

## NORTHLAND REGIONAL COUNCIL

# Agenda

For meeting to be held in the Council Chamber,  
36 Water Street, Whangārei, on Tuesday 20 February 2018,  
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><b>ACC</b> - Accident Compensation Corporation</p> <p><b>AHB</b> - Animal Health Board</p> <p><b>ALGIM</b> - Association of Local Government Information Management</p> <p><b>AMA</b> - Aquaculture Management Area</p> <p><b>AMP</b> – Asset Management Plan/Activity Management Plan</p> <p><b>BOI</b> - Bay of Islands</p> <p><b>BOPRC</b> - Bay of Plenty Regional Council</p> <p><b>CAPEX</b> - Capital Expenditure (budget to purchase assets)</p> <p><b>CBEC</b> - Community, Business and Environment Centre</p> <p><b>CDEM</b> - Civil Defence Emergency Management</p> <p><b>CEG</b> - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p><b>CEO</b> - Chief Executive Officer</p> <p><b>CIMS</b> - Co-ordinated Incident Management System (emergency management structure)</p> <p><b>CMA</b> - Coastal Marine Area</p> <p><b>CPCA</b> - Community Pest Control Areas</p> <p><b>CRI</b> - Crown Research Institute</p> <p><b>DHB</b> - District Health Board</p> <p><b>DOC</b> - Department of Conservation</p> <p><b>DOL</b> - Department of Labour</p> <p><b>DPMC</b> - Department of Prime Minister and Cabinet</p> <p><b>ECA</b> - Environmental Curriculum Award</p> <p><b>ECAN</b> - Environment Canterbury</p> <p><b>EE</b> - Environmental Education</p> <p><b>EECA</b> - Energy Efficiency Conservation Authority</p> <p><b>EEZ</b> - Exclusive Economic Zone</p> <p><b>EF</b> - Environment Fund</p> <p><b>EMA</b> - Employers and Manufacturers Association</p> <p><b>EMC</b> - Environmental Management Committee</p> <p><b>EOC</b> - Emergency Operations Centre</p> <p><b>EPA</b> - Environmental Protection Authority</p> <p><b>FDE</b> - Farm Dairy Effluent</p> <p><b>FNDC</b> - Far North District Council</p> <p><b>FNHL</b> - Far North Holdings Limited</p> <p><b>FPP</b> - First Past the Post – voting system for NRC elections</p> <p><b>GE</b> - Genetic Engineering</p> <p><b>GIS</b> - Geographic Information System</p> <p><b>GMO</b> - Genetically Modified Organism</p> <p><b>HSNO</b> - Hazardous Substances &amp; New Organisms Act</p> <p><b>HBRC</b> - Hawke's Bay Regional Council</p> <p><b>HEMP</b> - Hapū Environmental Management Plan</p> <p><b>Horizons</b> - Brand name of Manawatu-Wanganui Regional Council</p> <p><b>HR</b> - Human Resources</p> <p><b>HSWA</b> - Health and Safety at Work Act 2015</p> <p><b>IEMP</b> - Iwi Environmental Management Plan</p> <p><b>IPPC</b> - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p><b>IRIS</b> - Integrated Regional Information System: new computer system being developed collaboratively with other Regional Councils</p> <p><b>KDC</b> - Kaipara District Council</p> <p><b>KPI</b> - Key Performance Indicator</p> <p><b>LATE</b> - Local Authority Trading Enterprise</p> <p><b>LGA</b> - Local Government Act 2002</p> <p><b>LGNZ</b> - Local Government New Zealand</p> <p><b>LGOIMA</b> - Local Government Official Information and Meetings Act 1987</p> <p><b>LGOL</b> - Local Government Online</p> <p><b>LTP</b> - Long Term Plan</p> <p><b>LTFS</b> - Long Term Financial Strategy</p> <p><b>MCDEM</b> - Ministry of Civil Defence &amp; Emergency Mgmt</p> <p><b>MFE</b> - Ministry for the Environment</p> <p><b>MHWS</b> - Mean High Water Springs</p> <p><b>MMH</b> - Marsden Maritime Holdings</p> <p><b>MNZ</b> - Maritime New Zealand</p>	<p><b>MOH</b> - Ministry of Health</p> <p><b>MOT</b> - Ministry of Transport</p> <p><b>MPI</b> – Ministry for Primary Industries</p> <p><b>MSD</b> - Ministry of Social Development</p> <p><b>NCMC</b> - National Crisis Management Centre</p> <p><b>NES</b> – National Environmental Standards</p> <p><b>NDHB</b> - Northland District Health Board</p> <p><b>NZRC</b> - New Zealand Refining Company (Marsden Point)</p> <p><b>NGO</b> - Non-Governmental Organisation</p> <p><b>NIF</b> - Northland Intersectoral Forum</p> <p><b>NIWA</b> - National Institute of Water and Atmosphere</p> <p><b>NORTEG</b> - Northland Technical Advisory Group</p> <p><b>NZCPS</b> - New Zealand Coastal Policy Statement</p> <p><b>NZTA</b> - New Zealand Transport Agency</p> <p><b>NZQA</b> - New Zealand Qualifications Authority</p> <p><b>NZWWA</b> - New Zealand Water and Wastes Association</p> <p><b>OFI</b> - Opportunity for Improvement</p> <p><b>ORC</b> - Otago Regional Council</p> <p><b>OSH</b> - Occupational Safety &amp; Health (now Ministry of Business, Innovation and Employment)</p> <p><b>PCBU</b> – Person Conducting Business or Undertaking</p> <p><b>PDF</b> - Portable Document Format</p> <p><b>PPE</b> - Personal Protective Equipment</p> <p><b>RAP</b> - Response Action Plan</p> <p><b>RAQP</b> - Regional Air Quality Plan</p> <p><b>RCP</b> - Regional Coastal Plan</p> <p><b>RFI</b> - Request for Information</p> <p><b>RFP</b> - Request for Proposal</p> <p><b>RTC</b> - Regional Transport Committee</p> <p><b>RLTS</b> - Regional Land Transport Strategy</p> <p><b>RMA</b> - Resource Management Act 1991</p> <p><b>RMG</b> - Resource Managers Group (Regional Councils)</p> <p><b>RMZ</b> - Riparian Management Zone</p> <p><b>ROI</b> - Return on Investment</p> <p><b>RPMS</b> - Regional Pest Management Strategy</p> <p><b>RPS</b> - Regional Policy Statement</p> <p><b>RSG</b> - Regional Sector Group</p> <p><b>RTO</b> - Regional Tourism Organisation</p> <p><b>RWASP</b> - Regional Water and Soil Plan</p> <p><b>SITREP</b> - Situation Report</p> <p><b>SMF</b> - Sustainable Management Fund</p> <p><b>SOE</b> - State of Environment (or) State Owned Enterprise</p> <p><b>SOLGM</b> - Society of Local Government Managers</p> <p><b>SPARC</b> - Sport &amp; Recreation New Zealand</p> <p><b>SRC</b> - Southland Regional Council (Environment Southland)</p> <p><b>STV</b> - Single Transferable Vote</p> <p><b>SWAG</b> - Surface Water Allocation Group</p> <p><b>SWPA</b> - Sustainable Water Programme of Action</p> <p><b>TA</b> - Territorial Authority: City &amp; District Councils</p> <p><b>TAG</b> - Technical Advisory Group</p> <p><b>Tier 1</b> - Site level plan or response for an oil spill</p> <p><b>Tier 2</b> - Regional level plan or response to an oil spill</p> <p><b>Tier 3</b> - National level plan or response to an oil spill</p> <p><b>TLA</b> - Territorial Local Authority – City &amp; District Councils</p> <p><b>TMP</b> - Treasury Management Plan</p> <p><b>TOR</b> - Terms of Reference</p> <p><b>TPK</b> - Te Puni Kōkiri (Ministry of Maori Development)</p> <p><b>TRAION</b> - Te Rūnanga a Iwi o Ngāpuhi</p> <p><b>TRC</b> - Taranaki Regional Council</p> <p><b>TROTR</b> - Te Rūnanga o Te Rarawa</p> <p><b>TUANZ</b> - Telecommunications Users Association of NZ</p> <p><b>WCRC</b> - West Coast Regional Council</p> <p><b>WDC</b> - Whangarei District Council</p> <p><b>WHHIF</b> - Whangarei Harbour Health Improvement Fund</p> <p><b>WRC</b> - Waikato Regional Council</p> <p><b>WSMP</b> – Workplace Safety Management Practices</p> <p><b>WWTP</b> - Wastewater Treatment Plant</p>
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**TITLE:** Presentation

**ID:** A1033484

**To:** Council Meeting, 20 February 2018

**From:** Chris Taylor, Governance Support Manager

**Date:** 8 February 2018

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### **Executive summary**

The following presentation will be presented to council:

- 3.1 FDE Compliance by Group Manager – Regulatory Services, Colin Dall; and Compliance Monitoring Manager, Tess Dacre.

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### **Recommendation**

1. That the presentation be received.

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### **Authorised by Group Manager**

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 8 February 2018

**TITLE:** Health and Safety Report  
**ID:** A1032000  
**To:** Council Meeting, 20 February 2018  
**From:** Tracey Warboys, Health and Safety Specialist  
**Date:** 26 January 2018

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### **Executive Summary**

This report provides an update from the Health and Safety Specialist for the months of December 2017 and January 2018.

There was a total of five reported events over this period, but these were of low risk.

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### **Recommendation**

That the 'Health and Safety Report' by Tracey Warboys, Health and Safety Specialist, dated 26 January 2018 be received.

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### **Report**

#### **Summary of events (items of note)**

- Total of five reports for the period – increase in reporting by one against previous months.
  - Discomfort, Pain and Injury (four) – employee returning from maternity leave, increased workload for part-time employee and two employees' discomfort from older type chairs. Assessments undertaken with no further issues.
  - Incidents (one) – NRC vehicle involved in minor collision where another vehicle exited driveway into theirs - non-injury event.

#### **Internal Policy Review**

- Drug and Alcohol Policy - final sign off with GM – Corporate Excellence.
- Implementation of Lone Worker Solutions underway.
- The Lone Worker Policy consultation closes 26/01/18.
- Ninety Health and Safety Promapp processes developed and under review.

#### **Health and Safety Committee**

- Developing well, nil issues. Next meeting scheduled February 2018.
- Well-being - team analysing stress survey results.

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

- 2017 Health Monitoring programme achieved.
- Asbestos management survey complete. Meeting February to review results.
- Site visits/events - nil issues.

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**Authorised by Group Manager:**

**Name:** Dave Tams

**Title:** Group Manager – Corporate Excellence

**Date:** 26 January 2018

**TITLE:** Confirmation of Council Minutes – 12 December 2017 Council Meeting

**ID:** A1026450

**To:** Council Meeting, 20 February 2018

**From:** Chris Taylor, Governance Support Manager

**Date:** 2 February 2018

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### Executive summary

The purpose of this report is to present for confirmation the minutes of the council meeting held on 12 December 2017.

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

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### Recommendation

That the minutes of the council meeting held on 12 December 2017 be confirmed as a true and correct record.

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### Attachment

· *Ordinary Council Minutes – 12 December 2017*

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### Authorised by Group Manager

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 5 February 2018

**NORTHLAND REGIONAL COUNCIL**

Minutes of the ordinary meeting of the council  
held in the Council Chamber, 36 Water Street, Whangārei,  
on Tuesday 12 December 2017, commencing at 10.30 am

**Present:**

Chairman, Bill Shepherd

## Councillors:

David Sinclair  
John Bain  
Justin Blaikie  
Paul Dimery  
Mike Finlayson  
Penny Smart  
Joce Yeoman

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

Chief Executive Officer  
GM – Environmental Services  
Financial Accountant  
Governance Support Manager

**Part Meeting**

Northland Inc. Limited GM Investment and Infrastructure  
Northland Inc. Limited Business Analyst  
Northland Inc. Limited Portfolio Manager TTNEAP  
GM – Governance and Engagement  
GM – Corporate Excellence  
GM – Customer Service/Community Resilience  
Resource Management Planning & Policy Manager  
Finance Manager  
Consultant  
Policy Analyst  
Property Officer (x2)

*The Chairman declared the meeting open at 10.30 am.*

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

That the apologies from Councillor Stolwerk for non-attendance be received.

**Carried**

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

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

## Supplementary Items for Council Meeting – 12 December 2017 (Item 2.0A)

ID: A1010493

Report from Governance Support Manager, Chris Taylor

Moved (Shepherd/Sinclair)

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

- Supplementary Item 7.2: Governance Structure Review/Meetings Calendar 2018; and
- Supplementary Item 7.7: Criteria Resource Management Act 1991 Māori Provisions: Mana Whakahono a Rohe | Iwi Participation Arrangements

be received.

**Carried**

## Tabled Item for Council Meeting – 12 December 2017 (Item 2.0B)

ID: A1011129

Report from Property Officer, Alicia Jurisich

Moved (Shepherd/Sinclair)

1. That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987, Tabled Item 10.9: Revised Offer Price on a Council Freehold Property, be received.
2. That the general subject of the matter to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

10.9	Revised Offer Price on a Council Freehold Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
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**Carried**

## Presentations (Item 3.0)

There were no presentations.

## Health and Safety Report (Item 4.0)

There was no Health and Safety Report.

**Confirmation of Council Minutes – 21 November 2017 (Item 5.1)**

ID: A1005361

Report from Governance Support Manager, Chris Taylor

Moved (Sinclair/Yeoman)

That the minutes of the council meeting held on 21 November 2017 be confirmed as a true and correct record.

