June meeting and is provided for the pest plan as part of **Attachment A** and also referred to in section 13 of the combined pathway and pest plan.

Approval of decisions report on submissions:

Section 75 of the Act requires that the council prepare a written report on the plan. There is no direction as to what the report needs to cover other than that it must include the council's reasons for accepting or rejecting submissions received on the initial proposal (s75(2)(a)).

As the recommendations in the deliberations report considered at the 27 July 2017 meeting were all accepted, that report has been revised to form the report required under section 75

(Attachment 3). It is recommended that this report be approved for public notification purposes.

Next steps:

If the recommendations of this item are approved, the next steps are to:

- provide a copy of the decisions reports (one each for the RPMP and MPMP) to every person who made a submission; and
- give public notice:
 - stating the council's decision on the plan; and
 - stating where the plan resulting from the council's decision can be read.

Staff expect to advertise the public notice on Saturday 26 August and in accordance with sections 76 and 96, submitters then have 15 working days after the date of the public notice to apply to the Environment Court to contest:

- (a) any aspect of the plan;
- (b) whether the plan is inconsistent with the national policy direction; and
- (c) whether the process requirements for a plan in the national policy direction, if there were any, were complied with.

Generally, it is expected that any points of legal challenge will be confined to those matters raised in initial submissions.

Should there be no appeals the plan is made by fixing the council's seal to the combined RPMPMP in accordance with sections 77 and 97. A further public notice of the plan's commencement date can then follow.

Considerations:

1. Options

Compliance with the plan preparation requirements of the Biosecurity Act is compulsory so there are no options to consider in respect of the statutory processes which have already been considered by council. However, there are options for notifying decisions on submissions as tabulated below.

No.	Option	Advantages	Disadvantages
1	Council chooses to notify part of the plan either the pest plan or marine pathway plan but not concurrently	Council decisions and any associated appeals relating to the specialised area of either plan can be dealt with as a discrete workstream.	<p>Duplication of process and submitter notification and increased costs of administration and process are predicted.</p> <p>May be confusing to those persons who made submissions on either plan and the wider RPMPMP.</p>

2	Proceed with notification of the pest and marine pathway plan as soon as practicable.	Financially and administratively more efficient. Allows any appeals to be considered together and efficiently dealt with.	Some ratepayers may be confused by the dual approach of notifying both the pest and pathway plan.
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The staff's recommended option is **Option 2**.

2. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities.

3. Policy and Legislative Compliance

The preparation process for the RPMP, and the specific actions recommended in this report, follow the prescribed steps in Biosecurity Act 1993 sections s70–75. A separate evaluation of compliance with the legislative requirements, including the National Policy Direction on Pest Management 2015, has been made at each stage.

4. Māori Impact Statement

The views of Māori were sought during the development of the plan through engagement of a Technical Working Party established through Te Tai Tokerau Māori Advisory Committee (both process and personal) and with Te Uri o Hau Settlement Trust. Further the process of consultation included specific engagement with Māori. This occurred by way of pānui circulated to iwi, hapū and Māori on council's database and regular reporting to TTMAC; to both provide information about the plan and to extend and invite to meet with groups to discuss the plan in more detail. Further engagement with Māori is expected to occur as part of the implementation of the Northland Pest and Marine Pathway Management Plan 2017–2027.

5. Financial Implications

Financial implications have been addressed as part of the cost benefit analysis and the 2017/2018 Annual Plan process.

6. Implementation issues

A series of implementation plans are in process and there are no implementation issues that council needs to be aware of.

Attachments (included in the Supporting Information):

1. Summary of amendments spreadsheet
2. Assessment of RPMP compliance with BSA sections 71 and 74
3. BSA s75 Decisions Report
- A. The Biosecurity Act and NPD compliance check report

Authorised by Group Manager:

Name: Bruce Howse

Title: Group Manager – Environmental Services

Date: 9 August 2017

TITLE: **Transportation Procurement Strategy 2017–2021**

ID: A973616

To: Council Meeting, 22 August 2017

From: Peter Thomson, Northland Transportation Alliance Manager

Date: 10 August 2017

Executive summary

The purpose of this item is to present the Transportation Procurement Strategy 2017–2021 to the council for approval. Under section 25 of the Land Transport Management Act 2003 (LTMA), council is required to have a New Zealand Transport Agency (NZTA) approved procurement strategy in order to access subsidy funding for transportation activities and projects. The proposed recommendations satisfy the council's obligation to approve a Transportation Procurement Strategy and seek NZTA endorsement prior to 1 October 2017.

The formation of the Northland Transportation Alliance (NTA) has provided the opportunity for a combined regional approach to be agreed and delivered through the adoption of this procurement strategy.

This strategy covers a four-year period from 1 October 2017 until 2021. The update of the strategy then will align with the 2021–2024 three year programme, and the 2021–2031 10-year council Long Term Plans. Any major changes which substantially affect procurement during its term will lead to its review.

Recommendations

1. That the report 'Transportation Procurement Strategy 2017–2021' by Peter Thomson, Northland Transportation Alliance Manager, and dated 10 August 2017, be received.
 2. That the council approves the Transportation Procurement Strategy 2017–2021, and gives delegated authority to the Chief Executive to make any final amendments that may arise from the other three local authorities approving the strategy that do not materially affect the integrated approach to local government transportation procurement across Northland.
 3. That the council requests that the New Zealand Transport Agency:
 - a. Endorses the Transportation Procurement Strategy 2017–2021;
 - b. Approves the term of the new MO&R contracts at 4+2+1+1 (8 years maximum); and
 - c. Approves the use of the Northland Transportation Alliance, established as a Shared Services Business Unit, providing in house professional services to the four Northland councils.
-

Background

The Northland Regional Council, as an 'approved organisation', receives funding assistance, (subsidy), for expenditure on land transport investments from the New Zealand Transport Agency (NZTA) under section 20 of the Land Transport Management Act 2003 (LTMA).

The NRC is required by NZTA to carry out any purchasing in accordance with this Act using approved procurement procedures.

Under section 25 of the LTMA, council is required to have a NZTA approved procurement strategy in order to access subsidy funding for roading projects and maintenance works.

NZTA first approved council's procurement strategy in October 2010 for a period of three years. This has been extended over the years and the current version expires in October 2017.

Regional procurement

All four Northland councils are required to establish a NZTA endorsed procurement strategy that sets out their procurement plan for subsidised works by 1 October 2017.

The establishment of the Northland Transportation Alliance (NTA) provides the opportunity for an integrated approach to local government transportation procurement across Northland. A single strategy covering three local authorities and the Northland Regional Council creates the potential to deliver local benefits through wider opportunities and regional coordination.

The NTA Collaborative Opportunities Business Case was formally adopted in May 2016 leading to the setup of the Shared Services Business Unit serving KDC, FNDC, NRC and WDC.

The purpose of the NTA is to create positive change in the planning, management, and delivery of transportation services in the region to achieve the following objectives of the Business Case.

1. More engaged and capable workforce delivering superior asset management.
2. Improved transport/customer outcomes, enabling investment and social opportunities.
3. Improved regional strategy, planning, and procurement.
4. Transport infrastructure is more affordable.

This strategy covers all the aspects of procurement for all transport activities within the four council's and covers the period until 2021. The update of the strategy then will align with the 2021–2024 three year programme and the 2021–2031 ten year council Long Term Plans. Any major changes which substantially affect procurement during its term will lead to its review. A series of workshops have also been held with elected representatives of the four Northland councils and NZTA during the preparation of this procurement strategy document. These workshops have focussed on the new maintenance contracts regime proposed in the new Transportation Procurement Strategy.

The other three local authorities are scheduled to address their own agenda item to approve the Transportation Procurement Strategy at the following meetings:

- Far North District Council meeting on 10 August 2017;
- Kaipara District Council meeting on 14 August 2017; and
- Whangarei District Council meeting on 31 August 2017.

Considerations:**1. Options**

Council has three options:

Option A: Approve the proposed Transportation Procurement Strategy and seek NZTA endorsement. This option will progress the council's legal obligation to have an approved strategy in place by 1 October 2017, maintain access to funding assistance, and is expected to achieve NZTA endorsement by the deadline date. In the event that the other councils make minor or non-material changes to the strategy, provision needs to be made to give the CEO delegated authority to make identical changes to the strategy prior to it being forwarded to NZTA for endorsement.

Option B: Approve the proposed Transportation Strategy with amendments and seek NZTA endorsement. This option will progress the council's legal obligation to have an approved strategy in place by 1 October 2017. However, the specific nature of any material amendments may reduce the likelihood of securing NZTA endorsement, and ultimately may fail to meet the 1 October timeline.

Option C: Not approve the proposed Transportation Strategy. This option will not progress the council's legal obligation to have an approved strategy in place by 1 October 2017 and may adversely affect council's access to funding assistance. The council would have to seek further time extensions from NZTA to develop and approve its Transportation Procurement Strategy.

Option A is the recommended option.

2. Significance and engagement

The following criteria have been used to consider whether this matter is of high or low significance.

- a) The number of individuals and/or groups within the community affected by the proposed Transportation Procurement Strategy is restricted to a small group of company suppliers.
- b) The extent of the impact or consequences of the proposal on the affected persons is limited.
- c) The financial implications of the proposal on the council's overall resources are negligible as the out-sourced supply model is not subject to change.
- d) The levels of public interest in the proposed Transportation Procurement Strategy is limited as it has little or no direct impact on the scope and level of service delivery to the community.

Therefore, in accordance with section 5 of the Local Government Act 2002 (LGA), this decision is considered to be of low significance.

This matter does not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via the council's normal publications on its website, and to its community.

3. Policy and legislative compliance

NRC receives funding assistance for expenditure on land transport investments from the NZTA under section 20 of the Land Transport Management Act 2003 (LTMA), and is required to carry out any purchasing in accordance with this Act using approved procurement procedures.

Under section 25 of the LTMA, council is required to have a NZTA approved procurement strategy to access subsidy funding for roading projects and maintenance works. This approval is required by 1 October 2017.

4. Community views

The development of this procurement strategy has involved discussion with a number of professional services and contracting companies and the involvement of their industry representatives (Association of Consulting Engineers NZ and Civil Contractors NZ) as recorded in the strategy document.

5. Māori impact statement

The approval of the Transportation Procurement Strategy has the potential for positive effects for all local people including Māori.

There are no known impacts on Māori which are different from general users of the road network and transportation services.

6. Financial implications

The recommendations in this report have no effect on the council's budgetary provisions. Subject to the council having a NZTA approved Transportation Procurement Strategy to access transportation subsidy, there will be no financial implications for council.

7. Implementation issues

Next Steps:

- Ø Presentation of the strategy to each of the four councils for approval in August 2017.
- Ø Approved strategy reviewed and endorsed by NZTA before October 2017.
- Ø Tendering of new road maintenance contracts through several stages from September 2017 to February 2018.
- Ø Evaluation and award of tenders February to April 2018.
- Ø New maintenance contracts in FNDC, KDC and WDC commence on 1 July 2018.

Attachments:

- Transportation Procurement Strategy 2017–2021 (included in the Supporting Information)
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Authorised by Group Manager:

Name: Tony Phipps

Title: Group Manager – Customer Service/Community Resilience

Date: 9 August 2017

TITLE: Alternate Co-chair TTMAC Working Party

ID: A972720

To: Council Meeting, 22 August 2017

From: Rachel Ropiha, Kaiarahi Kaupapa Māori – Specialist Advisory Māori

Date: 7 August 2017

Executive summary

The purpose of this paper is to seek an alternate (councillor) to act as co-chair of TTMAC Working Party in place of Councillor Dimery should he not be available to attend formal meetings and/or marae hui.

With the re-establishment of TTMAC as a working party of council, provision was made to have a co-chair arrangement. One being an elected member and the other a non-elected member, with a proxy also appointed should the co-chairs not be able to attend formal and marae based meetings of the working party. The Terms of Reference (TOR) also require that nominations be endorsed by council.

Council has previously endorsed Councillor Dimery and Pita Tipene as co-chairs with Nora Rameka the proxy member in place of member Tipene. Council, however, has not nominated a proxy to act in place of Councillor Dimery.

To ensure we comply with the TOR, it is recommended council appoint an alternate council member of TTMAC Working Party as proxy co-chair.

Recommendations

1. That the report 'Alternate Co-chair TTMAC Working Party', by Rachel Ropiha, Kaiarahi Kaupapa Māori – Specialist Advisory Māori, and dated 7 August 2017, be received.
 2. That Chairman Shepherd be appointed as council's proxy co-chair of the TTMAC Working Party.
-

Considerations:
1. Options

No.	Option	Advantages	Disadvantages
1	Appoint proxy co-chair	Ensures a backup chair should both co-chairs be unavailable to attend meetings.	None
2	Status quo	None	Non-compliance with TOR and possible cancellation of meeting due to no chair in attendance.