Carried

**Receipt of Minutes of Regional Pest and Marine Pathway Management Plan Appeals Mediation – 21 November 2017 (Item 5.2)**

ID: A1006692

Report from Governance Support Manager, Chris Taylor

Moved (Blaikie/Finlayson)

That the minutes of the Regional Pest and Marine Pathway Management Plan Appeals Mediation held on 21 November 2017 be received.

Carried

**Receipt of Action Sheet (Item 5.3)**

ID: A1005603

Report from Governance Support Manager, Chris Taylor

Moved (Sinclair/Smart)

That the council action sheet be received.

Carried

**Council Working Party Updates and Chairpersons' Briefings (Item 5.4)**

ID: A1004458

Report from Group Manager – Governance and Engagement, Jonathan Gibbard

Moved (Smart/Finlayson)

That the report 'Working Party Updates and Chairpersons' Briefings' by Jonathan Gibbard, Group Manager – Governance and Engagement, and dated 1 December 2017, be received.

Carried

*Secretarial Note:*

- A correction was noted to the report; that Cr Finlayson was Chair of the Pest Management Working Party and Cr Blaikie was Chair of the Natural Resources Working Party.
- The Chair of each working party (reporting to the December meeting) provided a verbal update on key issues.

**Council Working Group Updates and Chairpersons' Briefings (Item 5.5)**

ID: A1004464

Report from PA/Administrator – Environmental Services, Nola Sooner

Moved (Blaikie/Yeoman)

That the report 'Council Working Group Updates and Chairpersons' Briefings' by Nola Sooner, PA/Administrator – Environmental Services, and dated 30 November 2017, be received.

Carried

**Financial Report to 30 November 2017 (Item 6.1)**

ID: A1008379

Report from Financial Accountant, Vincent McColl

Moved (Bain/Sinclair)

That the 'Financial Report to 30 November 2017' by Vincent McColl, Financial Accountant, and dated 4 December 2017, be received.

Carried

**Adoption of the Proposed Northland Regional Pest and Marine Pathway Management Plan 2017–2027 (Item 7.1)**

ID: A1007456

Report from Biosecurity Manager, Don McKenzie

Moved (Bain/Finlayson)

1. That the report 'Adoption of the Proposed Northland Regional Pest and Marine Pathway Management Plan 2017–2027' by Don McKenzie, Biosecurity Manager, and dated 28 November 2017, be received.
2. That in accordance with section 77(3)(a) council confirms the matters dealt with in the application to the Environment Court relating to the Kauri Dieback provisions of the Northland Regional Pest Plan are severable from the rest of this plan.
3. That in accordance with section 97(3)(a) council confirms the Marine Pathway Management Plan is severable from the rest of this plan.
4. That council fixes its seal to the Northland Regional Pest Plan except the provisions relating to Kauri Dieback and the Marine Pathways Plan making it operative in part.
5. That council makes 12 December 2017 the commencement date for the Northland Regional Pest Plan and Marine Pathway Management Plan 2017–2027 and, in accordance with section 97(5) of the Biosecurity Act 1993, gives public notice of the commencement date.
6. That Bruce Howse, Group Manager – Environmental Services, be delegated the ability for making minor grammatical or formatting amendments on the Proposed Northland Regional Pest and Marine Pathway Management Plan 2017–2027.

Carried

## **Governance Structure Review/Meetings Calendar 2018 (Item 7.2 and Supplementary Item 7.2)**

**ID: A1007467 and A1001580**

**Report from Governance Support Manager, Chris Taylor**

**Moved (Yeoman/Blaikie)**

1. That the report 'Governance Structure Review/Meetings Calendar 2018' by Chris Taylor, Governance Support Manager, and dated 7 December 2017, be received.
2. That the Marine Management Working Party be amalgamated within the Natural Resources Working Party and the revised Terms of Reference (included as Attachment Five pertaining to Supplementary Item 7.2 of the 12 December 2017 council meeting), be approved.
3. That the Audit Working Party be renamed the Audit and Finance Working Party and the revised Terms of Reference (included as Attachment Six pertaining to Supplementary Item 7.2 of the 12 December 2017 council meeting), be approved.
4. That the programme of meetings detailed in the 2018 Meeting Calendar (as tabled at the meeting), be approved.
5. That the Chairman be appointed as the default alternate for all councillor portfolios (for the avoidance of doubt this includes all committees, subcommittees, working parties, working groups and external memberships/delegations).
6. That Councillor Yeoman replace Councillor Shepherd as the council member on the Mangere Catchment Working Group.

**Carried**

## **Adoption of the Ngunguru Catchment Programme (Item 7.3)**

**ID: A1007759**

**Report from Land Manager, Duncan Kervell**

**Moved (Dimery/Yeoman)**

1. That the report 'Adoption of the Ngunguru Catchment Programme' by Duncan Kervell, Land Manager, and dated 27 November 2017, be received.
2. That the council supports the adoption of this catchment work programme as a five-year (2018–2023) work stream, as developed by the Ngunguru Working Group and NRC staff, to promote sustainable land management and improved water quality.

**Carried**

## **Investment and Growth Reserve: Feasibility Assessment and Business Case Development – Regional Walking and Cycling Strategy and Dargaville to Donnellys Crossing Cycle Trail (Item 7.4)**

**ID: A1007214**

**Report from Policy Analyst, Jon Trewin**

**Moved (Sinclair/Bain)**

1. That the report 'Investment and Growth Reserve: Feasibility Assessment and Business Case Development – Regional Walking and Cycling Strategy and Dargaville to Donnellys Crossing Cycle Trail' by Jon Trewin, Policy Analyst, and dated 30 November 2017, be received.
2. That council agrees to provide \$20,000 from the Investment and Growth Reserve to Northland Inc. for a high-level feasibility assessment, focusing on priority ranking of proposed projects, within the draft regional walking and cycling strategy.
3. That council agrees to provide \$25,000 from the Investment and Growth Reserve to Northland Inc. for an economic impact assessment to support the development of a business case for the proposed Dargaville to Donnellys Crossing Cycle Trail.

**Carried**

## **2017 Service Delivery Reviews (Item 7.5)**

**ID: A1006597**

**Report from Group Manager – Governance and Engagement, Jonathan Gibbard**

**Moved (Finlayson/Sinclair)**

1. That the report '2017 Service Delivery Reviews' by Jonathan Gibbard, Group Manager – Governance and Engagement, and dated 24 November 2017, be received.
2. That council adopt the recommendations of the 2017 Service Delivery Reviews report to maintain the status quo delivery models for Transport, Civil Defence and Emergency Management, River Management, Hydrology, Land and Biodiversity, Biosecurity and Natural Hazard Management services due to the costs of any additional reviews likely to outweigh the benefits.

**Carried**

## **CouncilMark Local Government Excellence Programme (Item 7.6)**

**ID: A1007625**

**Report from Group Manager – Corporate Excellence, Dave Tams**

**Moved (Yeoman/Finlayson)**

1. That the report 'CouncilMark Local Government Excellence Programme' by Dave Tams, Group Manager – Corporate Excellence, and dated 28 November 2017, be received.
2. That council supports our application to join the CouncilMark programme in the 2018/19 intake.

**Carried**

## **Criteria Resource Management Act 1991 Māori Provisions: Mana Whakahono a Rohe | Iwi Participation Arrangements (Item 7.7 and Supplementary Item 7.7)**

**ID: A1008348 and A1008651**

**Report from Kaiarahi Kaupapa Māori – Specialist Advisor Māori, Rachel Ropiha; and Group Manager – Governance and Engagement, Jonathan Gibbard**

**Moved (Finlayson/Yeoman)**

1. That the report 'Resource Management Act 1991 Māori Provisions: Mana Whakahono a Rohe | Iwi Participation Arrangements' by Rachel Ropiha, Kaiarahi Kaupapa Māori – Specialist Advisor Māori; and Jonathan Gibbard, Group Manager – Governance and Engagement, and dated 7 December 2017, be received.
2. That council adopt the Draft Criteria 'Initiating a Mana Whakahono a Rohe / Iwi Participation Arrangement' (as outlined in Attachment 1 pertaining to Supplementary Item 7.7 of the 12 December 2017 council agenda).
3. That Iwi Authorities be confirmed as those listed on the Te Puni Kokiri website as at 12 December 2017 (as listed in Attachment 1).
4. That council adopt a proactive approach to develop joint Mana Whakahono a Rohe with Iwi Authorities (and with hapū through Iwi Authorities).
5. That council adopt a moratorium on progressing Mana Whakahono a Rohe directly with hapū.
6. That council support Te Taitokerau Māori and Council Working Party to consider further the development of hapū based Mana Whakahono a Rohe and provide recommendations back to council on how to address the issues highlighted in this report.

**Carried**

## **Council Catchment Working Groups Update (Item 7.8)**

**ID: A1008665**

**Report from Land Manager, Duncan Kervell**

**Moved (Yeoman/Sinclair)**

1. That the report 'Council Catchment Working Groups Update' by Duncan Kervell, Land Manager, and dated 30 November 2017, be received.
2. That the council adopts the revised terms of reference template as the basis for the catchment working groups terms of reference.

**Carried**

## **Chairman's Report to Council (Item 8.1)**

**ID: A1005664**

**Report from Chairman, Bill Shepherd**

**Moved (Shepherd/Sinclair)**

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

**Carried**

**Chief Executive's Report to Council (Item 8.2)**

ID: A1004445

Report from Chief Executive Officer, Malcolm Nicolson

Moved (Shepherd/Yeoman)

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

Carried

**Emergency Services Fund Annual Report 2016/2017 (Item 8.3)**

ID: A1009363

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

Moved (Dimery/Smart)

That the report 'Emergency Services Fund Annual Report 2016/2017' by Tony Phipps, Group Manager – Customer Service/Community Resilience, and dated 5 December 2017, be received.

Carried

*Councillor Bain abstained from voting.***Receipt of Committee Minutes (Item 9.0)**

ID: A1006471

Report from Governance Support Manager, Chris Taylor

Moved (Bain/Smart)

That the unconfirmed minutes of:

- Investment Subcommittee – 11 September 2017; and
- Property Subcommittee – 9 November 2017

be received.

Carried

**Business with the Public Excluded (Item 10.0)**

ID: A1006474

Report from Governance Support Manager, Chris Taylor

Moved (Shepherd/Sinclair)

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

Item No.	Item Issue	Reason\Grounds
10.1	Confirmation of Confidential Minutes – Council Meeting 21 November 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 Minutes of Regional Pest and Marine Pathway Management Plan Appeals Mediation – 21 November 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.3	Receipt of Confidential Committee Minutes – Investment Subcommittee – 11 September 2017, and Property Subcommittee – 9 November 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
10.4	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).
10.5	Investment and Growth Reserve: Demand Assessment for Water Storage in Northland	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations 7(2)(i).
10.6	Purchase of a Commercial Investment Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
10.7	Purchase of the Lessee's Interest of a Hīhīaua Precinct Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
10.8	Lower Port Road Access Issues	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
10.9 (Tabled)	Revised Offer Price on a Council Freehold Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).

**Carried**

**It was further moved (Shepherd/Sinclair)**

That the Northland Inc. Limited representatives be permitted to remain following public exclusion to address Item 10.5: 'Investment and Growth Reserve: Demand Assessment for Water Storage in Northland'.

**Carried**

**CONCLUSION**

The meeting concluded at 12.02 pm.

Unconfirmed Minutes

**ITEM: 5.2**

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**TITLE:** Receipt of Action Sheet

**ID:** A1026617

**To:** Council Meeting, 20 February 2018

**From:** Chris Taylor, Governance Support Manager

**Date:** 2 February 2018

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**Executive summary**

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

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**Recommendation**

That the council action sheet be received.

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**Attachment**

- *Council Action Sheet*

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**Authorised by Group Manager**

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 5 February 2018

## Council Actions new

IRISID	Current Status	Request Date	Current Officer	Reso/Req	Description	Request Details	Note Text	Date of Note	Requested By
REQ.587167	Open	21 Nov 2017	Dave Tams	REQ	Marsden Maritime Holdings - financial reporting	That the Audit Working Party considers council's 'position' regarding the recording of council owned shares in MMH in its financial statements (potential alternatives to historical cost).	Yet to be considered.	7-Feb-18	Council
REQ.587168	Closed	21 Nov 2017	Dave Tams	REQ	Risk Reporting	That Eriksen & Associates Ltd be requested to include risk analysis in future reporting on NRC's externally managed investment funds.	Eriksen advised that the level of risk analysis provided was adequate.	7-Feb-18	Council
REQ.587169	Open	21 Nov 2017	Christine Taylor	REQ	FDE Workshop	That a council workshop be scheduled for the New Year to progress council's intent to address FDE non compliance.	A presentation will be provided at the February council meeting.	7-Feb-18	Council
REQ.587570	Open	12 Dec 2017	Dave Tams	REQ	Health and Safety reporting	That consideration be given to council's reporting of Health and Safety to ensure legislative compliance.	Work in progress.	7-Feb-18	Council
REQ.587571	Closed	12 Dec 2017	Don McKenzie	RESO	Public Notice - Pest and Marine Pathway Management Plan	That council gives public notice of the commencement date for the Northland Regional Pest Plan and Marine Pathway Management Plan 2017-2027 (as per section 97(5) of the Biosecurity Act 1993).	The public notice confirming the plan ran in the Northern Advocate, Northland age, Kaipara Lifestyler, Whangarei Leader, Northern News and Bay Chronicle between the dates of the 13 and 16 December and was placed on he NRC website	30 Jan 2018	Council

Council Meeting 20 February 2018

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**TITLE:** Council Working Party Updates and Chairpersons' Briefings

**ID:** A1025499

**To:** Council Meeting, 20 February 2018

**From:** Jonathan Gibbard, Group Manager – Governance and Engagement

**Date:** 2 February 2018

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### Executive summary

The purpose of this report is to update council on the recent discussions/activities of its respective working parties. The Chairperson of each working party will be invited to provide a verbal briefing (to a maximum of five minutes).