To ensure council complies with the Terms of Reference of TTMAC Working Party, staff recommend Option 1, the appointment of a proxy co-chair from the councillor members of TTMAC Working Party. Given the significance of the relationship and importance of topics being discussed, it's recommended that Chairman Shepherd be appointed as proxy co-chair, should Councillor Dimery not be available to attend.

2. Significance and engagement

This does not trigger council's significance and engagement policy and has previously been reported to council. This agenda item looks to reinforce and complement a previous decision of council.

3. Policy and legislative compliance

The decision will be in line with the Terms of Reference for the TTMAC Working Party, section 9.

Further considerations

Being a purely administrative matter, community views, Māori impact statement, financial implications, and implementation issues, are not applicable.

Authorised by Group Manager:

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 9 August 2017

TITLE: Adoption of Catchment Management Plans

ID: A972957

To: Council Meeting, 22 August 2017

From: Justin Murfitt, Resource Management Planning and Policy Manager

Date: 7 August 2017

Executive summary

The purpose of this report is to seek council adoption of five catchment management plans for the Doubtless Bay, Waitangi, Mangere, Whangārei Harbour and Poutō catchments. These catchment management plans were developed using a collaborative group process and represent a great deal of time and effort by the catchment group members, who are to be congratulated for their ongoing commitment to a challenging process.

The adoption of these five catchment plans also represents a key stage of council's programme to implement the National Policy Statement for Freshwater Management 2014. This report concludes with the recommendation that council adopt the catchment management plans developed for the Doubtless Bay, Waitangi, Mangere, Whangārei Harbour and Poutō catchments.

Recommendations

1. That the report 'Adoption of Catchment Management Plans' by Justin Murfitt, Resource Management Planning and Policy Manager, dated 7 August 2017, be received.
 2. That council adopt the catchment management plans developed for the Doubtless Bay, Waitangi, Mangere, Whangārei Harbour and Poutō catchments, subject to minor, non-material amendments for formatting or layout purposes.
 3. That the adopted catchment management plans be made available on council's website.
-

Background

Following the 2012–2022 Long Term Plan, council established Waiora Northland Water as a means to improve the management of Northland's freshwater resources. This programme included establishment of collaborative planning processes in five catchments being; Doubtless Bay, Waitangi, Mangere, Whangārei Harbour and Poutō catchments. Undertaking collaborative planning processes in these five catchments was also identified as a key step in council's programme to implement the National Policy Statement for Freshwater Management 2014.

The catchment groups were made up of local catchment representatives with interests in freshwater and coastal management and were tasked with:

- identifying uses/values for water/waterbodies in the catchment;

- establishing objectives for the catchment; and
- identifying a range of methods to achieve the objectives sought.

The uses/values, objectives and regulatory and non-regulatory methods have been set out in catchment management plans for each of the five catchments. The catchment plans are non-statutory documents and regulatory measures recommended in the catchment plans only have effect if adopted into statutory documents by local authorities (such as council's new regional plan) or other agencies with regulatory powers. All five catchment plans have recommended catchment specific rules be included in the new regional plan. These are recommendations only and the inclusion and/or form of catchment specific rules in the Proposed Regional Plan is at the discretion of council.

The catchment plans also include a range of recommended non-regulatory measures that can be progressed by action 'on the ground' (such as removal of barriers to fish passage, riparian planting/fencing). Many of these can be progressed by the catchment groups themselves, but in some cases they may rely on local government or other agency funding. These measures are to be set out in a prioritised implementation plan developed by the groups with assistance from council's Land Management staff. Any council funding decisions would be subject to council financial and operational planning processes (including Annual/Long Term Plans).

Draft catchment plans were subject to public consultation in conjunction with the draft regional plan over August–September 2016, which included advertisements, letters to affected parties, an online and written submission process, and public drop in days in each of the catchments. The feedback received has since been used by the catchment groups to revise the catchment plans. The finalised catchment plans are **attached** to this report for council consideration.

The consultation undertaken on the catchment plans meets the principles of section 82 and requirements of section 82A of the Local Government Act 2002, which requires that those affected have a reasonable opportunity to understand the matter and present their views to council. Council can therefore adopt the catchment plans with confidence that there has been adequate opportunity for the community of interest to comment. Further, if the recommended catchment specific rules are accepted by council and included in the new regional plan, there will be another opportunity for public participation through the submissions, further submissions, hearings, and appeal processes provided by Schedule 1 of the Resource Management Act 1991.

The catchment management plans are non-statutory documents (i.e. not a requirement of legislation) as such there is no legal requirement for notification following adoption. The final version of the catchment plans would, however, be available on the council website and the catchment groups advised at the next meeting.

Considerations:
Options

No.	Option	Advantages	Disadvantages
1	Council adopts the catchment management plans	<ul style="list-style-type: none"> The time and effort of the catchment groups is formally recognised by council. The recommendations of the catchment plans have more 'weight' if adopted (i.e. there is a better chance of funding for implementation measures by a range of agencies and catchment plan objectives can be recognised in decision making). 	None
2	Council does not adopt the catchment management plans	None	<ul style="list-style-type: none"> The time and effort of the catchment groups is not formally recognised by council. The recommendations of the catchment plans would have less 'weight'.

The staff recommend Option 1.

1. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it has previously been consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

2. Policy and legislative compliance

The adoption of the catchment management plans is consistent with council's programme to implement the National Policy Statement for Freshwater Management 2014 (as notified in 2015). There are no other policy or legislative requirements specific to this matter.

Further considerations

3. Community views

Community views on the matter have been canvassed during consultation on the draft catchment plans in August–September 2016. There was typically a high degree of support for non-regulatory measures by submitters, but opinions were more divided in relation to regulatory measures (i.e. recommended catchment specific rules). These views were considered in subsequent revision of the catchment plans by the catchment groups. Further opportunity for community views on regulatory provisions is also available through the Proposed Regional Plan process. Being non-regulatory documents the catchment plans do not have direct negative impacts on communities and potential positive impacts could arise through implementation initiatives. There is also some expectation from the communities in the respective catchments that these plans will be finalised and adopted by council.

4. Māori impact statement

Each of the catchment groups included Māori representatives who participated in the development of the catchment plans. Feedback by Māori on the collaborative catchment planning process has been mixed, with some expressing disappointment over the extent to which Māori interests have been expressed in catchment plans. However, there are no direct negative impacts on Māori as a result of council adopting the catchment management plans and potential positive effects if implementation addresses cultural concerns/objectives identified.

5. Financial implications

The adoption of the five catchment management plans does not in itself commit council to funding or other resourcing obligations as any such decisions (e.g. financial or additional staff resources to support implementation measures) would be subject to council financial and operational planning processes (including Annual/Long Term Plans).

6. Implementation issues

The catchment management plans include a range of implementation measures, however, these do not necessarily rely solely on council resources and many can be progressed by the catchment groups themselves or through other agencies. The catchment groups are in the process of developing prioritised implementation plans that will set out roles, responsibilities, timing and resourcing required. Council commitment to resourcing can be considered through financial and operational planning processes such as Annual/Long Term Plans.

Attachments (included in the Supporting Information):

- Attachment 1: Doubtless Bay Catchment Management Plan
 - Attachment 2: Waitangi Catchment Management Plan
 - Attachment 3: Mangere Catchment Management Plan
 - Attachment 4: Whangārei Harbour Catchment Management Plan
 - Attachment 5: Poutō Catchment Management Plan
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Authorised by Group Manager:

Name: Colin Dall

Title: Group Manager – Regulatory Services

Date: 8 August 2017

TITLE: Council Deliberations and Decision – External Borrowing to Fund a Loan to Northland Emergency Services Trust

ID: A972030

To: Council Meeting, 22 August 2017

From: Kyla Carlier, Strategy Specialist and Jonathan Gibbard, GM Strategy and Governance

Date: 7 August 2017

Executive summary

Council is considering providing a loan of \$9.8M to Northland Emergency Services Trust (NEST) to assist in its endeavour to purchase two helicopters, and has carried out two weeks of public consultation to provide council the ability to give consideration to the views and preferences of the community in its decision making.

This report provides background information, a summary of community views, other considerations, and presents options for decisions on the proposal.

Recommendations

1. That the report Council deliberations and decision – external borrowing to fund a loan to Northland Emergency Services Trust by Kyla Carlier, Strategy Specialist and Jonathan Gibbard, GM Strategy and Governance and dated 7 August 2017, be received.
2. That council provides the Northland Emergency Services Trust (NEST) with a loan of up to NZD\$4.5 million to purchase one Sikorsky S-76C++ aircraft.
3. That council approves a further loan of up to NZD\$5.1 million to provide for the purchase of a second Sikorsky S-76C++ aircraft, to be paid to NEST, if required, and providing that National Ambulance Sector Office and Northland District Health Board contract procurement has been confirmed.
4. That the decision to provide NEST with NZD\$4.5 million or NZD \$5.1 million be dependent on loan conditions including :
 - a. A repayment period of 5 years
 - b. Fixed borrowing cost reflecting LGFA 15 year rate
 - c. Any extraordinary charitable donations received by NEST in excess of \$100,000 must be forwarded to council to applied to the principal balance of the loan.
 - d. That revenue generated from the sale of existing helicopters must be applied to the principal balance of the loan.
 - e. Appropriate security arrangements are put in place.

- f. That all legal fees incurred in drawing up loan arrangements are added to the balance of the loan.
- 5. That council delegates the Chief Executive Officer the authority to:
 - a. Continue to engage with NEST to satisfy council's requirements as detailed in recommendation 3-4 above.
 - b. Authorise final transfer of the funds when all requirements are met.
 - c. If not satisfied that requirements are being sufficiently met, suspend the transaction pending further reporting to council at the next council meeting.

Background:

In June 2017, council became aware that the Northland Emergency Services Trust (NEST) had the opportunity to purchase two Sikorsky S-76C++ helicopters. Subsequently, at their 4 July 2017 workshop, council signalled their desire to support NEST in their acquisition of these two helicopters, through the provision of a loan of up-to \$9.8M to be repaid over 5 years.

Council has previously, following a process of public consultation, decided to join the Local Government Funding Agency (LGFA) and, given the current low level of wholesale interest rates LGFA credit spreads, council considered the LGFA was the most appropriate and prudent funding mechanism to generate the funds for the loan to NEST. As an indication, at the time of writing this report, the cost of this borrowing to council would be in the vicinity of 4.86% fixed over 15 years, approximately 2% lower than what NEST can secure from their other funding sources.

The decision to provide this funding was assessed against councils' significance and engagement policy and was considered significant, therefore council determined that community views should be sought in accordance with Section 82 of the Local Government Act 2002, in relation to the decision.

Summary of feedback

A two-week period of public consultation was carried out from Friday 21 July to Friday 4 August, seeking feedback on the proposal to provide NEST with a \$9.8 million loan, to help fund two replacement rescue helicopters for Northland.

Consultation tools comprised a media release, social media, direct contact to iwi groups and an extensive list of interested parties and recent submitters.

Council received 453 submissions during the submissions period. 424 of the submissions were in favour of the proposal to provide NEST with a loan of \$9.8 million, 25 submissions disagreed with the proposal, and four did not indicate a clear preference, but made comment.

A summary of the feedback received, a full record of all feedback, and a report on social media feedback, is included in the attached reports.

Staff Analysis

NEST has confirmed that its negotiations with the vendor have concluded and that they are seeking to borrow \$4.5 million in the 2017/18 year, with possible further funds (\$5.1 million) sought in the 2019/20 year. This reflects NESTs arrangement with the vendors to purchase one helicopter outright and lease the other, with a view to purchasing.

NEST's proposal to replace two of their existing helicopters (which are approaching 40 years of age) with Sikorsky model S-76 C++ helicopters is their preferred option on the grounds that they will allow a greater margin of safety, are technically up to date, and can be secured at a reasonable price.

The nett cost of each C++ model of helicopter is identified by NEST as USD\$5 million each aircraft. NEST identifies that at least two of their current fleet need to be upgraded to these models, with a long term plan to upgrade all three of the current fleet. The current fleet has an estimated worth of USD\$1.5M - \$3M.

NEST is forecasting a cashflow surplus of approx. \$500K for the current 2017-18 financial year, and holds cash reserves of approx. USD\$1.6M (Helicopter Replacement Fund) and further cash reserves of approx. USD\$500K for forward maintenance, and NZD\$250K in its operating accounts.

NEST's income comes from a range of sources:

- 32% from NASO - this is the National Ambulance Sector Office. NEST has a contract with NASO for primary work for ACC and Ambulance NZ.
- 37% from NDHB - this includes inter hospital transfer work.
- 6% Skyline - NEST sub-contracts to Skyline, who hold the contract with Auckland DHB for inter hospital work.
- 25% community funding - Including grants and sponsorship from the community. NRC's contribution currently makes up approximately a third of this.

In making this decision, council must consider NEST's ability to repay the loan. Staff have considered the potential risks associated with each of NEST's income sources as follows.

- NASO - NEST has an existing contract with NASO, which expires in October 2018. The Ministry of Health are currently undertaking a review of the way that air ambulance services are delivered nationally, and is being publicly tendered. There is a risk that this contract may not be renewed at the end of this review, and NEST would lose this portion of its income.
- Northland DHB - NEST has an existing MOU with the DHB and is currently negotiating a formal contract, which would expire at the end of 2018. NEST anticipates that a new DHB contract may be wrapped in to a new NASO contract. There is a risk that if the NASO contract is not renewed, any DHB contract could also be lost, resulting in a loss of the majority of NESTs income sources. NEST identifies that in this instance, they would look to sell the existing aircraft and other assets and wind up the Trust.
- Skyline –NEST identifies that there is a risk that this Auckland based work could be taken from NEST, in which case they could look to close their North Shore base

(which would include cost savings) and consider whether a third machine is economically viable.

- Community funding – NEST currently receives approximately \$1.45M per annum in community funding, approximately one-third of which is obtained from NRC's own contestable fund. This funding contributes to NEST's existing income and surplus, which has been factored in to their ability to continue normal operations over the next 5 years.

In order to repay a loan for two helicopters, NEST has projected that additional fundraising of between \$5 million and \$7 million will be required. This would effectively mean doubling NEST's current community funding income, as indicated in the table below.



Should council decide to approve the provision of a loan to NEST the most significant risk council incurs is that NEST may not be able to pay back the balance of the loan. This could occur if NEST experienced a significant reduction in income due to contract loss, or if they were unable to meet fundraising targets. To reduce this risk, council should ensure that appropriate security is gained over the assets.

For the purchase of the first helicopter, NEST will be contributing USD\$1.6 million from their Helicopter Replacement Fund and a further contribution from the sale of the existing helicopter, resulting in a good level of equity in this helicopter upon its purchase. NRC could expect to regain the majority of the balance of the loan with a sale of this helicopter, should NEST default on the loan. This significantly reduces the risk of NRC loaning NEST funds for the purchase of the first helicopter.

If council resolved to lend NEST the full amount sought for both helicopters, there would be a lower level of equity and a higher level of risk associated with a loss of contracts and a depletion of income. Council can reduce this risk by making any loan funding conditional on contracts being secured, or by staging the payments, with any second payment taking place when there is certainty over securing both the NASO and DHB contracts.

In making its decision, council must also consider the opportunity cost of lending \$9.8 million to NEST. This will result in almost half of council's LGFA non-guaranteed lending capacity being allocated, which would limit council's ability to fund future project that requires significant levels of funding. While this is mitigated by council's ability to extend its LGFA loan capacity to approximately \$60,000, this would require council to become a guaranteed lender, a process which would necessitate further public consultation, and at an additional cost to council.

Considerations:
1. Options

No.	Option	Advantages	Disadvantages
1	That council approve a loan of \$4.5 million to NEST, for the purchase of one helicopter.	NEST will be able to purchase the helicopter with low interest rates, saving approximately \$450,000 over five years.	Council incurs risks of loan default if NEST is unable to procure contracts and raise additional community funds. Approximately 25% of Council's LGFA non-guaranteed loaning capacity will be allocated.
2	That council approve a loan of \$4.5 million to NEST, for the purchase of one helicopter, to be paid once new contracts with NASO and DHB have been confirmed.	NEST will be able to secure low interest rates for the majority of the loan period. The risk to council of loan default is significantly reduced.	Higher rates of lending would have to be obtained by NEST until contracts are secured. Approximately 25% of Council's LGFA non-guaranteed loaning capacity will be allocated.
3	That council approve a loan of \$9.6 million to NEST, to be paid in two instalments – \$4.5 million in 2017/18 and the balance in 2019/20, should NEST wish to take advantage of this.	NEST will be able to purchase both helicopters with low interest rates, when the opportunity arises, saving approximately \$1 million over the period of the loan.	Council incurs a risk that NEST may default on the \$4.5 million loan. Council incurs a significantly higher level of risk if the second portion of the loan is provided without NEST securing contracts with NASO and the DHB. Approximately half of council's LGFA non-guaranteed loaning capacity will be allocated.
4	That council approve a loan of \$9.6 million to NEST, to be paid in two instalments – an initial payment of \$4.5 million, and the balance of \$5.1 to be paid once contracts for NASO and DHB contract procurement has been confirmed, should NEST	The initial payment will enable NEST to secure purchase of the first helicopter, and both payments will save NEST approximately \$1 million over the period of the loan. Council's risk will be significantly reduced.	Approximately half of council's LGFA non-guaranteed loaning capacity will be allocated. Council incurs risks of loan default if NEST is unable to procure contracts.

	wish to take advantage of this.		
5	That council does not agree to any loan to NEST.	No risk will be incurred by council, and all LGFA non-guaranteed loaning capacity will be retained.	NEST and indirectly the Northland community will be subject to a higher overall cost associated with the purchase of two NEST helicopters.

Staff recommend Option 4 – that council approve a loan of up to \$9.6 million to NEST, to be paid in two instalments – an initial payment of \$4.5 million, and the balance of \$5.1 million to be paid once new contracts with NASO and DHB have been confirmed, should NEST wish to take advantage of this.

2. Significance and Engagement

The proposal to borrow \$9.8 million from the Local Government Funding Agency and on-loan this to the Northland Emergency Services Trust triggers council's significance and engagement policy, as required by section 76AA of the Local Government Act, and is not provided for in councils 2015-25 Long Term Plan or 2017/18 Annual Plan. The proposal is considered to be of high significance as it involves a financial transaction with a value of greater than five percent of the combined targeted land management and council services rates revenue, has a high level of community interest, is irreversible, and involves a degree of uncertainty.

In accordance with the significance and engagement policy, Council has undertaken a period of public consultation to enable decision making in accordance with sections 78 and 79 of the Local Government Act 2002.

3. Policy and Legislative Compliance

A decision to provide a loan to NEST, as detailed in this report, would be in accordance with council's Treasury Management Policy and Significance and Engagement Policy.

4. Further Considerations

Community views, including those of iwi and hapu, have been sought in relation to this decision. A summary of community views on the decision to provide a loan to NEST is included in this report, and a full record of feedback received is attached. Any other financial implications and implementation issues are addressed in the body of this report.

Attachments:

- Attachment 1 – Summary of Submissions
- Attachment 2 – Full Submissions (included in the Supporting Information)

Authorised by Group Manager:

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 7 August 2017

Attachment 1**Summary of Consultation Feedback**

453 submissions in total

424 – Yes

25 – No

4 – Neither yes or no

424 submissions – Yes, agree that council should loan \$9.8 million to NEST for the purchase of two helicopters.

The vast majority of submissions received in response to the proposal were of agreement, with comments voicing support for both the service itself and the proposed loan. Over 100 submissions included specific comments that the service was vital, essential or critical to the people of Northland.

A number of submissions made specific mention that the loan was a good use of council funds or specially stated that funding NEST should take priority over other projects. However other submitters registered their support providing that other projects aren't negatively affected, and that future loaning isn't jeopardised.

Several submissions stated that the funding should be gifted to NEST rather than loaned, or that the council should completely fund or part-fund the purchase. Some submitters stated that they would support an increase in rates to support NEST or a donation system through rates, or had no objection to footing the bill if NEST couldn't pay the loan. However other submissions supported the loan but made comment that it would not be suitable to write this off as a gift to NEST.

Numerous submissions registered their support for the proposal but raised concern that council should undertake due diligence as part of the loan process, that council does not guarantee the loan and that liability remains with NEST. Points of concern raised included security, insurance, pre-purchase checks, maintenance support, ensuring that the aircraft will remain in Northland, risk management, underwriting and liability, and the potential impact on council's credit rating.

25 submissions - No, do not agree that council should loan \$9.8 million to NEST for the purchase of two helicopters

25 submitters indicated that they did not agree with the proposal. The most common submissions point raised in these submissions was that funding the helicopters was not part of council's core business. Other feedback points included:

- That central government should pay for the service
- There is uncertainty due to the current national review of air ambulance services
- There is uncertainty around NEST's finances, ability to pay the loan back.
- Debt and rates should be reduced
- The risk is high and other methods of funding such as the contestable fund should be used
- That two helicopters aren't necessary that only one should be funded
- That the service isn't properly used
- Blanket objection to any funding of any projects by council
- That council shouldn't borrow the money, but that all Northlanders should pay

One submission received against the proposal stated that rather than a loan, it should be a donation.

4 – No preference stated

Four submissions were received that did not indicated agreement or disagreement with the proposal. These submissions questioned the specifics of the business proposal and loan proposal, NEST's finances and ability to repay the loan, and whether the loan is council business. One blank submissions discussed GMO.

TITLE: Long Term Plan 2018–2028 Project Plan and Engagement Plan Summary

ID: A974582

To: Council Meeting, 22 August 2017

From: Kyla Carlier, Strategy Specialist

Date: 10 August 2017

Executive summary

Staff will be working with council over the next 11 months to develop council's Long Term Plan 2018-2028 (LTP). This item presents the LTP project plan and a summary of the communications plan for approval by council.

Staff will be in attendance to present the project plan and consultation approach.

Recommendations

1. That the report 'Long Term Plan 2018–2028 Project Plan and Engagement Plan Summary' by Kyla Carlier, Strategy Specialist, and dated 10 August 2017, be received.
 2. That council approve the Long Term Plan 2018-2028 Project Plan and communications approach.
-

Background:

The LTP project plan sets out the scope and goals for the project, identifies roles, assumptions, risks and constraints, and outlines the timeline and budget for the process of developing a successful LTP.

The project plan also briefly discusses some of the communications tools and channels that are to be used, however these will be expanded on further through future LTP workshops.

A change to legislation in 2014 removed the requirement that council's hold formal hearings as part of Annual and Long Term Plan processes. Staff recommend that hearings are not held as part of this LTP process, as they have not been found to be the most effective way to get meaningful feedback from the community. In place of hearings, it is recommended that a series of 'Have Your Say Events' be held, that will allow people to provide their feedback in a way that is meaningful to them. This will also provide for a physical presence across a wider area of Northland. These events can be tailored in style and location once key issues have been developed.

Considerations:**Options:**

No.	Option	Advantages	Disadvantages
1	Approve the Long Term Plan 2018-2028 Project Plan	Staff can continue to work toward the successful completion of the Long Term Plan	None
2	Do not approve the Long Term Plan 2018-2028 Project Plan,	None	No approved project plan for the project.

Staff recommend Option 1.

1. Significance and Engagement

While this decision is considered to be of low significance when assessed against council's significance and engagement policy as it is part of council's day-to-day activities, it contributes to the set up of the process of engagement to be carried out as part of the LTP, which will ensure council's compliance with their Significance and Engagement policy.

2. Policy and Legislative Compliance

This decision is compliant with relevant policy and legislation.

3. Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable.

Attachments:

- Long Term Plan 2018-2028 Project Plan (included in the Supporting Information)
- LTP Engagement Plan Summary

Authorised by Group Manager:

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 10 August 2017

Long Term Plan engagement plan – one-page summary



OVERARCHING AIM

People from across the region get the opportunity to have their say on our Long Term Plan.

GENERAL APPROACH, PHASING

Aug-Sept 2017: Pre-consultation

Asking people what is important to them so it can be taken into consideration when council develops its proposals.

Ongoing engagement with:

- key groups through the development of the Long Term Plan, such as the Te Tai Tokerau Maori Advisory Committee.
- internal audiences.

Mar-April 2018: Formal consultation

Seeking feedback on proposals outlined in our consultation document, using a range of communications tools.