Please note that working parties carry no formal decision-making delegations from the council.

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### Recommendation

That the report 'Council Working Party Updates and Chairpersons' Briefings' by Jonathan Gibbard, Group Manager – Governance and Engagement, and dated 2 February 2018, be received.

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### Audit Working Party (Chair: Cr David Sinclair)

The working party met on 6 December 2017. Topics for discussion included:

- Deloitte Constructive Report to Management
- LTP Update
- LTP Planning

### Risk and Health & Safety Working Party (Chair: Cr Paul Dimery)

The working party met on 14 December 2017. Topics for discussion included:

- Review of the Governance Risk Register
- Report from the Health & Safety Committee
- Health & Safety Quarterly Report
- Health & Safety Reporting to NRC
- Bruce Robertson Workshop – March 2018

Following discussion, the working party provided advice on the following next step:

- Ensuring council's Health & Safety reporting be compliant with WorkSafe requirements
- 

### Authorised by Group Manager:

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 5 February 2018

**TITLE:** Council Working Group Updates

**ID:** A1025513

**To:** Council Meeting, 20 February 2018

**From:** Nola Sooner, PA/Administrator – Environmental Services

**Date:** 2 February 2018

---

### 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.

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### Recommendation

That the report 'Council Working Group Updates' by Nola Sooner, PA/Administrator – Environmental Services, and dated 2 February 2018, be received.

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### Waitangi Catchment Group (Chair Don Jack)

The Waitangi Catchment Working Group met on 7 December 2017. Topics for discussion included:

- A combined meeting of the Waitangi Catchment Group and the Waitangi River Working Group;
- There was a presentation by the River & Natural Hazards Manager on behalf of the Waitangi River Working Group, which provided an overview of the Working Group's mandate and history;
- The Chairman resigned; and
- A representative from Pūniu River Care Inc gave a presentation on how their marae based waterway restoration programme works on the Pūniu River in the Waikato. It was a motivational presentation on the wider impact of river care projects including employment, social and cultural engagement and marae revitalisation.

Following discussion, it was agreed:

- To meet again on 22 February at the Waitangi Yacht Club; and
- To merge the Waitangi Catchment Group and the Waitangi River Working Group into the Waitangi Catchment Working Group - a revised Terms of Reference will be agreed on and a Chairman appointed at the next meeting.

### Taumarere Flood Management Working Group (Chair Justin Blaikie)

The Taumarere Flood Management Working Group met on 8 December 2017. Topics for discussion included:

- Long Term Plan;
- Maintenance Works 2017-2018 Update; and
- Waioomio Stream Benching Update.

Following discussion, it was agreed:

- Staff to email to Committee members and interested parties a clear definition of the proposed targeted rate for flood mitigation works in the Taumarere Catchment, a table showing the ranking of the priority river catchments and a Priority River map;

- Staff to meet with a local landowner to mark out levels of the spillway on the Waiomio Stream in January; and
- Staff to draw up the spillway further West than originally planned and estimate cost of works and distribute the revised design to Committee members.

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**Authorised by Group Manager:**

**Name:** Bruce Howse

**Title:** Group Manager – Environmental Services

**Date:** 2 February 2018

**ITEM: 6.1**

Page 1 of 3

**TITLE: Financial Report to 31 December 2017****ID: A1015015****To: Council Meeting, 20 February 2018****From: Vincent McColl, Financial Accountant****Date: 1 February 2018****Executive summary**

This report is to inform council of the year to date (YTD) financial result to December 2017. Council has achieved a YTD surplus after transfers to and from reserves of \$2.08M. This compares to the budgeted surplus after reserve transfers of \$1.79M favourably by \$292K.

**Recommendation**

That the 'Financial Report to 31 December 2017' by Vincent McColl, Financial Accountant, and dated 1 February 2018, be received.

**Report**

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 20,647	\$ 19,082	\$ 1,565
Expenditure	\$ 16,273	\$ 16,403	\$ 130
<b>NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES</b>	<b>\$ 4,374</b>	<b>\$ 2,679</b>	<b>\$ 1,695</b>
Transfer From (To) Special Reserves	\$ (2,297)	\$ (893)	\$ (1,403)
<b>NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES</b>	<b>\$ 2,078</b>	<b>\$ 1,785</b>	<b>\$ 292</b>

**ITEM: 6.1**

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**Revenue**

Year to date revenue is \$20.65M which is \$1.57M or 8.2% above budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$34,794	0.3%	
User Fees and Sundry	(\$77,250)	(2.7%)	<ul style="list-style-type: none"> <li>• Lower than budgeted consent application fees of \$162K</li> <li>Offset by: <ul style="list-style-type: none"> <li>• Unbudgeted prosecutions income of \$65K</li> <li>• Income for the regional sector group tour of \$27K offsetting costs incurred for the tour</li> </ul> </li> </ul>
Grants and Subsidies	\$195,341	25.2%	<ul style="list-style-type: none"> <li>• Higher than budgeted transport subsidies of \$103K</li> <li>• Unbudgeted MFE subsidies for the Kaipara Harbour Sediment Study of \$24K</li> <li>• Unbudgeted subsidies for the Dune lakes and Freshwater NPS programmes of \$28K</li> <li>• Subsidy for the Myrtle Rust Incursion of \$33K</li> </ul>
Investment Interest Income	\$244,246	61.8%	<ul style="list-style-type: none"> <li>• Working capital fund gains \$191K above budget due to YTD returns of 4.3% being greater than the budgeted 3.2% and a higher value in the fund than budgeted</li> </ul>
Investment Property Income	\$22,872	1.8%	
Dividend Income	\$435	0.0%	
Property Reinvestment Fund	\$475,058	60.3%	<ul style="list-style-type: none"> <li>• Actual YTD returns of 5.9% are greater than the budgeted 3.4%</li> </ul>
Community Investment Fund	\$366,316	84.8%	<ul style="list-style-type: none"> <li>• Actual YTD returns of 5.8% are greater than the budgeted 3.4%. This includes some beneficial NZD/AUD cross rate currency movements.</li> </ul>
Infrastructure Reinvestment Fund	\$303,268	184.2%	<ul style="list-style-type: none"> <li>• Actual YTD returns of 5.1% are greater than the budgeted 2.7% and the fund value is higher than budgeted from the additional \$2.8M of borrowing being invested here. This includes some beneficial NZD/AUD cross rate currency movements.</li> </ul>
<b>Total</b>	<b>\$1,565,080</b>	<b>8.2%</b>	

**Expenditure**

Year to date expenditure is \$16.27M, which is \$130K or 0.8% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	\$46,551	1.1%	
Environmental Services	\$170,308	3.4%	<ul style="list-style-type: none"> <li>• Some labour budgeted here is being coding via timesheeting to customer services due to a structure change. A review of the labour allocations for the 2018/19 budget is expected to occur in March.</li> </ul>
Strategy and Engagement	(\$77,050)	(2.2%)	<ul style="list-style-type: none"> <li>• More labour charged (through timesheeting) to community representation than budgeted of \$56K</li> <li>• More than budgeted Councillor mileage of \$17K</li> </ul>
Customer Service and Community Resilience	(\$182,191)	(5.3%)	<ul style="list-style-type: none"> <li>• More labour charged to the customer services department than budgeted of \$125K due to unbudgeted changes in timesheeting for the regional offices and unbudgeted Waipapa office costs</li> <li>• Redundancies paid of \$39K</li> </ul>
Corporate Excellence	\$41,692	1.6%	
CEO Office	(\$91,398)	(8.2%)	<ul style="list-style-type: none"> <li>• More labour charged to the CEO department than budgeted of \$85K. This is offset with lower labour charged to the other groups.</li> </ul>
Internal Transfers	\$222,460	(6.4%)	
<b>Total</b>	<b>\$130,372</b>	<b>0.8%</b>	

***Transfers to Reserves***

Year to date transfers to reserves are \$1.40M more than budget. This is due to lower reserve funding being required for IGR projects and feasibility studies that have not occurred as planned and lower reserve funding required for carry over projects (IaaS, FDE, Reception refurbishments, Te Uri o Hau Sites of Significance, and Ngāti Kuri Iwi Environmental Management Plan) that have not come online as budgeted.

Also, as mentioned above, \$1.07M of greater than budget gains have been transferred (representing reinvestment) to each reserve as follows:

- PRF \$479K
- IIF \$228K
- CIF \$366K

***Capital Expenditure***

A \$31K overspend has occurred in harbour safety and navigation, where a project from the 2016/17 year not carried forward has incurred expenditure in 2017/18. The mid north customer service centre fit out is tracking \$11K more than budgeted for the full year and there is more cost expected for the staff area at the back end of the building.

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**Authorised by Group Manager**

**Name:** Dave Tams

**Title:** Group Manager – Corporate Excellence

**Date:** 1 February 2018

**TITLE: Funding for Improving Awanui Flood Scheme Emergency Preparedness****ID:** A1014027**To:** Council Meeting, 20 February 2018**From:** Bruce Howse, Group Manager – Environmental Services**Date:** 28 January 2018

---

**Executive summary**

Works have been identified to accelerate the emergency preparedness of the Awanui Flood Scheme in response to the key recommendations of the Rangitāiki River Scheme flood event report.

The CEO has approved \$70,000 of unbudgeted expenditure and it is recommended that council approves a further \$136,000 of unbudgeted expenditure to accelerate the emergency preparedness works.

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**Recommendations**

1. That the report 'Funding for Improving Awanui Flood Scheme Emergency Preparedness' by Bruce Howse, Group Manager – Environmental Services, and dated 28 January 2018, be received.
2. That council is advised that the CEO, in accordance with delegated authority, has approved \$70,000 of unbudgeted expenditure in the Environmental Services Group to be used to accelerate works to improve the emergency preparedness of the Awanui Flood Scheme, Kaitāia.
3. That council approves a further \$136,000 of unbudgeted expenditure in the Environmental Services Group, with up to \$60,000 allocated to the 2017/18 financial year, and up to \$76,000 allocated to the 2018/19 financial year to accelerate works to improve the emergency preparedness of the Awanui Flood Scheme, Kaitāia.
4. That \$57,824 of the unbudgeted expenditure is funded from the Land Management Reserve, with the balance of \$148,176 funded from the year end surplus.

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## Background

An analysis of the recommendations from the 'Rangitāiki River Scheme Review – April 2017 Flood Event' report of September 2017 has been undertaken. Relevant learnings have been applied, or are being applied, to the NRC flood control and river work functions and civil defence emergency management, as presented to council at the 13 December 2017 workshop.

In accordance with delegated authority the CEO has approved up to \$70,000 of unbudgeted expenditure to accelerate works to improve the emergency preparedness of the Awanui Flood Scheme, Kaitāia.

A further \$136,000 of unbudgeted expenditure is required to complete the emergency preparedness works to the appropriate level.

The emergency preparedness works that are proposed for the Kaitāia Flood Scheme include:

- Flood modelling of stopbank breach scenarios to assist inform emergency evacuation planning, civil defence emergency management and community awareness and preparedness (\$25,000 in 2017/18);
- Installation of three additional river level gauges to provide improved monitoring of flood levels, improved flood warning and improved resilience/redundancy of the river level monitoring network (\$80,000 of capital expenditure in 2017/18); and
- An additional full time equivalent hydrologist to assist manage the additional river network gauges and other hydrometric sites in Northland (\$25,000 in 2017/18 and \$76,000 in 2018/19).

Total unbudgeted expenditure to complete these works is \$206,000.

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## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1.	Council approves the unbudgeted expenditure.	Works to improve the emergency preparedness of the Awanui Flood Scheme are accelerated, providing improved resilience from flooding.	Unbudgeted expenditure.

2.	Council approves a lower amount of the unbudgeted expenditure that is requested.	Lower unbudgeted expenditure.	Without the full amount of unbudgeted expenditure requested it will not be possible to improve the emergency preparedness to the appropriate level.
3.	Council does not approve the unbudgeted expenditure.	No unbudgeted expenditure.	Emergency preparedness of the Awanui Flood Scheme will not be improved.

The staff recommendation is Option 1.

## 2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is of low significance because it is part of council's day-to-day activities and does not exceed any of the high significance criteria thresholds of council's significance and engagement policy. It is noted that the Awanui River Scheme is defined as a strategic asset in the council's significance and engagement policy, and is important to the wellbeing of the community.

## 3. Policy and legislative compliance

No considerations identified.

## 4. Māori impact statement

No considerations identified, although improved emergency preparedness will also be of benefit to Māori.

## 5. Financial implications

The total unbudgeted expenditure proposed is \$206,000. The CEO has approved \$70,000 of this by delegated authority. Of the balance of \$136,000, \$60,000 is proposed to be allocated to the 2017/18 financial year and \$76,000 is proposed to be allocated to the 2018/19 financial year.

It is recommended that the unbudgeted expenditure of \$206,000 be funded from the Land Management Reserve and any potential year end surplus. The Land Management Reserve has a forecast closing balance of \$291,580 at 30 June 2018. The Land Management Reserve will have a forecast closing balance of \$57,824 at 30 June 2019. Hence, it is recommended that \$57,824 of funding is provided from the Land Management Reserve to fund the emergency preparedness works.