KEY CONTACTS

Jonathan Gibbard (project sponsor)

Kyla Carlier (LTP project lead)

Tamara Lee (LTP comms lead)

PRIMARY SPOKESPERSON

Bill Shepherd (council chairman)

KEY OVERARCHING MESSAGE

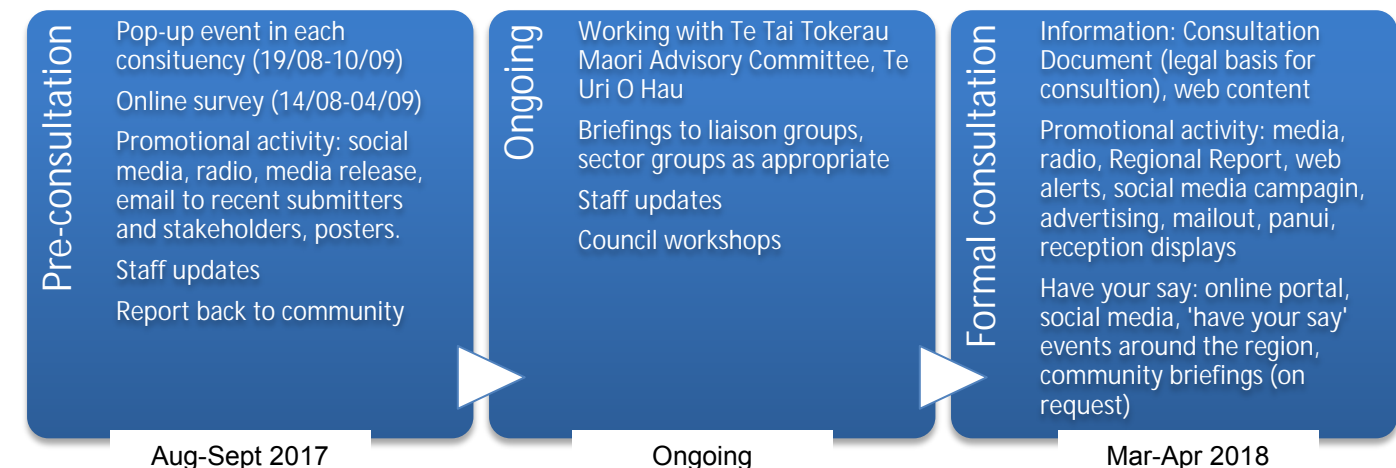
Help us plan for a thriving Northland!

CORE MESSAGES AND SUPPORTING INFORMATION

Core messages	Supporting information
General: We're planning for the next 10 years and beyond, and we need your help.	<ul style="list-style-type: none"> • Our Long Term Plan will set our direction and ambitions for the next decade. • It's a time to review what the priorities are, what services we actually deliver, and how it all gets paid for. • The tricky part is getting the balance right – that's where feedback from our communities comes in.
Pre-consultation: What do you want Northland to be in 10 years' time?	<ul style="list-style-type: none"> • We want to know what's important to you so we can work together to protect the things that are precious and plan for the future. • We've identified some big priorities for the next decade – how do they stack up against your own? • Your feedback will be considered as part of our discussions on the Long Term Plan; you'll have another chance to have your say in early 2018.
Formal consultation: We need your feedback on several key proposals for our Long Term Plan.	<ul style="list-style-type: none"> • Your input is valuable – it'll help us make informed decisions about our region's future. • We've listened – the proposals we've developed take into consideration the early feedback we sought from the community in August 2017. • There are lots of different ways to have your say, like online, in person, on Facebook. • We'll keep you informed about the input received and the final decisions reached.

Messages for the specific proposals we'll consult on will be developed as they are confirmed.

TOOLS AND TACTICS



TITLE: Te Taitokerau Maori and Council Working Party: Membership on Council Working Parties.

ID: A974626

To: Council Meeting, 22 August 2017

From: Rachel Ropiha, Kaiarahi Kaupapa Māori – Specialist Advisory Māori

Date: 11 August, 2017

Executive summary

The purpose of this paper is to provide to council for endorsement, nominations for Te Taitokerau Māori and Council non-elected members onto councils; Marine, Natural Resources, Pest Management and Planning Working Parties; as provided for by a resolution of council, 12 April 2017.

Recommendation(s)

1. That the report Te Taitokerau Maori and Council Working Party: Membership on council working parties by Rachel Ropiha, Kaiarahi Kaupapa Māori – Specialist Advisory Māori and dated 11 August, be received.
2. That council endorse the following nominees associated with each working party, noting that only one member will attend any given meeting as the official representative of Te Taitokerau Maori and Council Working Party:
 - a) Marine Management Working Party: Members Hakaraia, Murphy, Norris.
 - b) Natural Resources Working Party: Members Chetham, Norris, (plus one further nomination yet to be confirmed).
 - c) Pest management Working Party: Members Elboz, Harawene, Rameka, (plus one further nomination yet to be confirmed).
 - d) Planning Working Party: Members Chetham, Mahanga, Murphy, Tautari.
3. That council delegate to Group Manager – Strategy and Governance, Jonathan Gibbard, the authority to liaise with the non-elected co-chair as to the preferred nominee for each working party.

Background:

At its March meeting, council resolved to re-establish the Te Taitokerau Māori and Council Working Party (TTMAC). At the same meeting council also endorsed a recommendation to invite the appointment of one non-elected TTMAC member on to each of the, Marine, Natural Resources, Pest Management and Planning Working Parties.

Since then there has been discussion regarding equity of numbers of elected and non-elected members on each of the aforementioned working parties. However, council did not resolve to allow equal numbers and reissued an invite to TTMAC non-elected members to appoint a single representative to participate in the working parties previously mentioned.

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At its August meeting, TTMAC non-elected members identified small groups of members to focus on each working party. While they understood that only one member would be formally accepted onto the working parties, they wanted to ensure proxy members could attend should the delegated member not be able to attend a given meeting. Thus, ensuring there was always a Maori voice at the table to inform discussions.

TTMAC non-elected member nominees are:

- a) Marine Management Working Party: Members Hakaraia, Murphy, Norris.
- b) Natural Resources Working Party: Members Chetham, Norris, (plus one further nomination yet to be confirmed).
- c) Pest management Working Party: Members Elboz, Harawene, Rameka, (plus one further nomination yet to be confirmed).
- d) Planning Working Party: Members Chetham, Mahanga, Murphy, Tautari.

TTMAC non-elected members did not have time to discuss and confirm a replacement for members that have resigned, nor to advise a preferred nominee from each group to be the official TTMAC member to sit on each working party. They have requested that council endorse the intent of their recommendation at this stage with a view of providing both a preferred nominee and a replacement members in due course.

For expediency, and noting that meetings of the different working parties may well take place before the next formal meetings of TTMAC, staff seek endorsement to work through the non-elected co-chair to identify the preferred nominee for each working party and achieve participation of a TTMAC member at any ensuing working party meeting.

Lastly, in making the decision to have one member on each working party, TTMAC non-elected members wanted to express to full council, their disappointment at councils decision not to accept equal member numbers onto its working parties.

Considerations:

Options

No.	Option	Advantages	Disadvantages
1	Adopt the TTMAC recommendations of one member with identified proxy members	Will provide for a Maori perspective during meetings of other council working parties	Potential for a lack of continuity.
2	Not approve the recommendation	Nil	This would likely seriously impede the development of the TTMAC relationship

Staff recommend that council endorse option one and accept proxy nominations to both ensure the continued relationship with TTMAC but also allow for a constant presence from TTMAC at its governance working parties.

1. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because the establishment of TTMAC has previously been consulted on and provided for in council's Long Term Plan and is part of council's day to day activities. While this issue is likely to be of significance to tangata whenua, council is able to make the decisions outlined in this report without the need for further consultation.

2. Policy and Legislative Compliance

Endorsement of the recommendations is consistent with section 81 of the Local Government Act 2002 regarding the provision for Māori to participate in the decision of council, and is also in line with council's Long Term Plan both in regards to its key focus area and its policy on 'Building Māori Capacity'.

Further Considerations

Being a purely administrative matter, community views, Māori impact statement, financial implications, and implementation issues, are not applicable.

Authorised by Group Manager:

Name: Jonathan Gibbard
Title: Group Manager – Strategy and Governance
Date: 11 August 2017

TITLE: Review of Economic Development Arrangements in Northland – Final Report

ID: A973188

To: Council Meeting, 22 August 2017

From: Darryl Jones, Economist

Date: 8 August 2017

Executive summary

The four Northland councils have undertaken a joint review of their economic development activities, including tourism and destination marketing services. This review, undertaken by MartinJenkins, involved documentation appraisal, interviews with a wide range of parties in the public and private sector, and analysis of findings, including comparison with economic development activities undertaken by councils elsewhere in New Zealand.

Final versions of both the full (166 pages) and summary (20 pages) reports are available on the council website at: www.nrc.govt.nz/economicdevelopment.

Some of the main findings of the review are listed below.

- A large range of activities are being delivered and are reaching a large range of organisations – activities are consistent with identified opportunities and needs facing the region and generally supported by evidence.
 - No major areas of duplication across councils (district-focused activities) and Northland Inc. (regionally-focused).
 - Business and industry value the activities that are delivered. High levels of client satisfaction; positive feedback from businesses.
 - Local government is adequately resourcing economic development in total. Good level of investment relative to other regions.
 - Coverage of some services is more limited in some areas of the region (e.g., Far North).
 - Māori economic development – a range of projects supported but need to improve engagement.
 - Questions raised about level of Northland Inc. understanding/capability with some sectors. Some room to improve client engagement.
 - Investment and Growth Reserve – Transaction costs are high in making decisions on relatively small applications. Mixed quality of feasibility studies/business cases and rationale arguments. No prioritisation of pipeline.
 - Northland Inc. should become a jointly owned CCO, with joint shareholding across the four councils and a joint committee to provide direction and oversee performance and resourcing.
-

Recommendations

1. That the report 'Review of Economic Development Arrangements in Northland – Final Report' by Darryl Jones, Economist, and dated 8 August 2017, be received.
2. That council receives the Review of Economic Development Arrangements in Northland report prepared by Martin Jenkins.
3. That council instructs staff to provide it with options for responding to the findings and recommendations of the review.

Considerations:

Options

No.	Option	Advantages	Disadvantages
1	Receive the review	Provides a sound basis for making changes to its economic development activities.	None
2	Not receive the review	None	Lose a sound basis on which to make decisions.

Staff recommend option 1. If this option is supported, it is also recommended that council instruct staff to provide it with options for responding to the findings and recommendations of the review, following consultation with Northland Inc. Limited, district councils and other parties, with the intention of implementing changes as soon as practicable, or through the Long Term Plan 2018–2028 as appropriate.

1. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it has previously been consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

2. Policy and Legislative Compliance

The review was undertaken to conform with the requirements of section 17A of the Local Government Act 2002. A section 17A review must consider three elements: how a service is governed; how it is funded; and how it is delivered.

3. Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable.

Authorised by Group Manager:

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 10 August 2017

TITLE: Scoping of Irrigation Scheme Options in Northland – Final Report

ID: A973206

To: Council Meeting, 22 August 2017

From: Darryl Jones, Economist

Date: 8 August 2017

Executive summary

Following on from the Northland Strategic Irrigation Infrastructure Study completed in 2016, council commissioned a consortium led by Opus International to scope up some irrigation scheme options in the Kaipara and Mid-North areas. Final versions of both the full (90 pages plus Appendices) and summary (24 pages) reports are available on the council website at: www.nrc.govt.nz/economicdevelopment.

The study developed four scheme options: one in Kaipara and three in the mid-North area. The following table summarises the key details of these schemes as scoped up in the report.

Variable	Kaipara	Mid-North A	Mid-North B	Mid-North C
Storage volume (Mm ³)	30	6	7	7
Capital cost (\$M)	\$115	\$22	\$32	\$27
Irrigation area (ha)	6,300	1,600	1,700	2,000
Capital cost per ha (\$)	\$17,000	\$11,100	\$15,900	\$35,000
Operational cost per ha (\$)	\$390	\$180	\$210	\$320
GDP (\$M per annum)	\$85	\$70	\$75	\$96
Employment	950	500	650	600

Some of the other main findings are listed below.

- The likely outcome will be a change in land use to horticultural crops such as kiwifruit and avocados rather than conversion to dairy.
- Water is available if the schemes capture high flows.
- None of the schemes were overly attractive for private sector investment alone.
- Community engagement vital – difficulties in implementing schemes created elsewhere when not done well.
- Further pre-feasibility work is likely to cost \$1-2M.

The five recommendations of the report are as follows.

1. Update the community of stakeholders.
2. Initiate a development entity for evaluation and implementation.
3. Confirmation of stakeholder priorities and roles.
4. Undertake prefeasibility studies to improve knowledge base for decisions.

5. Develop an investment case and benefits model for the priority schemes.

Recommendations

1. That the report 'Scoping of Irrigation Scheme Options in Northland – Final Report' by Darryl Jones, Economist, and dated 8 August 2017, be received.
 2. That council receives the Scoping of Irrigation Scheme Options in Northland report prepared by a consortium led by Opus International.
 3. That council instructs staff to provide it with options for responding to the findings and recommendations of the report.
-

Considerations:

Options

No.	Option	Advantages	Disadvantages
1	Receive the report	Able to make an informed decision about whether to continue investigating the viability of a new irrigation scheme in Northland.	None
2	Nor receive the report	None	Unable to make an informed decision about whether to continue investigating the viability of a new irrigation scheme in Northland.

Staff recommend option 1. If this option is supported by council, it is also recommended that council instruct staff to provide it with options for responding to the findings and recommendations of the scoping study, following discussion with other local authorities and central government, and the next steps, if any, to take.

1. Significance and Engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's significance and engagement policy because it has previously been consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

2. Policy and Legislative Compliance

This decision is compliant with relevant policy and legislation.