This will leave a balance of \$148,176 to fund from any potential year end surplus. The year to date surplus at 31 December 2017 is \$292,000.

**6. Implementation issues**

The proposed works to accelerate the emergency preparedness of the Awanui Flood Scheme is in response to the key recommendations of the Rangitāiki River Scheme flood event report and a review of the condition assessment of the Awanui Flood Scheme assets.

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**Authorised by Group Manager**

**Name:** Bruce Howse

**Title:** Group Manager – Environmental Services

**Date:** 28 January 2018

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**TITLE: Principles for Establishing Collaborative Community Engagement Groups****ID:** A1014724**To:** Council Meeting, 20 February 2018**From:** Bruce Howse, Group Manager – Environmental Services**Date:** 25 January 2018

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**Executive summary**

Council works with a range of collaborative community engagement groups (CCEG) for a range of functions and purposes, but ultimately for assisting with the delivery of council work programmes.

A suite of principles and a process is proposed to assist council to determine if it is appropriate to establish a new CCEG.

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**Recommendations**

1. That the report 'Principles for Establishing Collaborative Community Engagement Groups' by Bruce Howse, Group Manager – Environmental Services, and dated 25 January 2018, be received.
2. That council approves the proposed principles for establishing Collaborative Community Engagement Groups (CCEG), where those CCEG are to be subject to terms of reference, these principles being; purpose, engagement, delivery, alignment, efficiency, effectiveness, resourcing and lifetime.
3. That the formation of new CCEG (those that are to be subject to terms of reference) be approved by council resolution, with the reporting officer to provide an analysis of the CCEG principles to council.

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**Background**

Council works with a range of CCEG for a range of functions and purposes, but ultimately for assisting with the delivery of council work programmes.

A workshop with council on 29 November 2017 provided an overview of the types of CCEG that council operates with and proposed a suite of principles to assist council to determine if it is appropriate to establish a new CCEG.

**Principles**

The proposed CCEG principles are:

- **Purpose** – the group must have a specific role that assists council and the community to deliver outcomes that council cannot deliver without the CCEG.
- **Engagement** – there is a need to use the CCEG to engage with the community and the group can do this through appropriate representation of key community sectors.

- **Delivery** – the CCEG will assist council to deliver specific outcomes which NRC cannot achieve in isolation of a CCEG (i.e. volunteer coordination).
- **Alignment** – the CCEG work must be aligned with one or more NRC work programmes.
- **Efficiency** – is a CCEG the most efficient way to deliver the purpose/outcome and how can this be delivered efficiently within the scope of available NRC resources? CCEG can be resource intensive and consideration should be given to if a CCEG will enable council to better deliver a programme of work or if this can be achieved without a CCEG.
- **Effectiveness** – is the CCEG going to be effective? This will depend on membership and purpose of the CCEG.
- **Resourcing** – what are the resourcing requirements to facilitate a CCEG, including opportunity costs?
- **Lifetime** – what is the proposed lifetime of the group? This needs to have a defined lifetime (i.e. disband when purpose has been served or if proving to be ineffective).

### Process for Establishing CCEG

A council resolution is to be resolved to establish a new CCEG. In the report to council, the reporting officer is to provide an analysis of the CCEG principles to council, with a recommendation as to the establishment of the CCEG.

It is proposed that this process only apply to those CCEG that will be subject to terms of reference. This will ensure that council is not applying an overly bureaucratic and cumbersome approach to determining when to establish operationally based CCEG (i.e. CoastCare, Community Response Plan Groups operating under the Civil Defence Emergency Management programme) that are not subject to terms of reference.

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## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1.	Council approves the CCEG principles and process for establishing CCEG.	A process and a suite of principles will assist with more consistent decision making and rigour and efficiency of resource allocation.	Nothing material.
2.	Council does not approve the CCEG principles and process for establishing CCEG.	Nothing material.	Less consistent decision making and rigour and potential for inefficiency of resource allocation.

Option 1 is the preferred option.

**2. Significance and engagement**

In relation to section 79 of the Local Government Act 2002, this decision is of low significance because it is part of council's day-to-day activities and does not exceed any of the high significance criteria thresholds of council's significance and engagement policy.

**3. Policy and legislative compliance**

No considerations identified.

**4. Māori impact statement**

Māori are represented on council CCEG.

**5. Financial implications**

No considerations identified.

**6. Implementation issues**

No considerations identified.

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**Authorised by Group Manager**

**Name:** Bruce Howse

**Title:** Group Manager – Environmental Services

**Date:** 25 January 2018

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**ITEM: 7.3**

Page 1 of 4

**TITLE:** Investment and Growth Reserve – Changes to the Criteria and Procedures for the Allocation of Funding

**ID:** A1006970

**To:** Council Meeting, 20 February 2018

**From:** Darryl Jones, Economist; and Jonathan Gibbard, Group Manager – Governance and Engagement

**Date:** 1 February 2018

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**Executive summary**

The purpose of this report is to obtain council approval on new procedures for the allocation of funding from council's Investment and Growth Reserve (IGR). These new procedures have been developed based on the findings of the Local Government Act 2002 section 17A review of economic development arrangements in Northland and subsequent council workshop discussions. Among other things, the new procedures give delegated authority to Northland Inc. for the allocation of funding for business case assessments; remove the ability for council to make loan or equity investments from the IGR; provide greater clarity about what projects can be funded from the IGR; and give greater strategic direction to the use of the reserve.

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**Recommendations**

1. That the report 'Investment and Growth Reserve – Changes to the Criteria and Procedures for the Allocation of Funding', by Darryl Jones, Economist; and Jonathan Gibbard, Group Manager – Governance and Engagement, and dated 1 February 2018 be received.
2. That council approve the new criteria and procedures for the allocation of funding from the Investment and Growth Reserve contained in Attachment 3 pertaining to Item 7.3 of the 20 February 2018 council agenda.
3. That council delegate to Northland Inc. Limited the authority to allocate business case development funding, as prescribed in Attachment 3 (Investment and Growth Reserve: Criteria and procedures for the allocation of funding) pertaining to Item 7.3 of the 20 February 2018 council agenda.

---

**Background**

The Investment and Growth Reserve (IGR) was established by council under the 2011/12 Annual Plan. The criteria for determining eligible projects to be funded from the IGR were developed as part of council's Long Term Plan 2012–2022. In February 2014, council's Audit and Risk Committee revised the criteria to allow for feasibility assessment and business case development and Impact Investment funding. The current criteria is available online at: <https://www.nrc.govt.nz/Your-Council/Economic-development/investment-and-growth-reserve/>.

During 2017 the four Northland councils undertook a joint review of their economic development activities, including tourism and destination marketing services. This review,

**ITEM: 7.3**

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prepared by MartinJenkins, was done to ensure compliance 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. The review 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. The full and summary reports of the review are available online at: <https://www.nrc.govt.nz/Your-Council/Economic-development/northland-inc/>.

The key findings and suggested changes of the section 17A review in relation to the IGR are listed in **Attachment 1**. Council have discussed these at various workshops. A draft of the revised procedures for allocation of funding was provided to Northland Inc. at the end of 2017. Their response was circulated to councillors prior to this meeting and is provided as **Attachment 2**.

**Attachment 3** contains a revised criteria and procedure for the allocation of funding from the IGR. It looks to address the issues and suggestions raised by the review, incorporates the direction received through council workshop discussion, and takes into account feedback received from Northland Inc. Among other things, the new procedures give delegated authority to Northland Inc. for the allocation of funding for business case assessments; removes the ability for council to make loan or equity investments from the IGR; provides greater clarity about what projects can be funded from the IGR, and gives greater strategic direction to the use of the reserve.

Please note that not all recommendations provided by Northland Inc. have been incorporated into the final version presented for approval by council in this paper. Of particular note, is the recommendation that loan (debt) funding be provided as a funding option.

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**Considerations:**
**1. Options**

No.	Option	Advantages	Disadvantages
1	<b>Agree to new criteria and procedures for allocation</b>	Makes the IGR more effective and efficient (for example, by being more strategic about where funds are directed and by delegating business case funding decisions to Northland Inc.).	Removes the ability for council to receive a return on its investment from the IGR.
2	<b>Maintain current criteria and procedure for allocation</b>	Provides the ability for council to obtain a financial return on its investments.	Does not address the failings identified in the review.

Staff recommended Option 1, that council agree to the new criteria and procedures for the allocation of funding from the IGR.

**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 and 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.

**3. Policy and legislative compliance**

The activities detailed in this report are in accordance with the Long Term Plan 2015–2025 and council's decision-making process as prescribed in the Local Government Act 2002.

**Further considerations**

**4. Community views**

The section 17A review highlighted the value to council of the IGR as a tool for economic development. While not specifically addressing the IGR, the six pop-up sessions and online survey that council ran in 2017 to provide early feedback on community priorities for the LTP 2018–2028 indicated strong community support for council work in the area of economic development.

**5. Māori impact statement**

There are no known specific impacts on Māori over and above those impacts on the wider community. Any potential impacts of future investment decisions will be addressed in the relevant reports.

**6. Financial implications**

There are no financial implications of the decision as the proposal concerns the procedures for the allocation of funding rather than the level of funds available in the IGR for allocation. The issue of the level of funds available for allocation is being consulted on through the LTP 2018–2028.

**7. Implementation issues**

The proposed changes to the procedures make it clearer as to the types of projects that council wishes to support through the IGR and to the information that council is requiring when making an investment decision. This should improve council's ability to operate the IGR. Northland Inc. support the delegation of decision making authority to it for business case assessments as set out in Attachment 3.

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**Attachments:**

- Attachment 1: Key findings and recommendations of the section 17A review in relation to the IGR
  - Attachment 2: Response from Northland Inc. to December draft criteria and procedures for the allocation of funding
  - Attachment 3: Investment and Growth Reserve: Criteria and procedures for the allocation of funding
- 

**Authorised by Group Manager:**

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 1 February 2018

**Attachment 1****Key findings and recommendations of the section 17A review in relation to the IGR**

The key findings of the section 17A review are listed below.

- The IGR has enabled Northland to be more active in investment facilitation and sector development projects than several other regions.
- The IGR process and funding has leveraged a significant amount of funding from external sources, including central government and the private sector. An additional \$24.7 million has been invested in the projects on top of local government funding. \$10.3 million of this is from central government, so has been new to the region.
- The provision of funding directly to firms through the IGR could be regarded as potentially inconsistent with appropriate roles of local government, given that it is direct assistance, benefits are captured privately and there are other providers of such capital.
- The quality of the business cases has been variable. In several cases the broader benefits and impacts are not well articulated, particularly in relation to commercial investments. In all cases, there has not been a strong argument made for the local government funding contribution. The arguments are generally that the projects will be good for the communities and generate jobs but the reasons why local government should contribute funding for these benefits relative to other parties (and the levels of funding sought) are not well made.
- There has not been a prioritisation of the projects – they have been assessed and considered for local government support as they have developed. It's not clear that all of the projects are the most important for the region and how they fit within regional economic development priorities.
- The transaction costs involved in approving relatively small amounts of IGR funding for feasibility studies and business cases are too high as both the Northland Inc Board and the council assess all applications.
- In some cases there have been very long timeframes involved between an initial discussion about a project and a final decision on an application. Several stakeholders noted that they did not understand the process or the documentation requirements of the IGR.
- There is limited funding available to meet the current pipeline of projects. It is highly likely that, even with improved prioritisation, future requests for funding will exceed the annual allocation each year, with the consequence that the balance of the fund will reduce over time and no new projects will be able to be funded.

Consequently, the review suggested that the operation of the IGR can be improved by:

- The IGR should be refocused to support impact investments (and associated feasibility studies and business cases) as the economic development rationales and benefits from commercial projects are limited.
- Prioritising the pipeline of projects to focus on those with the greatest potential impact and public benefits, aligned with regional economic development priorities.
- Enabling the Northland Inc Board to make decisions on feasibility and business case applications, up to an agreed maximum (e.g., \$100,000), with NRC officials' providing advice as part of the process.
- Introducing guidelines and templates for feasibility studies and businesses cases to ensure that additional and wider economic benefits are clearly assessed and specified.

17 January 2018

Bill Shepherd  
Chairman  
Northland Regional Council  
Private Bag 9021  
Whangārei 0148

Dear Bill

**Re: Criteria for the Investment and Growth Reserve**

Thank you for the opportunity to comment on the proposal to amend the criteria for the Investment and Growth Reserve, Procedures for Allocation of Funding.

Northland Inc supports the intent of the proposed changes and has endeavoured to provide constructive feedback to Council. Attached to this letter is a track changed version of the criteria with our suggested improvements. This was approved by the board for submission to Council at its meeting on Monday 15 January 2018. The following is intended is a summary of the key changes and reasons behind them.

**Section 3: Funding Allocations:**

It is our view that the operational funding of Northland Inc should be negotiated and agreed through the Statement of Intent (Sol) process. Otherwise there is no direct link to performance and delivery being achieved by the allocation of funding.

**Section 4 and 5: Business Case Assessment:**

Northland Inc understands the intention was to retain the ability to undertake feasibility studies but be clear that the initial formulation of ideas/concepts needs to be funded by the proponent of the idea – a view we support and have tried to add clarification to.

We thank you for the delegation of decision making to ourselves for this category.

**Section 9 and 10: Enabling Investment**

Council has identified that it wishes to be more strategic with the use of the Investment and Growth Reserve and this is supported. Our view is that this should be linked to the Sol – both in terms of the wording of the objective which should be amended to be consistent with Sol Objectives 1 & 2 and using the Sol to identify the 'regionally strategic sectors'.

**What is Enabling Investment?**

There is not currently a definition of enabling investment and we believe this would add clarity. Our view is that the Investment and Growth Reserve should be appropriately focused on grant allocations but also retain the opportunity to consider debt deals where the wider economic development benefits would support such an arrangement. I.e the deal itself is not exceptional in terms of interest rate / risk profile etc but the economic impacts of the opportunity on the wider sector / community provide a compelling reason. We have attached two examples of the type of debt deals that we consider appropriate for consideration.

Given the above view that we support both grants and debt, the changes suggested in sections 11 and 12 are in-line with this view and provide the flexibility to consider both opportunities. Of particular note is section 12b where we believe Council should retain flexibility as to the final partnership arrangement.

Northland Inc is happy to provide further clarification on any of the matters above and any of the detailed comments within the attachment.

Kind regards

A handwritten signature in black ink, appearing to be 'K. Everitt', with a large, stylized loop at the end.

Karleen Everitt  
Chair

cc Malcolm Nicolson, CEO

## Investment and Growth Reserve

### Procedures for the allocation of funding

#### Objective of the Investment and Growth Reserve

1. The objective of the Investment and Growth Reserve (IGR) is to provide a fund that enables ~~council to make~~ strategic investments that lift the long-term growth of the Northland economy.

#### Available funding categories

2. Allocations from the IGR must fit one of the following three funding categories:
  - a. Operational expenditure funding for Northland Inc. Limited, council's economic development agency (a council-controlled organisation).
  - b. Business Case Assessment funding.
  - c. Enabling Investment funding.
3. Annual funding allocation limits apply ~~as follows: to each of the three categories:~~
  - ~~a. Operational expenditure funding for Northland Inc. Limited is capped at \$1.25 million per annum in 2017/18 and adjusted annually by the BERL Operating Expenses (Opex) Local Government Cost Index (LGCI) adjuster.~~
  - ~~b.a.~~ Business Case Assessment funding is limited to a maximum of \$300,000 each financial year.
  - ~~b.~~ There is no limit to the quantum of funding provided through the Enabling Investment category although the balance of the IGR cannot fall below \$0 (taking into consideration future funding commitments made to projects).
  - ~~c.~~ Note: Operational expenditure funding for Northland Inc Limited is determined through the Statement of Intent.
  - ~~c.d.~~

#### Procedures and criteria for Business Case Assessment funding

4. The purpose of the Business Case Assessment category is to provide funding support to evaluate, ~~and~~ assess and improve the viability of potential projects that will contribute toward economic growth within the region so as to make them investment ready.
5. For clarity, Business Case Assessment funding cannot be used to fund:
  - a. the preparation of a strategy;
  - b. the initial formulation and/or development of a ~~potential project or~~ concept including initial design work; or
  - c. building or resource consent applications or any other approval required for the project to proceed.
6. Decisions on funding any single Business Case Assessment costing less than \$100,000 is delegated from council to the Board of Northland Inc. Limited. Funding from the IGR for Business Case Assessments approved by the Board of Northland Inc. Limited will be paid to Northland Inc. Limited upon receipt of an invoice accompanied by evidence of the Board decision.
7. Decisions on funding any single Business Case Assessment costing more than \$100,000 require a council decision. These must be accompanied by a Board of Northland Inc. Limited recommendation.

8. Business Case Assessment funding decisions made under delegated authority must be reported to Council through Northland Inc. Ltd quarterly and annual reporting.

### Procedures and criteria for Enabling Investment funding

9. The purpose of Enabling Investment category is to provide funding for ~~projects that lift the economic performance of Northland through~~ the construction of public infrastructure ~~that underpins economic growth~~ or ~~the development of investment opportunities in~~ regionally strategic sectors.
10. Projects eligible for Enabling Investment funding must:
  - a. Be located in Northland or substantially located in Northland ~~and can be grant or debt funding~~;
  - b. Align with council's priorities for economic development (as set from time to time), including:
    - i. the construction of public infrastructure ~~that underpins economic growth~~; or
    - ii. the development of regionally strategic sectors ~~(as identified in the Northland Inc Statement of Intent.~~
  - c. Provide viable, long-term economic development (i.e. beyond immediate short-term employment and business activity) by meeting one or more of the following:
    - i. Generating ongoing net economic benefit to the region;
    - ii. Creating ongoing new jobs in the region;
    - iii. Increasing exports from the region; ~~and/or~~
    - iv. Being innovation based.
  - d. Demonstrate that the development can be achieved in a way that does not compromise Northland's environmental, social and/or cultural well-being.
11. For clarity, Enabling Investment funding cannot be used to fund:
  - a. Projects or private businesses that generate significant profits which are not ~~fully sufficiently~~ reinvested into the project or utilised for ~~other economic development-public~~ benefits;
  - b. Any project that is determined to ~~potentially~~ have significant adverse impacts on environmental, social, and/or cultural well-being, regardless of the positive economic impacts.
12. Decisions on funding Enabling Investment projects can only be made by council resolution based on the following guidelines:
  - a. That applications for Enabling Investment funding have been considered and evaluated for funding by the Northland Inc. Limited Board.
  - b. ~~Enabling Investment fFunding provided by council is intended as partnership funding and should not cannot account forbe the majority funder more than 33% of the total project cost-unless it is demonstrated that there are exceptional circumstances.~~
  - c. ~~Council will issue Aa~~ formal offer ~~will be made~~ to the project sponsor setting out the terms and conditions for funding. This offer will include milestones, ~~and~~ key performance indicators ~~and regular reporting requirements.~~
13. Applications for Enabling Investment funding considered by council must be accompanied by a robust business case that has been prepared at a level commensurate with the quantum of funding being requested. A business case must include the following elements:
  - a. Description of the project – e.g. what is the proposal?
  - b. Strategic case / alignment – e.g. why should council make the investment how does it align with strategic economic priorities for the region?

- c. Sustainability case – e.g. what are the costs and benefits of the project? What other options were considered?
- d. Financial case – e.g. how will the project be funded, both in the build and long-term operation? What other investors are being sought? What will council's funding contribution be used for? Are there profits being made by the private sector and if so by who?
- e. Management case – e.g. how will the project be undertaken and over what time frame? Do the project proponents have the competence, experience and capacity to deliver the project? What statutory approvals are required (e.g. resource consents)?

DRAFT

## Appendix B - Examples of Debt Deals

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### Example 1: Private Training Institute in Technology Sector

A new education and technology company focused on accessible, affordable and transformative education aligned to meaningful employment in the tech sector to build a more equitable society.

New company will supply the growing need for software developers nationally and internationally with qualified and highly employable junior software developers. These graduates will be trained in the programming languages and technologies that are in the highest demand. These graduates will then be supported to find meaningful employment in the tech industry. Their strategy is to match education to industry and learners with meaningful employment.

New Zealand has 29,000 tech firms with nearly 100,000 employees contributing \$16.2 billion to gross domestic product (GDP) and producing \$6.3 billion in exports. The potential economic and social benefits to Northland from the creation of a digital sector are significant. Nationally, the tech sector is creating more jobs than there are trained people in New Zealand to fill them. As the tech sector grows, job creation and the need for skilled graduations will continue to increase.

The training programme is looking to create a minimum of 75 graduates per annum.

The project is looking at a range of funding sources, from private investment through to funding available for private training establishments from central government.

Why is debt the appropriate support?

The project is not considered appropriate for grant funding as it returns a profit to the principles of the company and does not contribute directly to wider public economic development infrastructure.

However, the project will provide a large contribution towards the development of a regionally significant sector (digital) and will have much wider economic development implications than just the direct profit and employment numbers. Therefore, it is considered an appropriate investment opportunity for the Investment and Growth Reserve. (Note: The project has not yet fully completed the assessment process).

### Example 2: Whangarei Marina

The Whangarei Harbour Marina Management Trust (Trust) operate and maintain 181 berths in the Town Basin Marina and 109 pile berths at Kissing Point Marina in the upper Whangarei Harbour.

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

In response to demand outstripping supply the Trust is proposing to build a new 115 berth marina.

The operational marina will provide the catalyst for Whangarei District to attract additional expenditure from those using the new berths, and frequenting the businesses onshore at Okara and in the wider economy. The key expenditure areas will be on boat maintenance and repair, berthage fees, and on tourism activities. This expenditure is expected to continue into the future on an annual basis, and therefore jobs that are sustained or created by the new activity, will continue into the future.

By year three (2021-22) when the marina berths are fully occupied over the summer season, the value-added impact of the marina expansion is expected to be \$11.4 million.

Approximately 60% of the net value added will accrue to the Whangarei District economy, with the proposed marina expansion contributing to a 0.4% increase in Whangarei District's value added. The economic sectors that directly benefit most from expenditure on berthage, repairs and maintenance and from increased tourism spending, include:

- Other store based retailing (this includes marine retail)– 19 equivalent MECs
- Food and beverage services – 12 equivalent MECs
- Transport equipment manufacturing – 10 equivalent MECs
- Supermarket and grocery stores – 9 equivalent MECs
- Fuel retailing – 8 equivalent MECs.

Why is debt the appropriate support?

The project is not considered appropriate for grant funding as it returns a profit to the Trust which is owned by the Whangarei District Council.

However, the project will provide a large contribution towards the development of a regionally significant sector (marine) and will have wide economic development benefits. Therefore, it is considered an appropriate investment opportunity for the Investment and Growth Reserve. (Note: The project has not yet fully completed the assessment process).

**Attachment 3**

## Investment and Growth Reserve

### Criteria and procedures for the allocation of funding

**Objective of the Investment and Growth Reserve**

1. The objective of the Investment and Growth Reserve (IGR) is to provide a fund that enables council to make strategic investments that lift the long-term growth of the Northland economy.

**Available funding categories**

2. Allocations from the IGR must fit one of the following three funding categories:
  - a. Operational expenditure funding for Northland Inc. Limited, council's economic development agency (a council-controlled organisation).
  - b. Business Case Assessment funding.
  - c. Enabling Investment funding.
3. Annual funding allocation limits apply as follow:
  - a. Northland Inc. Limited operational funding is limited to what is budgeted in council's Long Term Plan.
  - b. Business Case Assessment funding is limited to a maximum of \$300,000 each financial year.
  - c. There is no limit to the quantum of funding provided through the Enabling Investment category although the balance of the IGR cannot fall below \$0 (taking into consideration future funding commitments made to projects).

**Procedures and criteria for Business Case Assessment funding**

4. The purpose of the Business Case Assessment category is to provide funding support to evaluate and assess the viability of potential projects that will contribute toward economic growth within the region so as to make them investment ready.
5. For clarity, Business Case Assessment funding cannot be used to fund:
  - a. the preparation of a strategy;
  - b. the formulation and/or development of a potential project or concept including design work; or
  - c. building or resource consent applications or any other approval required for the project to proceed.
6. Decisions on funding any single Business Case Assessment costing less than \$100,000 is delegated from council to the Board of Northland Inc. Limited. Funding from the IGR for Business Case Assessments approved by the Board of Northland Inc. Limited will be paid to Northland Inc. Limited upon receipt of an invoice accompanied by evidence of the Board decision.

**ITEM: 7.3**

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7. Decisions on funding any single Business Case Assessment \$100,000 or more requires a council decision. These must be accompanied by a Board of Northland Inc. Limited recommendation.
8. Business Case Assessment funding decisions made under delegated authority must be reported to Council through Northland Inc. Ltd quarterly and annual reporting. Copies of the Business Case Assessments funded must be provided to council as they are completed.

**Procedures and criteria for Enabling Investment funding**

9. The purpose of Enabling Investment category is to provide funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure that underpins economic growth or the development of regionally strategic sectors.
10. Projects eligible for Enabling Investment grant funding must:
  - a. Be located in Northland or substantially located in Northland;
  - b. Align with council's priorities for economic development (as set from time to time), including:
    - i. the construction of public or community held infrastructure; or
    - ii. the development of regionally strategic sectors as identified in council's Long Term Plan.
  - c. Provide viable, long-term economic development (i.e. beyond immediate short-term employment and business activity) by meeting one or more of the following:
    - i. Generating ongoing net economic benefit to the region;
    - ii. Creating ongoing new jobs in the region;
    - iii. Increasing exports from the region;
    - iv. Being innovation based.
  - d. Demonstrate that the development can be achieved in a way that does not compromise Northland's environmental, social and/or cultural well-being.
11. For clarity, Enabling Investment funding cannot be used to fund:
  - a. Projects or private businesses that generate profits which are not fully reinvested into the project or utilised for other public economic development benefits;
  - b. Any project that is determined to potentially have significant adverse impacts on environmental, social, and/or cultural well-being, regardless of the positive economic impacts.
12. Decisions on funding Enabling Investment projects can only be made by council resolution based on the following guidelines.
  - a. Applications have been considered and evaluated for funding by the Northland Inc. Limited Board.
  - b. Funding provided by council is intended as partnership funding and cannot account for more than 33% of the total project cost unless it is demonstrated that there are exceptional circumstances.
  - c. Council will issue a formal offer to the project sponsor setting out the terms and conditions for funding. This offer will include milestones, key performance indicators and regular reporting requirements.

**ITEM: 7.3**

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13. Applications for Enabling Investment funding considered by council must be accompanied by a robust business case that has been prepared at a level commensurate with the quantum of funding being requested. A business case must include the following elements:
- a. Description of the project – e.g. what is the proposal?
  - b. Strategic case / alignment – e.g. why should council make the investment? How does it align with strategic economic priorities for the region?
  - c. Sustainability case – e.g. what are the costs and benefits of the project? What other options were considered?
  - d. Financial case – e.g. how will the project be funded, both in the build and long-term operation? What other investors are being sought? What will council's funding contribution be used for? Are there profits being made by the private sector and if so by who?
  - e. Management case – e.g. how will the project be undertaken and over what time frame? Do the project proponents have the competence, experience and capacity to deliver the project? What statutory approvals are required (e.g. resource consents)?