3. Further Considerations

Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable.

Authorised by Group Manager:

Name: Bruce Howse

Title: Group Manager – Environmental Services

Date: 10 August 2017

TITLE: Chairman's Report to Council

ID: A970301

To: Council Meeting, 22 August 2017

From: Bill Shepherd, Chairman

Date: 10 August 2017

Executive summary

This report is to receive information from the Chairman on strategic issues, meetings/events attended, and correspondence sent for the month of July 2017.

Recommendation

1. That the report 'Chairman's Report to Council' by the Chairman, Bill Shepherd, and dated 10 August 2017, be received.

Strategic issues:

Local Government NZ Annual Conference

The Annual Local Government (LGNZ) conference was held in Auckland from 23–25 July. Traditionally the regional councils have held a pre-conference tour in a region in close proximity to the main conference. These preconference tours provide an excellent opportunity to showcase the work that the host regional council is doing and to share ideas.

Northland Regional Council hosted this year's preconference tour, demonstrating that your regional council is really making a difference in Northland highlighting the following projects: one of our recent Ballance Farm Environment Award-winning farms, one of our top performing Enviroschools, the work of our Te Oneroa-a-Tōhē (90 Mile Beach) Board co-governance relationship with FNDC and five Te Hiku iwi, the Hopua Te Nihoteatea detention dam at Maunu, our poplar and willow nursery at Mata, Northport, and the NIWA fish farming research project at Marsden Point. We received some very positive feedback from other regions impressed at what we are doing here.

Some of the conference highlights as seen through the eyes of my fellow councillors, Penny Smart, Rick Stolwerk and Joce Yeoman:

- Six hundred delegates representing most of New Zealand's 67 local authorities, were present at the LGNZ Conference. Meeting many chairs, mayors, councillors, and discussing their region's issues was interesting, relevant to the issues we have in the North and valuable for future projects that we have in the pipeline.
- The Right Honourable Dame Patsy Reddy, Governor General, was the key-note speaker to open the conference and captured all the key issues for local government, community, engagement and democracy. A video of her speech and all those at the

conference are available online at: <http://www.lgnz.co.nz/about-lgnz/lgnz-conference-2/2017-lgnz-conference/videos-conference-2017/>.

- Melbourne Lord Mayor, Robert Doyle, gave delegates a fascinating insight into what it takes to create great community infrastructure. While Melbourne is a very large metropolitan city compared to anything we have in Northland, the strategies he shared for creating great public spaces can be used for any community, regardless of size.
- Motivational speakers representing private, business and local government organisations demonstrated that with the will and the energy to achieve, individuals can make inspirational changes against all odds. An example of each of these categories for reference is:
 - a. Billie Jordan the founder of the **Hip Op-eration Crew**, an over 65 hip hop dance group formed on Waiheke Island. Billie has now launched her Hip op-eration Dance Academy in every country in the world.
 - b. Holly Ransom, CEO of Emergent, a company specialising in disruptive strategy, and building the capacity of leaders to execute change. Holly is a futurist and global strategist.
 - c. Sir Bob Harvey KNZM QSO, former Mayor of Waitakere and former Chair of the Auckland Waterfront development. An amazing example of what is possible in city revitalisation - a legacy project.

The conference also included smaller break-out sessions. The climate change session included group discussions looking at what councils around the country are doing in response to climate change. Interestingly, when it comes to mitigation measures, NRC is well ahead of the pack – our extensive electric vehicle fleet, solar panels to power those vehicles, and coastal hazard maps with current and 100-year risk using climate change predictions for sea level rise, being good examples (<http://www.nrc.govt.nz/Your-Council/Council-Projects/coastal-hazard-maps>).

Meetings/events attended:

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Meeting with Dr Shane Reti, MP for Whangārei, and the Marine Management Working Party – marine protection areas.
 - Attended the Local Government New Zealand Conference held in Auckland.
 - Meeting with Local Government Sector Manager, Office of the Auditor-General, Sarah Lineham – update meeting. Councillor David Sinclair also attended.
 - Blessing and opening of the Waipapa Service Centre.
- Gertie Ostwald – Advantages of the MOU with China Rail.
- Regular Mayoral teleconference calls.
- Attended meeting organised by Kelvin Davis, MP for Te Tai Tokerau, on the Te Ture Whenua Bill. Group Manager – Strategy and Governance, Jonathan Gibbard; and Kaiarahi Kaupapa Māori (Specialist Advisor Māori), Rachel Ropiha, also attended.
- Sue and I took part in the Regional Sector Tour which was hosted by Northland Regional Council.
- Alan Clarkson – TBfree.

ITEM: 8.1

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Correspondence:

During July 2017 I sent out the following correspondence:

Date	Addressed to	Subject
03.07.17	Jeremy Busck	Minimisation of waste
10.07.17	Hon Anne Tolley Minister of Local Government	Local Government Act 2002 Amendment Bill (No. 2)
12.07.17	Hon Nathan Guy Minister for Primary Industries	Potential biofouling risk vessel
20.07.17	Delwyn Walker	Objection to levies for monitoring of fanworm in the Northland area
21.07.17	Audrey Greenhalgh	Marine biosecurity charge
26.07.17	John Schwartfeger	Report under Part 3 s22 LGOIMA as requested by the Office of the Ombudsman
26.07.17	Helen and Peter Hadfield	Marine biosecurity charge

Authorised by Chairman:

Name: Bill Shepherd

Title: Chairman

Date: 10 August 2017

TITLE: Chief Executive's Report to Council

ID: A970258

To: Council Meeting, 22 August 2017

From: Sally Bowron, PA/Team Admin – Strategy and Governance

Date: 10 August 2017

Executive summary

To update the council on recent activities and progress on achieving council priorities.

Recommendation

1. That the report 'Chief Executive's Report to Council' and dated 10 August 2017, be received.

8.2.1 HIGHLIGHTS

Don McKenzie and Bill Shepherd attended the 2017 NZ Biosecurity Awards in Wellington on Wednesday 2 August 2017. Don McKenzie was awarded the Minister's Biosecurity Award which recognises an individual who has made over 10 years of continuous outstanding contribution to biosecurity in New Zealand. Bill Shepherd collected the Highly Commended Award on behalf of Northland Regional Council for the Marine Biosecurity Programme.

8.2.2 CEO'S OFFICE

SHARED SERVICES

The priorities for the Northland Forward Together shared services programme are currently being reviewed. This includes a stock-take of all current collaboration and shared service work streams. The stocktake and priority recommendations were presented to the August CEO Forum.

The Chief Executives of the four Northland councils all recently received an identical letter from the Local Government Commission (LGC). The letter asked for information on progress on shared services to inform the advice for Commissioners on the next steps for Northland. The LGC has requested an update given the joint funding of the *Four Waters Project* report and *Northland Councils ICT Architecture Review*. Council Chief Executives considered their response at the August CEO Forum.

UNISA – UPPER NORTH ISLAND STRATEGIC ALLIANCE

Currently, UNISA Mayors and Chairs are 'information seeking' on the port, rail, and road linkages before they commission work or approach Government to take a more proactive interest in the future development of the Upper North Island ports.

The Mayors and Chairs of each of the seven UNISA councils received a briefing from Chairs and Chief Executives of the Port of Tauranga and Northport, along with KiwiRail and the New Zealand Transport Agency. The Chairs and Chief Executives of Ports of Auckland, and the Chief Executive of the Ministry of Transport, are to attend and present to UNISA in November.

COUNCIL PROPERTY UPDATE**Commercial**

The council purchase of a CBD commercial property settled in August.

Industrial

The council sale of two industrial area properties is progressing.

Rural

The purchase of a small holding in the Marsden Point area is being progressed in support of the rail designation.

8.2.3 CORPORATE EXCELLENCE

FINANCE

Finance have arrived at a draft surplus of \$290K after transfers to and from reserves and excluding non-cash revaluations and are now working towards the completion of the statutory accounts. Deloitte are going to be auditing the final accounts commencing 28 August 2017 and a final annual report will be provided for adoption at the October 2017 Council meeting.

Fraud declaration

I am not aware of any fraud nor am I investigating any incidence or suspected incidence of fraud at this time.

INFORMATION SERVICES AND TECHNOLOGY

Cyber security threats and attacks continue to be monitored. Council has begun a Phriendly Phishing education and training campaign to increase staff awareness on the risks of cyber security. Baseline testing revealed a click through rate of 19.75%, meaning that many staff clicked through on a Phishing email. The training phase of the program is now underway with 45% of staff having completed their training and 50% of staff achieving a 100% pass.

8.2.4 REGULATORY SERVICES

PLANNING AND POLICY

New Regional Plan

To be considered at an extraordinary meeting on 30 August 2017.

Regional Policy Statement – Genetically modified organisms

Federated Farmers lodged an appeal to the Court of Appeal on the High Court's decision affirming that the regional council has the legal ability to regulate GMOs. A hearing date has been scheduled for 22 November 2017.

National Environmental Standard for Plantation Forestry

The National Environmental Standard for Plantation Forestry (NES) was gazetted on 31 July 2017 and comes into effect 1 May 2018. The purpose is a nationally consistent set of rules for the plantation forestry activities (e.g. afforestation, earthworks, river crossing, and forestry quarrying). The NES rules generally trump the regional plan rules, except in some circumstances where the regional plan rules can be more stringent (such as significant natural areas and outstanding freshwater bodies).

Land use and subdivision applications

During July 2017, 26 resource consent applications were received from the district councils (2 notified and 24 non-notified). At the time of writing, no submissions or comments had been lodged/raised.

CONSENTS

Consents in Process

During July 2017, a total of 46 decisions were issued. These decisions comprised:

2	Moorings		
15	Coastal Permits		
0	Air Discharge Permits		
4	Land Discharge Permits		
1	Water Discharge Permits		
13	Land Use Consents		
3	Water Permits		
8	Bore Consents		

The processing timeframes for the July 2017 consents ranged from:

- 245 to 2 calendar days, with the median time being 28 days;
- 112 to 2 working days, with the median time being 20 days.

33	Applications were received in July 2017.
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Of the 122 applications in progress at the end of July 2017:

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

Appointment of Hearing Commissioners

No commissioners were appointed in July 2017.

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

The current level of notified application processing activities at the end of July 2017 is (by number):

• Applications Publicly/Limited Notified During Previous Month	0
• Progress on Applications Previously Notified	5
• Hearings and Decisions	1
• Appeals/Objections	0

ENVIRONMENTAL MONITORING

Compliance and State of the Environment monitoring

The results of compliance monitoring for the period 1– 31 July 2017 are summarised in the following table and discussed below.

Classification	Total	Full compliance	Non-compliance	Significant non-compliance	Not exercised during period
Coastal permit	132	88	38	1	5
Discharge permit	76	60	11	0	5
Air discharges	10	7	2	0	1
FDE - Discharge permit	6	3	3	0	0
Land use consent	23	21	1	0	1
Water permit	145	109	32	0	4
Total	392	288	87	1	16
		73.47%	22.19%	0.26%	4.08%
YTD	392	288	87	1	16

Air discharges

A total of 25 air quality related environmental incidents were received, most of which (18) related to burning and smoke nuisance.

Continuous ambient PM₁₀ monitoring results for June 2017 for the Whangārei, Marsden Point and Dargaville airsheds showed that compliance was met with the National Environmental Standards. PM_{2.5} monitoring results for Whangārei were within the Ambient Air Quality Guideline value.

Coastal

Most consents monitored during the reporting period related to coastal structures and discharges (treated municipal sewage and boat maintenance facility discharges). The inspection of all boatsheds in Whangārei was undertaken in conjunction with a Whangārei District Council Building Inspector.

Routine water quality sampling of the Whangārei, Bay of Islands and Kaipara harbours and southern estuaries (Mangawhai, Waipū and Ruakākā) was carried out. Results received for

the Kaipara Harbour and southern estuaries indicated a general trend of elevated nutrients at upper estuary sites.

Elevated faecal indicator bacteria results were recorded for the upper Mangawhai sites, and for sites at Ruakākā and Waipū. These were likely influenced by rain in the preceding days.

Hazardous Substances

- 400.8kg of hazardous wastes was disposed of.
- Five incidents involving the discharge of hazardous substances were received and responded to.
- Thirty-seven enquiries regarding contaminated land were received and responded to.

Discharge and Land Use monitoring

Routine compliance monitoring of discharge and land use consents continued during the period.

Environmental Incidents

There were no incidents recorded during the reporting period which resulted in a significant environmental impact.

Enforcement

Abatement Notices

There were 10 abatement notices issued during the period. These were for:

Burning and smoke nuisance	5
Sediment discharge from earthworks	4
Diversion resulting in upstream flooding	1

There were two infringement notices issued during the period. These were for:

Burning and smoke nuisance– subsequently withdrawn	1
Sediment discharge from earthworks	1

Formal Warning

There was one formal warning letter issued during the period. This was for the deposition of material on a stream bed.