**TITLE:** Audit and Finance Working Party

**ID:** A1032087

**To:** Council Meeting, 20 February 2018

**From:** Dave Tams, Group Manager – Corporate Excellence

**Date:** 1 February 2018

### Executive summary

This paper outlines the change to the Audit Working Party following the governance review in 2017.

It is proposed that the Audit Working Party's remit be extended to incorporate reviewing council's financial performance, and that it be renamed the Audit and Finance Working Party.

### Recommendations

1. That the report 'Audit and Finance Working Party' by Dave Tams, Group Manager – Corporate Excellence, and dated 1 February 2018, be received.
2. That the draft Terms of Reference, **attached**, are promulgated.
3. That the title of the working party be 'Audit and Finance Working Party'.

### Considerations

#### 1. Options

Option	Advantage	Disadvantage
1. Change the remit of the Audit Working Party to include reviewing the financial performance of council	Council has a more comprehensive review of its finances.	None
2. Leave the remit of the Audit Working Party as it stands	Audit Working Party clear about its remit.	Council finances could be subjected to more thorough scrutiny.

The staff's recommended option is 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 Long Term Plan and/or is part of council's day to day activities.

**3. Policy and legislative compliance**

Complies with recommendations of the Governance Review 2017.

**Further considerations**

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

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**Attachment:**

- Terms of Reference – Audit and Finance Working Party
- 

**Authorised by Group Manager:**

**Name:** Dave Tams

**Title:** Group Manager – Corporate Excellence

**Date:** 1 February 2018

## Terms of Reference – 2016-2019 Triennium

### Audit and Finance Working Party

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#### Membership

The Audit and Finance Working Party shall be comprised of three (3) councillors and one (1) independent member as follows:

Chairperson:	David Sinclair
Members:	Bill Shepherd
	Joce Yeoman
	Geoff Copstick (independent)

Standing orders do not apply.

#### Quorum

The quorum for meetings of the working party shall be three.

#### Objectives

The objectives of the working party are to:

- Provide oversight and assistance to the Chief Executive on council's internal and external audit activities, ensuring that accountabilities and responsibilities are fulfilled;  
and
- Make recommendations to council on audit matters; and
- Review financial performance.-

#### Responsibilities

The working party is directly responsible and accountable to the council for the exercise of its responsibilities. The Chairperson, supported by staff, will provide a brief written report of working party activities to each council meeting.

In carrying out its responsibilities, the working party must at all times recognise that primary responsibility for management of the council rests with the Chief Executive.

For reasons of efficiency and/or expediency, should the working party not be able to perform their functions, the council will assume their role and responsibilities.

#### Role and functions

The council authorises the working party, within the scope of its Terms of Reference, role and responsibilities, to:

##### 1. General

- a) Subject to operating within approved budget allocation - obtain information it needs from the CEO and/or external party (subject to their legal obligation to protect information);
- b) Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- c) Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the working party or its working groups;
- d) In discussion with the CEO and subject to operating within approved budget allocation – request the CEO to obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;

- e) Recommend the co-opting of ~~Co-opt~~ a person as a (non-voting) member of the working party to assist with special projects;
- f) To review council finances on a quarterly basis;
- g) Recommend to council that additional members be appointed to the working party should it consider wider representation would be of assistance in performing its functions;
- h) To regularly report progress on its functions to the council; and
- i) Undertake such other functions as may be delegated by council from time to time.

## 2. External Audit

The working party's responsibilities are to:

- a) Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors;
- b) Provide advice to the Chief Executive to negotiate fees with external auditors;
- c) Review Audit Management Letter;
- d) Review Audit Plan;
- e) Review Independent Audit Reports;
- f) Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided;
- g) Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations;
- h) Oversee the co-ordination of audit programmes conducted by the external auditors and other review functions; and
- i) Provide reports and advice to the council on action taken on significant issues raised in relevant external audit reports and good practice guides.

## 3. Finance

The working party's responsibilities are to:

- a) Monitor and review financial policies; and
- b) Monitor and review financial performance.

## 4. Reporting

The working party's responsibilities are to:

- a) Review and recommend to council the adoption of the Annual Report and Summary Annual Report, focusing particularly on:
  - i. Any changes in accounting policies and practices;
  - ii. Major judgemental areas;
  - iii. Significant adjustments resulting from audit;
  - iv. Compliance with financial reporting and other applicable standards;
  - v. Compliance with statutory requirements; and
  - vi. Other reports prepared by management for release to stakeholders, such as any summary financial reports.

## 5. No Delegated Authority – Power to Act

The working party has no delegated authority or power to act.

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**TITLE: Investment Recommendations from the Investment Subcommittee**

**ID:** A1032081

**To:** Council Meeting, 20 February 2018

**From:** Dave Tams, Group Manager – Corporate Excellence

**Date:** 1 February 2018

### Executive Summary

The Investment Subcommittee met on 31 January 2018 to review the performance of council's externally managed funds.

Their recommendations are tabled below for council to consider their adoption. In addition, Eriksen Global were asked for any recommendations to the construct of the Working Capital Fund (WCF). Their proposal is contained in the **attached** WCF Statement of Investment Policy and Objectives.

### Recommendations

1. That the report 'Investment Recommendations from the Investment Subcommittee by Dave Tams, Group Manager – Corporate Excellence, and dated 1 February 2018, be received.
2. That council approves the subcommittee recommendation to introduce the Quay Street Income Fund into the WCF, and transfer \$1.5m to this fund from the WCF Milford Diversified Income Fund.
3. That council approves the subcommittee recommendation to remove Blackrock Fixed Income and Global Opportunities Fund from the WCF.
4. That council approves the removal of the AMP Short Duration Fund from the WCF.
5. That council approves the addition of Harbour Income Fund in place of BlackRock in the WCF.
6. That council approves the WCF Statement of Investment Policy and Objectives as **attached**.
7. That council approves the subcommittee recommendation that the monies to repay the \$3m Fixed Rate Note with ANZ Bank come from the Working Capital Fund.

### Considerations

#### 1. Options

Option	Advantage	Disadvantage
1. Introduce the Quay Street Income Fund into the WCF and transfer \$1.5m into this fund from the Milford Diversified Income Fund.	Quay Street is more defensive than Milford and may not suffer to the same extent as the Milford Income Fund in a market downturn. In addition, a \$1.5m transfer out of the Milford Diversified Income Fund reduces council's overall risk exposure to Milford to progress to a 20% overall exposure target.	There is a risk that the Milford Diversified Income Fund outperforms Quay Street in the future and consequently any marginal increase in gains is forgone.

2.	Repay the Fixed Rate Note of \$3m from the WCF in the Short Term and repay it from the IIF.	The loan can be repaid on time using working capital.	Nil
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## 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 and is in accordance with the approved Treasury Management Policy.

## 3. Policy and legislative compliance

The activities detailed are in accordance with council's Treasury Management Policy and the 2015–25 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.

## Further Considerations

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

## Attachment

- Working Capital Fund Statement of Investment Policy and Objectives (included in the Supporting Information)

## Authorised by Group Manager:

**Name:** Dave Tams  
**Title:** Group Manager – Corporate Excellence  
**Date:** 1 February 2018

**TITLE:** Chairman's Report to Council

**ID:** A1022871

**To:** Council Meeting, 20 February 2018

**From:** Bill Shepherd, Chairman

**Date:** 2 February 2018

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### Executive summary

This report is to receive information from the Chairman on strategic issues, meetings/events attended, and correspondence sent for the months of December 2017 and January 2018.

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### Recommendation

That the report 'Chairman's Report to Council' by the Chairman, Bill Shepherd, and dated 2 February 2018, be received.

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### Strategic issues

#### Long Term Plan (LTP)

In my report to the July council meeting last year I signalled that the council was considering significant changes to be included in our new LTP and that we would be talking to our community about the proposed changes early in 2018. Early 2018 is now upon us and those community 'Have your say' sessions will begin on 20 March.

The new plan has focused on the three things that the community has repeatedly told us are important to them, namely:

1. Water quality;
2. Pest management; and
3. Natural hazard management.

Meeting those community aspirations will need more resources, initially in the form of a significant rate increase, which will also translate into more job opportunities. Some will say that we just need to become more efficient and not increase rates. Well as some of you will have noted, we have been working really hard on efficiencies over the last four years, delivering 'business as usual' with a 0% rate increase for each of those four years. I have yet to find another council in the country that has been able to achieve that!

Another significant change that we are proposing as part of this LTP process, is to change the rating system to more accurately indicate which areas of the council's activities ratepayers' funds are being invested in. This will make assessing the areas of activity that we are undertaking more transparent.

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Over the last couple of months, when talking to people about the upcoming LTP consultation, I have been very careful to say that we are not trying to ram a significant rate increase down your throats, however, we have heard the community messages loud and clear that you want us to do more to improve water quality, do more to deal with pest management, and do more to deal with natural hazards like flooding, climate change, etc. So, we have worked out what it will cost to deal with those issues over a reasonable and affordable timeframe, and now we want to know whether the community is still with us. Do you want us to do more? Do you want us to do less? Do you want us to do it faster, or do you want us to do it slower?

Please tell us so that we can be confident that we have your backing.

**Meetings/events attended**

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
  - Dover Samuels and Mahimahi Trustees – clay mining at Matauri Bay. Councillors Paul Dimery and Joce Yeoman, and Consents Manager, Stuart Savill, also attended.
  - Northland Mayoral Forum at Far North District Council.
  - Tame TeRangi, Ngāti Whatau – Kaipara Moana claim which is moving into negotiations with the Crown for settlement.
  - Hon Clare Curran – Mayor Sheryl Mai and our Chief Executive, Malcolm Nicolson (on my behalf) met with the Minister to discuss Northland digital communications issues and other important Northland matters.
  - Hon Shane Jones – Billion Trees Proposal. Councillors John Bain and Paul Dimery also attended.
  - Sir John Goulter, Chairman, Northport and Marsden Maritime Holdings Ltd – catch up meetings.
- Regular Mayoral teleconference calls.
- Sue and I attended the Northland Sports Awards.
- Stefan Rueegg – stakeholder interview for Refining NZ.
- Dinner hosted by Northland Inc. for a large international marine manufacturer looking to relocate to Whangārei.

**Correspondence**

During December 2017 I sent out the following correspondence:

Date	Addressed to	Subject
08.12.17	Hon Phil Twyford Minister of Transport	Commitment to Northland to Auckland Highway
12.12.17	Steve Cornwall	Move NZTA jurisdiction for Northland to join Waikato region
12.12.17	Paul Ahlers Chairman Northland Emergency Services Trust	Lack of acknowledgement of funding provided by Northland Regional Council to Northland Emergency Services Trust
13.12.17	Hon Shane Jones Minister of Forestry and Minister for Regional Development	Billion Trees Proposal

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19.12.17	Angelo Rego CouncilMark Programme Manager Local Government New Zealand	Letter of support to join CouncilMark
22.12.17	Tony Gibson Chief Executive Officer Ports of Auckland	Representation on Marsden Maritime Holdings Board
22.12.17	Rt Hon Sir Don McKinnon New Zealand Memorial Trust	New Zealand War Memorial Museum, Le Quesnoy
22.12.17	Paul Ahlers Chairman Northland Emergency Services Trust	Acknowledgement of Northland Regional Council's support to Northland Emergency Services Trust

**TITLE:** Chief Executive's Report to Council

**ID:** A1025253

**To:** Council Meeting, 20 February 2017

**From:** Malcolm Nicolson, Chief Executive Officer

**Date:** 2 February 2018

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### Executive summary

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

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### Recommendation

That the report 'Chief Executive's Report to Council' and dated 2 February 2018, be received.

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### 8.2.1 HIGHLIGHTS

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- Sustained improvements in faecal indicator bacterial levels in the Hakaru River, near Topuni, earned the Northland Regional Council a NZ river award for Northland's most improved river. NRC Chairman Bill Shepherd accepted the award on behalf of the Hakaru community and Northland ratepayers.
- The Chief Executive Officer's Personal Assistant has been working with PAs from the Whangārei District Council and Ministry of Social Development to develop a EA & PA network in Northland. This idea has now grown into a Summit for Northland EA's and PA's to take place in Whangārei on Friday 25 May 2018 for which we have been receiving a high level of interest and some great feedback – such as below:

*"Very pleased to see this forum started. We had one years ago, that provided excellent networking and made office interaction so much easier. It was great for the bosses to have secretaries who knew each other. Trust factors enhanced immensely. So yes – I will certainly be involved".*

### 8.2.2 CEO'S OFFICE

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#### SHARED SERVICES

Northland councils are meeting with, and have met, Ministers and the Prime Minister on key issues as identified by the Northland Forward Together's advocacy program 'One Voice'. Council is leading this work on behalf of the four councils.

**COUNCIL PROPERTY UPDATE****Commercial**

The testing for asbestos in each of council's freehold buildings has been completed to meet regulations that become effective in April 2018. Next steps are being examined for those properties where asbestos has been identified.

Council's purchase of a Hihiaua Precinct property in Whangārei has settled.

The agreement for council to purchase a Dargaville commercial property has settled.

The building of the storage facility in Union East Street is nearing completion on time (February 2018) and on budget.

**Industrial**

The council sale of a further industrial area property has settled.