Other Enforcement – Spray damage to significant indigenous wetland

Charges have been laid against a landowner and the contracting company for spray damage to a significant indigenous wetland adjacent to Basin Road, Baylys Beach. The defendants have requested a sentence indication hearing. The next court date is set down for 2 August 2017.

8.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Environment Fund

Year to date 74 projects totalling \$410,538 have been approved, leaving a balance of \$264,462 to allocate. The remaining funds have been allocated in August.

Farm Water Quality Improvement Plans (FWQIP) 1 July 2017 to 31 July 2017

Year to date 30 FWQIP's have been commenced. 10 have been completed, with a further 188 in progress.

Hātea/Otuhau Water Quality Improvement Project

Since the Minister's announcement in June, promotion of the project has got underway with press statements released by NRC and Whangārei District Council (including a series of articles planned in Whangārei District Council's Whangārei Leader centre page spread). Newspaper adverts are currently being planned and the Hātea video series has gone live with a new video each week shown on the NRC Facebook page (five so far). Responses to 147 letters which were sent to landowners on 28 July are starting to come in.

Soil Conservation Update

To date 6705 3m poplar poles, 300 tree willows and 115 shrub willow have been supplied to landowners. NRC is still expecting deliver of 1,000 poles from Hawkes Bay. In addition, 2980 1.7m Dynex tree protector sleeves have been sold at cost price to landowners. Tree protector sleeve sales have tripled from last year. Currently there are 117 soil conservation projects.

Flyger Road Update

Boxing for concrete slab has been completed for the shed. Planting of expansion blocks is expected to get underway this month.

WAIORA NORTHLAND WATER

Letters of appreciation have been sent to members of the collaborative catchment groups. Meetings are being arranged for September. Doubtless Bay and Waitangi will meet together, likewise Mangere and Whangārei Harbour will meet together, to celebrate past successes and discuss plan implementation.

BIODIVERSITY**Lakes**

Drafts of the 12 Outstanding Dune Lake Management Plans are scheduled for completion by the end of August. The monitoring plan for dune lakes galaxias recovery at the Kai Iwi Lakes has been progressed through a working group led by the Taharoa Domain Committee.

CoastCare

At Waipū Cove the award-winning dune restoration work has continued with an additional 100m of dune reshaped. Waipū Primary School helped plant over 1500 spinifex on the dunes.

Planting days were held with Bream Bay Coastal Care Trust at Ruakākā to continue planting the dunes near the racecourse and by the dune lake landward of the race track.

Wetlands

Environment Fund applications are being prepared for two wetland and riparian forest fencing projects in collaboration with Ngā Whenua Rāhui and Queen Elizabeth II Trust and one private landowner. Another group of top wetlands is being prioritised for on-going protection work for this year.

BIOSECURITY

Biosecurity Threats/Incursions

Staff are not aware of any new incursions in the Northland region.

Feral Deer

Northland has remained deer free for nearly 20 years due to an ongoing joint agency response programme involving council and the Department of Conservation. A recent suspected illegal liberation of fallow deer in western Northland has again highlighted the need to ensure a feral deer response programme has the resources and support to respond to these events and others such as mass escape events from deer farms. The response programme is running at a reduced capacity due to funding restrictions from the programme partners.

Feral Pigs

NRC continue to receive requests from ratepayers and land owners for assistance with feral pig control. These pigs are causing damage to property and the landowners are having to deal with trespassing hunters. Staff have recently worked with Hancock's Forestry security personnel, to halt the activities of a person who was trespassing in their forests and feeding feral pigs which had been causing problems for several adjacent landowners. New rules in the Regional Pest Management Plan relating to releasing pigs and feeding of feral pigs will provide another tool to reduce their impacts. Staff believe these new rules combined with an active response team can reduce feral pig populations in problem areas and will help to reduce the impact pigs are currently having.

Biosecurity Partnerships

Project coordination across Environmental Services

Staff are working to increase the opportunities to coordinate projects within Environmental Services. This is being achieved through staff coordinating several funding applications for individual landowners such as E-Fund Fencing, Kauri dieback fencing and biosecurity pest control funding. Staff are assisting with the delivery of catchment plantings (willow poles) for several properties in the Kaipara hill country erosion project. Staff in Land Management, Biodiversity and Biosecurity have been coordinating projects such as integrated pest control, fencing of the Top 150 wetlands and protecting significant forest remnants.

Tangihua CPCA

Installation of bait stations and traps is complete and the first poison operation has been conducted. The community involvement is continuing to grow with the Tangihua Lions Trust starting to implement a pest management programme within the Tangihua Forest on public conservation land. This is being driven by the community through weekend working bees and training workshops. A network of bait stations and traps is currently being deployed within a 900ha operational area.

Environment Fund Projects (Biofund) (2017/18)

Fifty-four applications totalling over \$100,000 in pest control equipment and materials have been approved. The Biofund procurement process is well underway with the majority of pest control materials being ordered and collated by NRC staff ready to distribute out to the individual projects. Staff anticipate all projects should have received their products by mid-September.

Biosecurity fund management plans have been completed for eight projects in the Kaipara region, including; Glinks Gully Protection Society, Notorious West Road Kiwi Protection (Te

Kōpuru), Hoanga (Dargaville), two Paparoa lifestyle properties and integrated pest control for an 847ha property adjacent to the Manganui River, Wainui (Dargaville). Previous correspondence received from the Department of Conservation rates the Manganui River as an outstanding ecosystem.

Kauri Dieback

Staff are investigating the opportunity to make a short promotional film with funding from Ministry for Primary Industries to highlight the importance of the Kauri Dieback Fencing Fund from the Tindall Foundation. This fund has so far protected several kilometres of boundary between pasture and Kauri forest and prevented stock from spreading the disease.

Education and Awareness - Biosecurity Month

July was Biosecurity month and a campaign around the biosecurity theme was implemented through social media over the entire month. This year, the focus was on achieving recognition of the 'human element' behind the council's Biosecurity Team. Staff used a series of videos to showcase individual staff members who do a considerable amount of work within the community.

Some of the most popular videos included the interviews with local conservation icons and leaders. The most popular video was with Brad Windust from Bay Bush Action and his conservation dog, Milo. This video alone achieved over **10,000** views, **107** shares and **140** 'reactions'. The total reach of this video almost exceeded that of last year's entire Biosecurity month.

Staff also trialled Facebook live sessions with Biosecurity staff answering frequently asked questions and discussing topics such as different trapping methods and the plant identification services which NRC provides.

The 2017 Biosecurity Month campaign reached more than 150,000 people compared to just 27,000 in 2016, and engaged with over 2,000 people compared to less than 700 last year and produced over 15 videos with over 30,000 video views in total.

Marine

The month of July was mainly spent planning for the upcoming surveillance season, with the launch of the Marine Hull Surveillance Tender. Staff have made amendments to council's Resource Consent to discharge chlorine from the in-water cleaning facility (Fab-dock), and continued to develop operational plans. Staff also made a trip to visit Sir Peter Blake's old vessel *Seamaster*, now called *Tara*, at Port Whangārei. *Tara* will be used as a marine biosecurity ambassador for the Northland Region.

RIVER MANAGEMENT

Awanui

Engineers are due to deliver a draft peer review of the preliminary scheme upgrade in mid-August, with a focus on river bank and stopbank stability. The peer review, and updated cost estimates for channel bank protection will be discussed with the Awanui River Working Group in late September, together with an update on progress with flood protection options for Kaitāia.

Preparatory work has been done to engage with owners of land where scheme upgrade works have been proposed. Engagement will start with the sites along the Awanui River upstream of Kaitāia where spillways are included in the preliminary scheme design.

Kāeo -Whangaroa-Matangirau

The next meeting of the Kāeo River – Whangaroa Catchment Working Group has been scheduled for Friday 29 September. A meeting with FNDC and NZTA is to take place at the end of August to discuss funding for an additional Touwai Stream bridge on the Wainui Road at Matangirau. Future NRC channel works at Matangirau will only be effective if extra flood flow capacity is provided under the Wainui Road.

Kawakawa – Taumārere

Efforts to convene a working group meeting to prioritise flood mitigation options for the LTP are in progress.

A meeting with NZTA was held on 26 July to discuss the State Highway 1 Turntable Hill bridge over the Otiria Stream, and options for reducing flood over-topping events. The estimated cost of replacing the bridge is in the region of \$4 - \$5 Million, and it is likely that downstream channel works will deliver a better cost benefit solution to improving route security.

Panguru

A first meeting of a working group to investigate Panguru flood alleviation options was held on 20 July, with a follow up site visit of at risk locations. Councillor Blaikie attended with staff.

Whangārei

Stormwater diversion improvements adjacent to the true right hand emergency spillway is planned for August. A number of channel maintenance works have been identified for the streams through the urban area.

Minor Rivers Works

Several minor works have been identified for the start of the 2017/18 works season.

Minor River Work Programmed for Current Season	Status
Kawakawa Catchment – Waiharakeke Stream Spillway – Stage 2 Concrete Apron and Scour protection to KiwiRail Bridge.	Underway
Tangowahine – Vegetation Management	Planned
Matangirau – Stream bank re-profiling on downstream side of Wainui Road bridge	Planned
Otaika - Minor channel works downstream of the State Highway 1 bridge	Planned with Land Team
Panguru – Bank armouring downstream of Tautoro Road bridge	Planned

NATURAL HAZARDS**Coastal Hazard Mapping Project**

The draft coastal hazard maps for Whangārei District have been updated on the online GIS viewer and include newly mapped areas on the North shore of the Whangārei Harbour. Land owners in the newly mapped area have been notified in writing, and invited to provide feedback on the mapping.

A project to model the coastal flood inundation of low lying areas protected by stopbanks has been awarded to eCoast. The sites include: Awanui, Ruawai and the Northern Wairoa floodplain. LIDAR survey packages are being prepared and the modelling is due to be complete in October.

Regional LIDAR Project

RPS Consultants NZ Limited (RPS) has delivered a pre-survey report with flight plans and an updated schedule, which is being reviewed by staff. Health and Safety plans are expected shortly. The flight team is expected to mobilize to Northland in September / October, subject to suitable weather conditions.

HYDROLOGY**Hydrology Team & Water Resources Work Programme**

A review of historical floods in the Wairoa catchment has been completed, with a focus on the influence of Hikurangi Swamp during these events. A comprehensive set of maps has been produced that outline key rainfall recorders, rainfall thresholds for flooding and time frames between peak rainfall and flooding. From this review the hydrology team can provide more reliable advice to civil defence during flood situations.

The project to map all current and historic rain gauges in Northland is continuing, with 321 out of 524 sites now fully loaded in both IRIS and Hilltop. The end goal is to enable spatial queries on all available rainfall data in Northland, including open and closed NIWA, Met Service, NRC and manually read stations.

Health and Safety reviews are currently being undertaken for hydrometric sites. The goal is to have this completed within the next two months. This includes, applying the new Task Safety Plan template to all hydrometric sites, the determination of river level wading limits as per the National Environmental Monitoring Standards (NEMS) Safe Acquisition of Field Data in and around Fresh Water COP and assessing the requirements around site access.

Scoping a soil moisture monitoring network for Northland is being undertaken by NRC's Water Resource Scientist. This work aims to improve information about local soil moisture conditions, and will be valuable for the validation of meteorological drought index, improved detection of agricultural index and integrated drought monitoring. The main objective of this work is to propose potential sites to measure soil moisture in drought prone areas as well as high (ground) water demand areas.

8.2.6 STRATEGY AND GOVERNANCE

ECONOMIC DEVELOPMENT**Investment and Growth Reserve**

Project	July Update	Future developments/ reporting
Better Water Management	Work with OPUS to finalise <i>Scoping of Irrigation Scheme Options in Northland</i> study.	Workshop with councillors to discuss
Kawakawa Hundertwasser Park Centre	Worked with proponents to develop a funding proposal that was agreed at the July council meeting.	Prepare funding agreement with KHPCT

Project	July Update	Future developments/ reporting
Hundertwasser Art Centre (Whangārei)	Negotiation on the terms of the funding agreement WAMT.	Finalise funding agreement with WAMT.
Maungatapere Berries	Further refinements made to the loan agreement to meet the requirements of the parties.	Finalise loan agreement.
Regional Promotion	Report for the six months ended June received (provided electronically to councillors).	Report for the six months ended December due in mid-February 2018.
Twin Coast Discovery Revitalisation	Report for the six months ended June received (provided electronically to councillors).	Report for the six months ended December due in mid-February 2018.
Waitangi Mountain Bike Park	Final invoice for Stage 2 development received, and final progress check being undertaken.	Final invoice expected to be paid.
Extension 350	None	Quarterly reporting to commence
Twin Coast Cycle Trail (TCCT)	None	Awaiting further progress reports and associated invoices to complete funding commitment.
Resource Enterprise Limited (REL)	None	Financial report for the year ended March due end of July.

COMMUNICATIONS

Publications

Boating in Northland 2017 – 2018

Online channels

- **Biosecurity Month** - The Online Services team provided support for the Biosecurity team to run the annual Biosecurity Month campaign via our council Facebook page. This campaign was the key contributor to a 330% increase in Facebook Reach and a 270% increase in Facebook Engaged Users for July 2017 when compared to July 2016.
- **Most popular post on Facebook this month** – An interview with Brad & his dog Milo about the work Bay Bush Action does and how they work together with Northland Regional Council and other partners.

Key Performance Indicators	Apr-17	May-17	June-17	Jul-17
WEB				
# Visits to the NRC website	30,529	20,684	21,534	17,290
E-payments made	1	2	2	20
# subscription customers (cumulative)	1,175	1,175	1,156	1,153
SOCIAL MEDIA (cumulative)				
# Twitter followers	1,268	1,275	1,299	1,309
# NRC Facebook fans	4,337	4,490	4,611	4,782

Key Performance Indicators	Apl-17	May-17	June-17	Jul-17
# NRC Overall Facebook Reach	84,257	92,565	73,362	170,500
# CDEM Facebook fans	13,114	14,063	14,137	14,225
# CDEM Overall Facebook Reach	140,016	62,847	86,968	63,635

Events

• Regional sector group tour (Thursday 20- Saturday 22 July)

The tour was a real success with 40 delegates in attendance over the three-day event. Staff and community members did an amazing job showcasing our region and activities from farming in Okaihau to Ninety Mile and visiting NIWA. We have received overwhelming positive feedback from attendees.

• Waipapa Service Centre opening (Monday 31 July)

Local kaumata from Ngati Rehia (TTMAC Working Party members Hurunga and Rameka), accompanied by other hapū whānau carried out the official blessing on behalf of council, and a small number of staff gathered for a private blessing before an invite only civic ceremony to mark the opening of the new Waipapa Service Centre. Around 30 people including the Far North District Council Deputy Mayor, Northland Inc Chairman, and local community members joined the celebrations.

ENVIROSCHOOLS / EDUCATION

WaiFencing – assessment workshops held

From 4 – 6 July, three WaiFencing assessment workshops were held on Landcorp farms. Can Train NZ and Landcorp fencers worked together to assess senior students on NCEA accredited fencing skills. On Rangiputa Station (Karikari) students fenced off a dune lake, on Kapiro Station (Kerikeri) a wetland and on Titoki Station (Whangārei) students repaired a riparian fence leading into a lake.

Project Possum – final skills camp held

On 26 and 27 July, the final Project Possum skills camp for 2017 was held at Lonsdale Park, near Kāeo. Council Biosecurity staff worked with Can Train NZ to teach possum trapping, skinning, machine and hand plucking, and how to lay a trap line.

Participants also began theory assessments in possum biology and environmental impact. A Health Protection Officer from the Northland District Health Board gave a presentation on hygiene related to possum trapping.

IWI LIAISON

Council met again to discuss Māori representation – both through the Local Electoral Act 2001 review and on council working parties. Outcomes of these discussions will be presented to the August formal meetings of both TTMAC and to the Iwi, Local Government Chief Executive Forum (representation review only).

The cross-council initiative considering cost implications of Treaty settlement mechanisms to local government finalised the report and recommendations along with a framework tool which will be presented to the Minister of Treaty Settlements prior to the September general elections.

CORPORATE PLANNING

The 2015 - 2025 Long Term Plan was adopted in 2015 and set out 50 performance measures. Staff provide information quarterly on the council's progress against these performance measures.

Council has made good progress against achieving most targets:

- 39 targets were achieved;
- 4 targets were not applicable due to a lack of large rainfall events occurring in the reporting period (these measures related to hazard management).
- 6 targets were not achieved
- 1 target is awaiting receipt of further information for completion.

It should be noted the definition of "achieving" a target is very prescriptive. In some instances, council, does not have direct control over the achievement of targets, for example, the target to maintain or increase the number of students attending WaiFencing, which fluctuates in accordance with other external factors.

The six targets that were not achieved are set out below, with some discussion as to why they were not achieved.

Measure not achieved	Discussion
Percentage of the community surveyed that is satisfied with the way Council involves the public in the decisions it makes. Target: Maintain or increase	This measure had dropped from the 32% baseline that was established last year, to 27%. These results may have been affected by a change in survey methodology from phone survey to paper and online survey.
Number of students participating in EnviroSchools project WaiFencing Target: Maintain or increase	WaiFencing skills workshops are held annually, with students participating from a variety of schools throughout Northland. The number of attendees decreased slightly from 77 in the 15/16 year, to 72. The number of attendees at the workshops fluctuates in response to various factors including the number of students available at the time of the workshop and other work programmes being run by schools.
Percentage of significant non-compliance events for permitted farm dairy effluent activities monitored that year Target: Less than 15% of monitoring events.	This measure had increased from 17.32% not achieved in the 15/16 year to 25.20%. There were 59 significantly non-compliant FDE permitted activity farms, from a total of 234.
Percentage of consents for industrial, municipal sewage and farm discharges and major water takes requiring monitoring that are monitored as per the council's consent monitoring programme. Target: 100%	92% was achieved. Most outstanding monitoring is for water takes. A new water used monitoring officer started in August 2016 and is still working on getting the monitoring for water takes to the required standard.
Percentage of occasions that appropriate action is taken to rectify significant non-compliances. Target: 100%	98.75% was achieved. There was a total of 399 monitoring events which were graded significantly non-compliant, and of these 5 had not been followed up.
Number of passengers for the Whāngārei urban bus service Target: Increasing annually	309,414 passengers were recorded, down from 312,193 passengers in the 15/16 year. This is an ongoing trend, and is due to low fuel prices

Measure not achieved	Discussion
	and continued delays to scheduled services caused by urban roadworks.

One measure relates to Northland Inc.'s level of compliance with their approved Statement of Intent, which can only be measured upon receipt of Northland Inc's 2016/17 Annual Report in August. Northland Inc's SOI 2016-2019 requires them to report on 11 key performance measures. Staff will report these final results to the September council meeting.

Legislative Compliance Q3

Council undertakes quarterly legislative compliance reporting to ensure council is complying with relevant legislation (as recommended by Audit NZ). Council's legislative compliance monitoring for Quarter 4 has highlighted that council is compliant with all recorded legislative requirements, with one exception.

The Te Hiku Omnibus Settlement Acts require that council meet statutory responsibilities to implement the Acts, including developing Beach Management Plans within the statutory timeframes. It is unlikely that these plans will be developed within the two years. Work on this is ongoing.

GOVERNANCE SUPPORT

Local government official information (LGOIMA) requests

Month	LGOIMA requests received 2016/17	LGOIMA requests received 2017/18
July	7	7
August	5	
September	10	
October	11	
November	10	
December	10	
January	7	
February	11	
March	18	
April	12	
May	8	
June	7	
Total LGOIMA requests received	116	7
Total LGOIMA requests not completed ≤ 20 working days	9	1

In July 2017, there were two LGOIMA requests that exceeded 20 days to complete. As they were requested in May/June 2017, they were added to the 2016/17 total. For the 2017/18 year, there is one request, still open, that has exceeded 20 working days' response. Detail on the requests not completed within 20 working days:

1. REQ.584893 was a large request regarding discharges. A data error was encountered which needed resolution before supplying the data. The requestor was advised of the delay and appeared satisfied with the update provided by staff.

2. REQ.583368. This LGOIMA requested job descriptions and was not forwarded to staff to action. A response was provided on the same day staff were made aware of the request
3. REQ.585198. This LGOIMA is now closed with the requestor advising that he was satisfied with the response.

Workshop Topics July 2017

Onyx Capital
Hundertwasser Kawakawa
Kaipara Harbour sediment study
Rating review
NEST funding options
The Swimmability Project
Proposed changes to the Local Government Act
Induction review
Investment and Growth Reserve – Strategic priorities
Forecasting assumptions
Targeted rate on accommodation sector
Upper North Island tourism campaign
Long Term Plan strategic direction
Māori representation
Local government leaders' climate change declaration
Investment and rating workshop
Update on transport projects
Long Term Plan – community engagement

8.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

CIVIL DEFENCE EMERGENCY MANAGEMENT**Warnings and activations**

Several weather watches were issued by Met service during July; these events were monitored by CDEM by no further action was required.

On Wednesday 26 July CDEM responded to a request from the Police to establish a Welfare Centre at the Whareora after an armed offender's incident at Mt Tiger Road. The centre was established at approximately 3.45pm and catered for a small number of people who were unable to return home due to cordons being in place. Cordons were eventually lifted at around 6.00pm and the centre was closed shortly afterwards.

Ministerial Review Submission

As earlier reported the Northland CDEM Group made a submission on the Ministerial Review, Better responses to natural disasters and other emergencies in NZ. Submission hearings were held in Wellington and a representative from the Northland CDEM Group office attended and provided feedback on behalf of this region to representatives of the Technical Advisory Group. In summary, the Northland submission supports the principle of the review but contends that the problems identified that have led to the review are not indicative of operational capability in all regions. Northland has demonstrated through active and engaged stakeholders, strong relationship management and operational experience that the current arrangements outlined in the legislation can and do work if there is a high level of competency and leadership. The submission acknowledges inconsistency across the country

and recommended a greater emphasis be placed on providing a consistent national framework that includes investigation of international best practice. Council's Chief Executive Officer met with the Chair of the TAG in early August. It was the CEO's impression that the TAG will recommend substantive changes to the CDEM activities and that the council is well placed to meet these requirements. The TAG report can be expected early in 2018.

Strategic Recovery Planning

MCDEM have released the draft Strategic Planning Directors Guideline for Recovery which aims to provide clarity on the requirement for CDEM Groups to state and provide for the strategic planning for recovery specific to the hazards and risk in the group plan. MCDEM have asked for comments on the guideline by late September.

CDEM Review

The Northland CDEM Group has commenced a review of the region wide arrangements for Civil Defence Emergency Management in accordance with section 17A Local Government Act.

The purpose of the review is to evaluate the efficiency and effectiveness of the current CDEM arrangements and structures across the four constituent councils and to identify opportunities for improvement, taking into consideration the current shared services arrangements with two of the constituent councils (Whangārei and Kaipara). With recent amendments to the recovery provisions in the CDEM Act, that now provide powers and require appointments of recovery managers, there are potentially opportunities to rationalise existing services and resources.

An independent experienced contractor has been engaged to undertake the review and to report back on findings. All costs for this review are being funded from the CDEM Group.

The key outcome is identifying where best improvements can be made to ensure that councils are getting the "best value for money" for communities.

Hazard app integration with websites and social media

The reach of Hazard app alerts sent by the Northland CDEM Group continues to be extended. In addition to the NRC website, Facebook page and Twitter, this feed is now connected to the social media channels of all three district councils in Northland. Whangārei District Council and Far North District Council will integrate it into their websites as part of forthcoming website upgrades. Two radio station Facebook pages and four community Facebook pages are now also connected. There is an almost-limitless ability to add further platforms, at no additional cost.

Two representatives of Emergency Management Southland (the Southland CDEM Group) are travelling to Northland at the end of August to see how this project has been carried out.

Cell Broadcast Alerting (Emergency Mobile Alerts)

This is the national project which will technically give agencies the ability to send alerts to all cell phones in a set area without the users having needed to download an app or subscribe to a service. The timeframe set down by then-Minister of Civil Defence Gerry Brownlee was the end of 2017. An international provider has been selected and testing of handsets is underway. The current intention is that MCDEM will begin promoting this to the public during Get Ready Week in early November. Murray Soljak is part of the national working group for this project and a smaller working group which is focusing on best-practice messaging content.

MCDEM has made it clear that there will be an ongoing role for the Hazard app following the implementation of Cell Broadcast Alerting.

TRANSPORT**Regional Land Transport Planning – Northland Regional Land Transport Plan 2015/2021 – Three-Year Review**

Progress on the Draft Regional Land Transport Plan 2015/2021- Three Year Review remains on schedule.

Meetings have been held with RLTP Project Team and with the NRC Communications team.

A progress report to the tabled at the Regional Transport Committee meeting on 9 August 2017.

Passenger Transport Administration*Total Mobility*

Total Mobility figures are reported one month in arrears, as the information is not available in time to meet the agenda deadline. Therefore the statistics provided below are for June 2017.

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
May 2017	1179	\$14,218	\$16,666	-\$2,448	\$140,948	\$183,326	-\$42,378
June 2017	1168	\$13,289	\$16,666	-\$3,337	\$154,237	\$199,992	-\$45,755

A national meeting was held in Wellington for the Total Mobility Coordinators on 4 July to discuss improvements on the draft Total Mobility Scheme Guidelines. Lessons learnt were shared from Otago Regional Council on the roll-out of Ridewise.