**8.2.3 CORPORATE EXCELLENCE**

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**FINANCE****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 Education**

The online cyber security training programme is continuing. Compared to the baseline campaign recording a 'click through rate' of 18.79%, the click through rate has continued to be measured monthly from September to January averaging 6%, a significant reduction from the baseline measure. The click through rate is measured where staff were deceived and clicked on a phoney link in an email they have received.

**8.2.4 REGULATORY SERVICES**

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**PLANNING AND POLICY****Proposed Regional Plan**

Submissions on the Proposed Regional Plan closed 15 November 2017. Council received 324 submissions. Staff are currently summarising the submissions in preparation for public notification of the further submissions process which is scheduled for early-mid March 2018.

**Regional Policy Statement – Genetically modified organisms (GMOs)**

The Court has agreed to a process which involves each of the parties providing legal submissions and for the judge to make a decision 'on the papers' (without a hearing). All the relevant paperwork is to be with the Court by 16 February 2018.

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**Central government initiatives**

In a press release of 18 January 2018, the Minister for the Environment has signalled changes to the National Policy Statement for Freshwater Management. The scale and scope of the potential changes and process to be used are unknown at this time but it was indicated that 'formal plans' would start mid-2018.

**Maritime New Zealand**

Maritime NZ has proposed amendments to the marine protection rules under the Maritime Transport Act 1994 which are intended to improve the management of ballast water discharges (primarily to mitigate the spread of marine pests). The changes are intended to align with international agreements New Zealand is a party to and only apply to international vessels. Council lodged a submission on the changes seeking that Maritime NZ also considers similar controls for domestic ships as this is a gap in marine biosecurity. Given the submission period closed 26 January 2018, the submission was lodged under authority delegated to the CEO.

**District Council Plan Changes****Whangarei District Council Proposed Plan Changes 85, A-D, 86A and B, 87, 102 and 114**

Whangarei District Council has accepted the Hearings Panel's recommendations on their suite of Proposed Plan Changes, which includes Landscapes (114), Minerals (102) and Coastal Areas (87). The decision was publicly notified on 17 January 2018 and submitters (including the Regional Council) have 30 working days to lodge an appeal with the Environment Court in regard to any matter to which they made a submission.

The Hearings Panel has agreed with most of the recommended changes that the regional council asked for through the submission and hearings process. These amendments are shown on the recommended district plan text. Staff do not consider that there is a need for council to appeal the decisions to the Environment Court. However, staff will continue to follow the process to see what aspects (if any) of the decisions are subject to appeal by other parties and will advise as to the need to join any such appeals.

**Land use and subdivision applications**

During December 2017 and January 2018, 34 non-notified resource consent applications were received from the district councils. At the time of writing, no comments had been raised.

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

Between 1 December 2017 to 30 January 2018, a total of 117 decisions were issued. These decisions comprised:

42	Coastal Permits
3	Air Discharge Permits
12	Land Discharge Permits
3	Water Discharge Permits
33	Land Use Consents
3	Water Permits
10	Bore Consents

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The processing timeframes for this period ranged from:

- § 966 to 6 calendar days, with the median time being 28 days;
- § 644 to 4 working days, with the median time being 20 days.

40 Applications were received since 1 December 2017.

Of the 91 applications in progress at the end of January 2018:

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

**Appointment of Hearing Commissioners**

Sharon McGarry, Dr Rob Lieffering and Sheena Tepania for the hearing for the NZ Refinery Company's applications for channel deepening in Whangārei Harbour.

David Hill and Peter Calender for the combined hearing for 17 groundwater takes from the Aupōuri Aquifer.

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

The current level of notified application processing activities at 30 January 2018 is (by number):

§ Applications Publicly/Limited Notified During Previous 2 Month	3
§ Progress on Applications Previously Notified	2
§ Hearings and Decisions	2
§ Appeals/Objections	2

**COMPLIANCE AND STATE OF THE ENVIRONMENT MONITORING**

The results of compliance monitoring for the period 27 November 2017 – 26 January 2018 (and year-to-date figures) are summarised in the following table and discussed below.

Classification	Total	Full compliance	Non-compliance	Significant non-compliance	Not exercised during period
Air Discharges	31	26	4	0	1
Coastal permit	236	210	17	0	9
Discharge permit	198	142	39	10	7
FDE - Discharge permit	66	37	20	8	1
FDE - Permitted activity	16	15	0	1	0
Land use consent	60	58	1	0	1
Water permit	213	138	27	0	48
<b>Total</b>	<b>820</b>	<b>626</b>	<b>108</b>	<b>19</b>	<b>67</b>
<b>Percentage</b>		76.34%	13.17%	2.32%	8.17%
<b>YTD</b>	<b>3409</b>	<b>2398</b>	<b>579</b>	<b>234</b>	<b>198</b>

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**Air discharges**

A total of 97 air quality related environmental incidents were received, 52 of which related to burning and smoke nuisance and 22 to odour nuisance.

Continuous ambient PM<sub>10</sub> monitoring results for November and December 2017 for the Whangārei, Marsden Point and Dargaville airsheds showed that compliance was met with the National Environmental Standards. PM<sub>2.5</sub> monitoring results for Whangārei were within the Ambient Air Quality Guideline value.

**Coastal**

The majority of consents monitored during the reporting period related to coastal discharges (treated municipal sewage and industrial discharges) and coastal structure inspections. Water quality in marinas was also sampled.

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

A full review of the coastal water quality programmes was undertaken in late 2017 to ensure compliance with the pending Coastal National Environmental Monitoring Standards (NEMS) and appropriate representation of Northland's coastal waters. Some sampling sites have been dropped and replaced with new sites.

Ongoing observations of Waipū Cove and the Waipū Cove stream were made to assess the amount and location of nuisance seaweed. A minimal quantity of seaweed had washed ashore compared with recent years.

On-water marine pollution patrols were undertaken in popular anchorages such as the Bay of Islands, Whangārei, Tutukaka and Whangaroa, educating "yachties" on the sewage management rules.

**Hazardous Substances**

- The collection and packaging of hazardous substances continued during the reporting period. A substantial amount of residential waste was received at the Whangārei ReSort centre over the holiday period.
- One incident involving the discharge of hazardous substances and 36 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. Council staff attended the following during the reporting period:

- Plantation Forestry NES workshop with the Ministry for Primary Industries (MPI).
- Ngāwhā Peer Review Panel meeting.

**Farm Dairy Effluent (FDE) Monitoring**

Monitoring and reporting of all dairy farms was completed by 24 December 2017. A total of 898 farms were visited for compliance monitoring between 1 August 2017 and 10 December 2017. Final figures show that the significant non-compliant rate for consented farms increased from 16% last year to 21% this year. The significant non-compliant rate for non-

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consented farms dropped from 25% last year to 23% this year. Overall there was a 4% increase in the rate of significant non-compliance. A total of 78% of Northland farms were either fully complying or had only minor compliance issues.

Consented FDE discharges

A total of 668 consented farms were monitored. The monitoring results are compared with those for last year in the following table.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
359	375	167	205	142	108
54%	54%	25%	30%	21%	16%

Non-consented FDE discharges

A total of 230 non-consented farms were monitored. The monitoring results are compared with those for last year in the following table.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
162	153	16	22	52	59
70%	65%	7%	10%	23%	25%

**Summer Recreational Bathing Water Quality Surveys 2017-18**

The recreational bathing programme commenced on 4 December 2017 and will conclude on 6 March 2018, with up to 46 coastal and 14 freshwater sites sampled on a weekly basis. The following table shows the number of sites which had “unsuitable for swimming” results over the reporting period.

Sites	Week 1 04/12	Week 2 11/12	Week 3 18/12	Week 4 25/12	Week 5 01/01	Week 6 08/01	Week 7 15/01	Week 8 22/01
Coastal	2	0	0	1	6	0	2	2
Freshwater	1	2	3	2	3	3	1	6

**Environmental Incidents**

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

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**Enforcement**Abatement Notices

There were 92 abatement notices issued during the period. These were for:

Farm dairy effluent discharge	68
Burning & smoke nuisance	7
Dead stock	4
Discharge of silage leachate	4
Discharge of sewage/sullage water	4
Trade & industrial discharge	1
Odour nuisance	1
Mangrove removal	1
Non-compliance with marina resource consent	1
Water take	1

Infringement Notices

There were 51 infringement notices issued during the period. These were for:

Farm dairy effluent discharge	26
Non-compliance with an FDE abatement notice	17
Discharge of silage leachate	3
Discharge of milk	1
Discharge of palm kernel	1
Discharge of paint from vessel sanding	1
Discharge of sewage	1
Burning & smoke nuisance	1

Formal Warning Letters

There was one formal warning issued during the period. This was for the discharge of antifoul to water.

**Other Enforcement**Spray damage to significant indigenous wetland

Charges have been laid against a land owner and the contracting company for spray damage to a significant indigenous wetland adjacent to Basin Road, Baylys Beach. A judicial telephone conference was held on 14 December 2017. A disputed facts hearing has been set down for the Whangārei District Court on 23-24 April 2018.

Abatement notice appeals

Two abatement notices have been appealed to the Environment Court. These were for:

- Discharge of demolition waste to land and the discharge to air from the burning of the waste in Kaikohe. Mediation was held with the alleged offenders on 24 January 2018 in Paihia. The abatement notices were cancelled after the appellant signed an undertaking to comply with the relevant rules regarding this matter.
- Discharge of odour and dust from trade and industrial premises in Whangārei. Mediation has been scheduled for 9 February 2018 in Whangārei.

### **8.2.5 ENVIRONMENTAL SERVICES**

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#### **LAND MANAGEMENT**

Year to date 188 projects totalling \$816,497.15 have been approved. A delegated authority meeting on 12 February 2018 will approve allocation of the remaining funds for the financial year.

#### **Farm Water Quality Improvement Plans (FWQIP) 1 July 2017 to 23 January 2018**

Year to date 82 FWQIP's have been commenced, 127 have been completed, with a further 111 in progress.

#### **Hātea project**

Year to date 14 NRC Environment Fund projects for 3970m of fencing have been approved, totalling \$15,044. There have also been 20 troughs (\$5,000) and 1140 plants (\$5,700) funded through MFE funding.

#### **BIODIVERSITY**

##### **CoastCare**

Issue 22 of CoastCare Northland News was written and distributed, providing updates on CoastCare projects and information on upcoming events. A CoastCare beach information event was held at Ruakākā in January with Bream Bay Coastal Care Trust and the Department of Conservation to educate beach users about protecting the beach environment including dunes and shorebirds. Collections of spinifex and pingao seed are underway to ensure supply of eco-sourced dune plants for CoastCare projects. These were sent to a specialist nursery as well as to community nurseries for propagation. Several site visits and meetings were undertaken with CoastCare group members and other agency staff to review and plan dune restoration projects.

##### **Check Clean Dry**

Funding was received from MPI to assist with the programme which aims at reducing the spread of freshwater pests between waterways by educating users of freshwater sites about aquatic pests and how to avoid spreading them.

So far 100 MPI user surveys have been completed and approximately 700 people have been spoken to. Over 500 CCD packs containing information, detergent and spray bottles were given out to the public and relevant businesses around Northland for distribution to their clients.

##### **Lakes Freshwater Improvement Fund (FIF) Project**

Project workplans for the FIF Dune Lakes project have been submitted by MfE, and council and are currently with legal advisors after which MfE will draft a Deed of Funding. Once this is signed the project will commence. Appointment of the position of Biodiversity Advisor – Lakes FIF, advertised in December, is expected to take place in February after the deed is signed.

GIS staff have been busy identifying landowners around FIF lakes who will need to be contacted as the project progresses. All iwi and hapu have been consulted, with relationships off to a positive start.

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**Integrated Kaipara Harbour Management Group**

The Integrated Kaipara Harbour Management Group business plan expired at the end of 2017 and is being reviewed. The new business plan will develop the programme of work and budget for the next three years. Consideration is being given to the likelihood of changes to current governance and management structure given that negotiations are underway regarding possible co-governance of the harbour. The next meeting is scheduled for 20 February.

**Te Arai Nursery**

Biodiversity staff represent council on a stakeholders group for Te Arai Nursery which supplies many plants for restoration projects in the Kaipara catchment. The Nursery is developing a comprehensive plan that will align production of eco-sourced plants with the demands from groups for their restoration projects.

**BIOSECURITY****Biosecurity Threats/Incursions**

A report of possible 'mermaids hair' seaweed from Robertson Island (BOI) has been received – a sample has been sent to MPI and staff are awaiting further analysis. If this species is confirmed it could be a potential fouler to mussels.

**Marine Biosecurity****Hull Surveillance Programme**

Council contractors have carried out vessel hull inspections during December and January in the Bay of Islands, Tutukaka, Houhora, Mangonui, Whangārei Harbours. Over 1200 hull inspections have been completed to date. Contractors and staff have observed a significant behaviour change from Auckland boaties being more aware of council rules and cleaning vessels prior to arriving.

**October 2017 – to date Vessel hull inspections**

Location	Hull inspections		Incidents		
	Total inspections	Fouling score	Mediterranean fanworm	Styela sea squirt	Japanese kelp (Undaria)
Houhora	30	3.3	0	0	2
Inner bay of Islands	407	2.8	9	140	1
Kerikeri-Northern bays	70	2.5	0	11	0
Mangonui	87	2.6	0	0	0
Marsden Cove	41	2.3	18	2	0
Ngunguru	9	2	0	0	0
Outer bay of Islands	131	1.6	2	7	0
Parua Bay	55	2.7	26	8	0
Tutukaka	67	1.9	0	0	0
Whangārei	200	3.3	39	5	1
Whangaroa	88	3.6	1	2	0
Overall total	1185	2.6	95	175	4

Fouling score key: 0 (no fouling) - 5 (heavy fouling)

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This season staff have issued over 100 Notices of Direction to vessel owners/mooring holders with fanworm/Japanese kelp on their vessels. The majority of these vessels have been boats from within Whangārei Harbour with fanworm on their hulls. All other vessels with *Styela Clava* on their hulls have been issued with a warning letter outlining regional rules for movement with marine pests.