June 2017 Bus Service Operational Statistics

Note: figures for July unavailable at time of report.

June 2017	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	25897	28618	-2721	309414	324473
City Link Farebox Revenue (GST exclusive)	\$48,829	\$62,453	-\$13,623	\$612,014	\$719,450
Mid North Link Passengers	163	414	-251	1690	2886
Mid North Link Farebox Revenue	\$595	\$2,699	-\$2,104	\$8,355	\$18,817
FarNorth Link Passengers	491	-	-	5932	-
FarNorth Link Farebox Revenue	\$763	-	-	\$13,654	-
Hokianga Link Passengers	25	-	-	345	-
Hokianga Link Farebox Revenue	452	-	1	5788	-

CityLink Tender

The new contract has been offered to Ritchies who have accepted the offer. The new tender commences operation on 1 May 2018.

Busabout Kaitāia

The CBEC group that operate the Busabout Kaitāia bus service have agreed to a name change and will be now be formally known as FarNorth Link. This brings the operating title in line with the Northland Regional Councils other contracts.

Road Safety UpdateRegional Road Toll Statistics – 2017 & 2016 Comparison

Location	YTD 2017	YTD 2016
Far North	14	6
Whangārei	6	5
Kaipara	3	8
Northland	23	19
National	222	187

There have been twenty-three fatalities in Northland so far in 2017; There were nineteen deaths for the same period in 2016. These include thirteen drivers, four passengers, two motorcyclists, one cyclist and 3 pedestrians.

Casualty ages involved in death related crashes

Age range	Number of deaths
0 – 14yrs	1
15 – 19yrs	1
20 – 24yrs	4
25 – 39yrs	4
40 – 59yrs	10
60 + yrs	3

Police inform us that 15 deaths involved impairment (Alcohol/Drugs) – 6 involved Speed – 10 involved no restraints – 2 involved not wearing helmets – 8 involved driver license issues.

These are key on-going issues being targeted collaboratively through the Road Safety Action Plan process across the region.

NAVIGATION, SAFETY AND MARITIME OPERATIONS

The Navigational Safety Bylaw 2017 has been adopted as of 1 August 2017. The draft of the Kai Iwi Lakes navigational safety bylaw was open to submissions over July, and closed 2nd August.

The Takataka Rock beacon which was vandalised last year has been repaired by contractors. Whilst the barge was in the Hokianga staff took the opportunity to attend to the service of other buoys, and organise servicing of moorings in the area. An apparently abandoned fishing vessel in Whangaroa harbour is being dealt with by staff. Various other buoys and lights were serviced around the region. Winter and reduced sunlight tends to finish off tired batteries that rely on solar to recharge.

A new calendar for in harbour events has been instigated and made available on the NRC website. This allows the organisers of events to more easily log in and record their event, and

for staff to provide safety advice and exemptions if need be. With an increase in events in Northland this will help reduce conflicts between competing events in the same area.

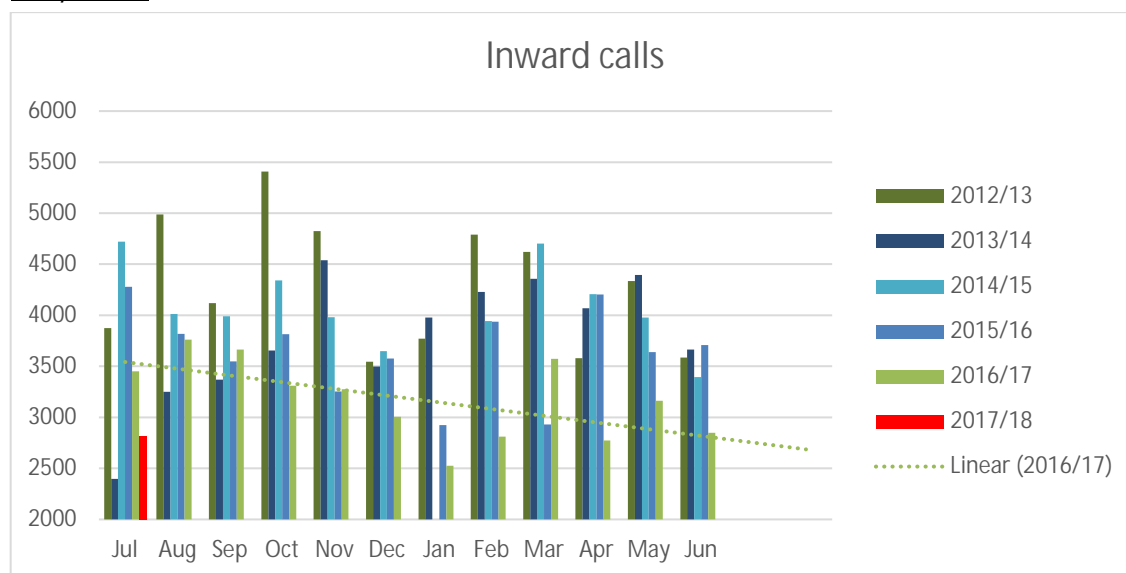
A funding application to the Fuel Excise Duty fund, available from Maritime NZ for recreational boating safety, was successful with an award of \$20,000. These funds will be used for recreational boating education. Staff attended national meetings in Auckland and Wellington aimed at coordinating resources around the country to best achieve safety results.

The Golden Princess cruise ship completed a successful mid-winter visit to the Bay of Islands, with good timing meeting fine weather and calm conditions.

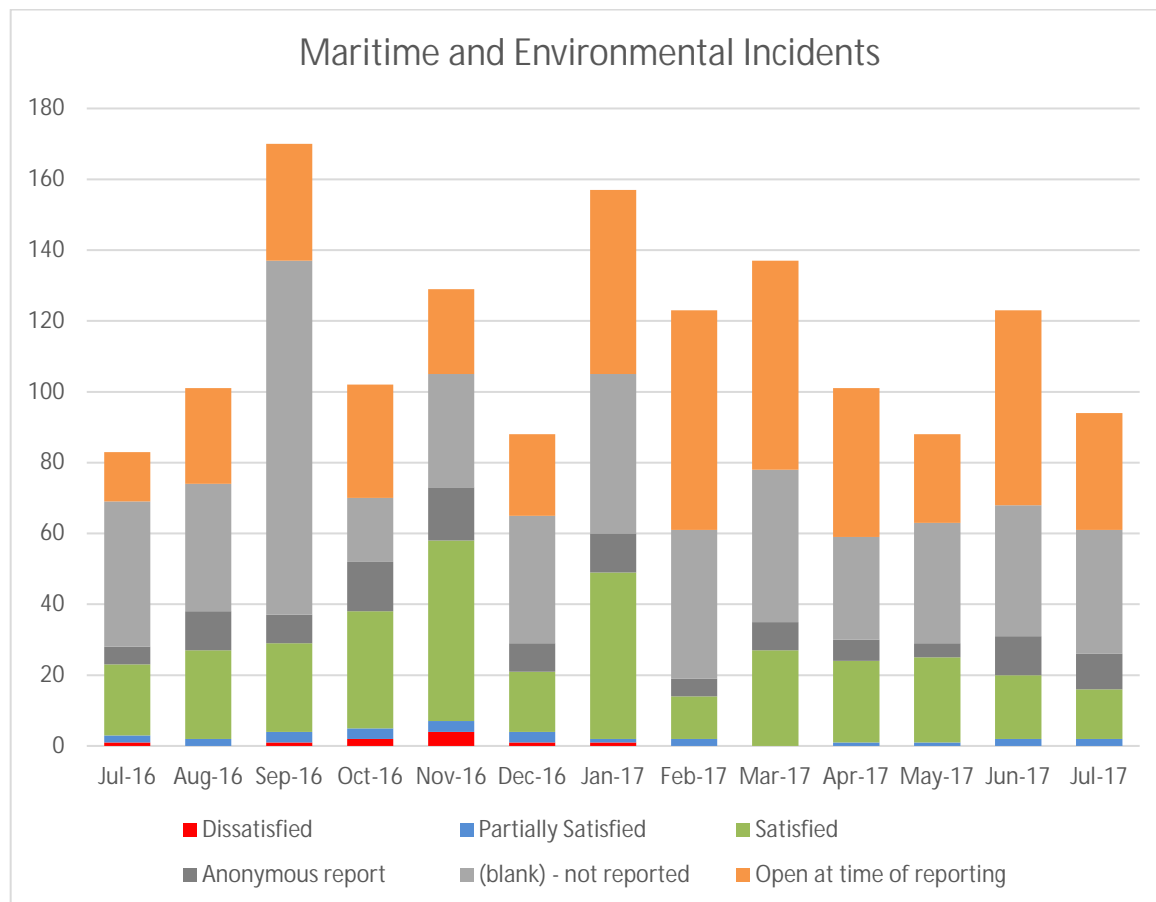
CUSTOMER SERVICES

PERFORMANCE STATISTICS

Telephones



New telephone operator software is currently being trialled to resolve the issues of dropped calls and voice distortion. Subject to meeting performance requirements, it will be implemented within the next few weeks.

Hotline and Incident Responses**Feedback Cards**

Fourteen feedback cards were received during July; Consents 2, Monitoring 6, Enviroschools 6. All ratings were 'very satisfactory', except one which was 'satisfactory'. The feedback comments have been very complimentary, for example;

"Staff prepared to listen. Also, adapted to unusual factors i.e. 2 bores probable different aquifers"

"One of the better employees that answered and explained everything to complete satisfaction"

"I have dealt with NRC over many years, always found them most CO-OPERATIVE and helpful"

"Awesome range of activities and great instructors. Thanks Susan"

ActivityMid-North Customer Service Centre

The new office was blessed and officially opened on the 31st July. Seven operational staff are regularly working from the Waipapa office either fulltime or part of the week.

Staff have commented on the benefit of sharing knowledge about local activity across departments.

It is expected that many enquiries received through this office will relate to FNDC services. The intention is, where possible, the Waipapa office will offer to connect the visitor to the correct FNDC staff member by phone. We are also exploring other ways we can work co-

operatively with FNDC such as holding stocks of their most popular forms and acting as a document drop-off.

External Surveys

The results from our Resident Satisfaction Survey were consistent with the results of the 2016 survey with most outcomes within the margin of error. Key messages from the Resident Survey are;

1. Although many people are aware of our key services, a large proportion of people are unclear about the distinction between the regional and district councils.
2. Residents in the Far North and Kaipara are less satisfied with the performance of council than residents in Whangārei.
3. There is a greater level of dissatisfaction reported from residents who have contacted council compared to those who have had no contact.
4. Maori were less satisfied with overall performance and communication compared to the previous survey.

These results are contradictory to the results of the LGNZ Reputation Survey, and when compared to our internal surveys and feedback. A focus of this year will be to identify the reason for this variation through post-experience surveying. This will involve surveying customers directly after their interaction with the council using exit surveys on departure through kiosk, text, email or phone.

ALGIM Mystery shopper survey – in progress until August. Result available September.

Internal Surveys

The Farm Dairy Effluent Survey was distributed through a newsletter link. This method did not achieve the expected response rate and the survey will need to be re-run.

The TLA Key Contacts Survey has progressed to final draft for sign-off before being circulated.

Authorised by Chief Executive Officer:

Name: Malcolm Nicolson
Title: Chief Executive Officer
Date: 14 August 2017

TITLE: Receipt of Committee Minutes
ID: A971773
To: Council Meeting, 22 August 2017
From: Chris Taylor, Governance Support Manager
Date: 10 August 2017

Executive summary

The purpose of this report is to acknowledge the unconfirmed minutes of the Property Subcommittee held on 12 July 2017.

The minutes will be circulated under separate cover.

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

Recommendation

That the unconfirmed minutes of the Property Subcommittee held on 12 July 2017 be received.

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager – Strategy and Governance
Date: 14 August 2017

TITLE: Business with the Public Excluded
ID: A975553
To: Council Meeting, 18 July 2017
From: Chris Taylor, Governance Support Manager
Date: 11 July 2017

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	Confirmation of Confidential Minutes of the Council Meeting – 18 July 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.2	Receipt of Confidential Committee Minutes – Property Subcommittee 12 July 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
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	Hihiaua Precinct Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to allow the council to carry out, without prejudice or disadvantage, commercial activities 7(2)(h), and to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 7(2)(i).

Considerations

1. Options

Not applicable. This is an administrative procedure.

2. Significance and Engagement

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

3. Policy and Legislative Compliance

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

4. Other Considerations

Being a purely administrative matter; community views, Māori impact statement, financial implications, and implementation issues are not applicable.

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager – Strategy and Governance

Date: 14 August 2017