**Biosecurity Partnerships****Kiwi Coast – NRC Partnership**

The Kiwi Coast has continued to gain momentum with over 103 entities linked in the Kiwi Coast. The Kiwi Coast has recently engaged a second co-ordinator in the Mid North area to keep up with the growing demand for on the ground support and local co-ordination. Through this partnership biosecurity officers have continued to receive applications for new CPCAs and Biofund (Environment Fund) support.

**Predator Free 2050**

Late 2018, Predator Free 2050 Ltd (PF2050) called for expressions of interest to identify projects which could be supported to create successful landscape scale predator eradication programmes. Both Reconnecting Northland and Kiwi Coast submitted expressions of interest to PF2050 but were unsuccessful in moving to the second stage (Request for Proposal). Over 40 expressions of interest were received by PF2050 covering approximately 1.7m hectares (over 6%) of New Zealand.

Seven projects have since been invited to participate in the request for proposal stage – refer to <http://pf2050.co.nz/expressions-of-interest/>

**Community Pest Control Areas**

Staff visited the proposed Tawapou CPCA on the Tutukaka Coast prior to Christmas to assist with weed control and to inspect a recently discovered mainland grey faced petrel breeding colony. Unfortunately, with the loss of all grey faced petrel chicks at this site, biosecurity staff will continue to assist the community to develop a plan for monitoring of predators within the coastal area adjacent to the colony.

**Biodiversity Monitoring**

Staff and summer students are continuing to analyse bittern call recordings collected during 2017 from CPCAs and Biofund projects. Staff are developing a bittern survey protocol and a simple how to guide for using acoustic monitoring devices and software which will be used by community groups for the next monitoring period (September - November).

Pictured below is a regenerating forest on a slip face in Pukenui Forest. Ongoing pest control over the last 10 years, including the removal possums, rats, goats and pigs within this forest has led to regeneration of many plant species under the canopy and in slips like this.

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Images below show difference between Dec 2015 and Dec 2017.

**Kauri Dieback**

Following the increased media coverage around kauri dieback (KDB) in Auckland, staff have observed an increase in public enquiries relating to KDB. The KDB programme is likely to release information by March relating to recent aerial surveillance which will also increase public enquiries. Early indications from the aerial surveillance is that there are a significant number of symptomatic kauri trees in the Whangārei and Kaipara Districts which will require on the ground follow up. A KDB ground truthing plan is currently being developed.

**Pest Plant Biosecurity****Exclusion Plants**

Staff recently discovered an infestation of *houittuynia* or Chameleon plant in Kamo while searching for Batwing Passionflower. *Houittuynia* grows rapidly to form a dense groundcover and its rampant growth can rapidly displace native plants in forest and wetland ecosystems. This species is classified as an exclusion plant and staff will eradicate this new site over the coming months.

**Eradication Plants****Spartina**

Biosecurity staff and summer students have commenced the annual control of *Spartina* within the Kaipara Harbour at Oneriri (Kaiwaka), Tinopai, Ruawai and Matakoho.

**RIVERS****Awanui**

The annual works opex programme is approximately 36% complete and 15% of this year's capex. This is largely work on stopbank relocation along Gills Road, mulching and spraying. Spillway #6 (part of the scheme upgrade) has been completed and awaiting final survey and acceptance. Spillway #6 was largely completed at nil cost to the scheme.

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**Kāeo - Whangaroa**

Summer river maintenance work is scoped and scheduled to get underway this month with channel optimization work downstream of Wainui Road Bridge in Matangirau as well as work in Kāeo and Mangaiti near the Marae.

**Kerikeri – Waipapa**

Kerikeri river work is underway to remove problematic log-jam flooding that is affecting public infrastructure and spraying of Wattle re-growth downstream of SH-10 Bridge. Follow-up mulching programme along the Whiriwhiritoa Stream that drains the Waipapa Commercial area is scheduled for late January.

**Kawakawa – Taumārere**

Staff are continuing with our prioritised minor works in this catchment and the team has been working with the NRC GIS team to refine the catchment boundaries for LTP consultation.

**Minor Rivers Works**

<b>MINOR RIVER WORKS</b>	<b>Scheduled</b>	<b>General Status</b>
<b>Awanui - Bells Hill Inclinator Monitoring</b>	Oct-17	Completed
<b>Awanui - Bells Hill Drain Cleaning</b>	May-18	Scheduled
<b>Helena Bay Remove Trees</b>	Nov-17	Completed
<b>Panguru Bank Works</b>	May-18	Scheduled
<b>Omanaia (Pakanae) Vegetation Removal (Follow up Spraying) (Arundo Donax Control)</b>	Dec-17	Completed
<b>Otiria spillway at Kiwi Rail Bridge - NAL 235</b>	April-18	Scheduled
<b>Moerewa - Survey Turntable Hill</b>	Sep-17	Completed
<b>Moerewa - Willow Maintenance Spraying - downstream of bridge at Turntable Hill</b>	Nov-17	Completed
<b>Paparoa - Willow Removal at Paparoa Station Road</b>	Oct-17	Completed
<b>Matangirau – Maximize cross-sectional area at approaches of the Wainui Road Bridge</b>	Jan-18	Scheduled
<b>Waipū – Applecross Rd Tree Removal</b>	Oct-17	Completed
<b>Otaika - Removal of tree upstream of SH1</b>	Dec-17	Completed
<b>Ngunguru- Remove willows</b>	Jan-18	Completed

**NATURAL HAZARDS****Coastal Hazard Maps**

Staff have been preparing web site updates that required some edits to final reports ready for public release, which is now planned for early February. A media release has been prepared to coincide with the map update.

**Priority Rivers Flood Hazard Maps**

The flood mapping shown on our online natural hazards map viewer is due to be updated in mid-2018. This should include updated flood extents for the Kaihū -Awakino, Kerikeri and Kāeo catchments, and new flood extents for Waipū and Paparoa catchments.

**Regional LiDAR Project**

The regional LiDAR project started in the second week of January, when the survey team deployed to Northland to start work on the Awanui catchment survey. This survey area is

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approximately 50% completed, with cloud cover delaying full completion, as LIDAR pulses cannot penetrate cloud cover. The data delivery target of December 2018 is still achievable if conditions are favourable in the first five months of 2018.

**Awanui Flood Model**

The preferred tenderer is DHI New Zealand / Macky Fluvial Consulting, and contract negotiations were initiated on 25 January. This flood model upgrade will enable the model to be used for assessment of Kaitiāia flood scheme options. Given that the LIDAR survey of the Awanui catchment is now 50% complete it has been decided to incorporate this survey in the flood model as early as possible in the project.

**Waipū and Paparoa Flood Model Builds**

The flood model build for Waipū and Paparoa rivers is progressing to hydraulic calibration of the flood model. This project is scheduled to be completed in April 2018.

**HYDROLOGY****Hydrology Team & Water resources Work Programme:**

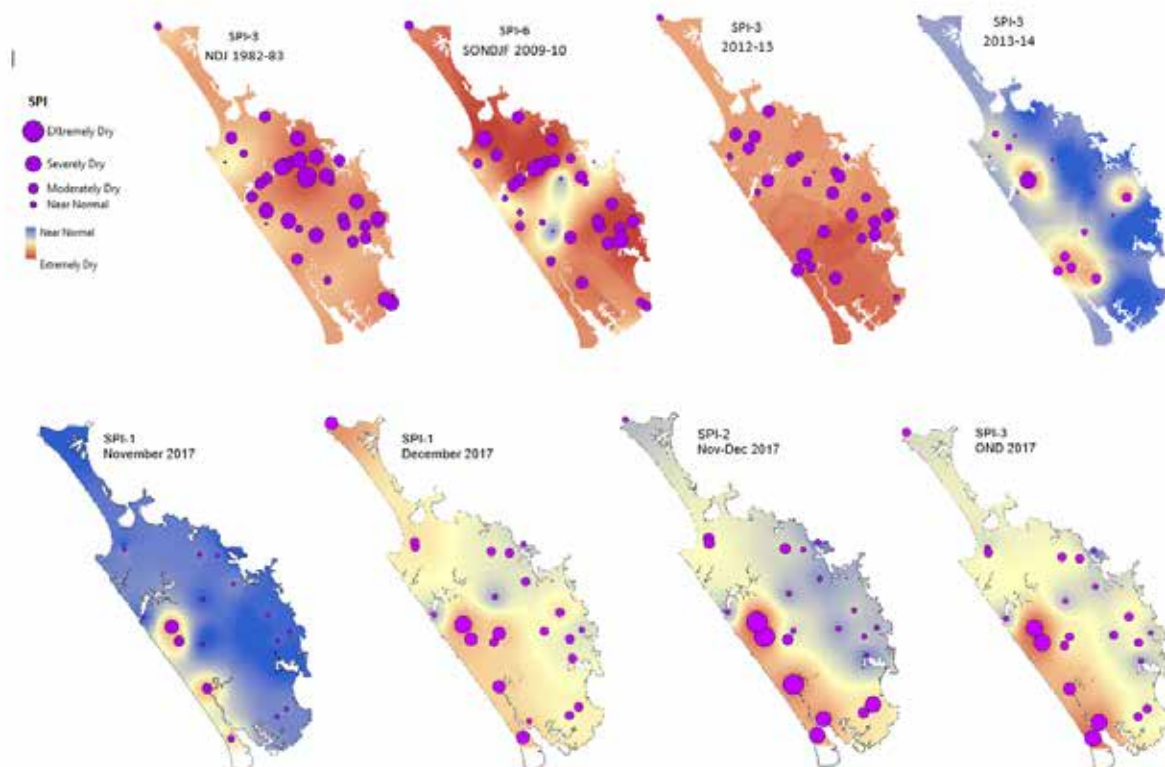
- As predicted by the MetService on 04 January a low-pressure system formed in the Tasman and tracked down along the west coast of the Northland. Due to the spring-high tides and the low pressure (982.5 hPa) associated with the system, minor tidal flooding was reported in Dargaville and Kāeo. The Towai gauge in Kāeo logging 95mm, the highest recorded for the event. Since 05 January, the pattern of blocking highs has ended with multiple fronts delivering rain across Northland, resulting in a decrease in soil moisture deficits.
  - Whangārei currently at 100mm deficit
  - Kerikeri currently at 0mm deficit
  - Kaitiāia, Dargaville, Kaikohe, Warkworth currently at 50-70mm deficit
- A weather warning was issued and monitored on 16 January 2018. The rainfall was significantly below the predicted amount and no flooding was recorded in the region. A high flow gauging was completed on the Ōruru River on 17 January.
- Initial scoping of the upgrade to the Kaitiāia flood warning system has begun. A rainfall site in the upper Takahue catchment has been secured. The final site selection will be completed by the end of February 2018.
- The Rangiahua webcam and infrastructure was stolen early December 2017. Due to the isolated location and repeated thefts the webcam will be redeployed to a more secure site. The contract with Snapit IT is currently on hold.
- On 13 December Outdoor Education New Zealand conducted a one day water safety course for 13 NRC staff members.
- The drought mapping tool under development by the water resource scientist is currently in the test phase over the 17/18 summer period and once the system becomes operational the data will become available to the public. The maps confirm the west coast was in the early stages of a meteorological drought, which is a key objective to enable drought events to be viewed at a localised scale see below for details:

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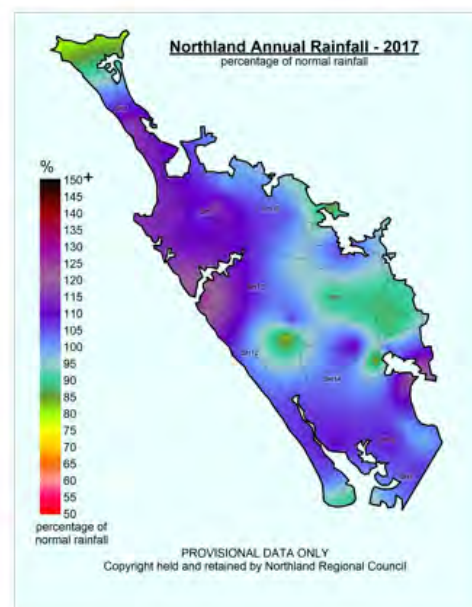
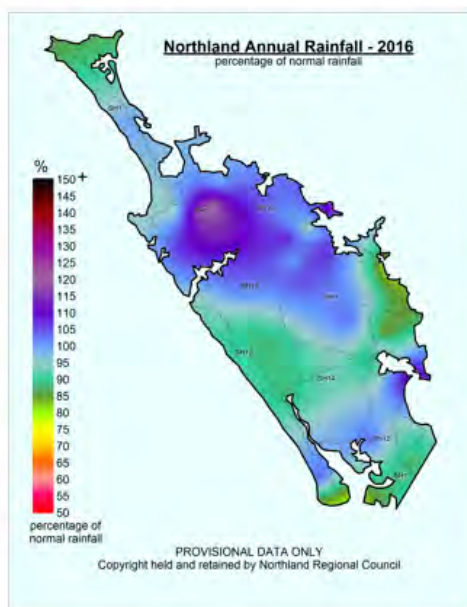
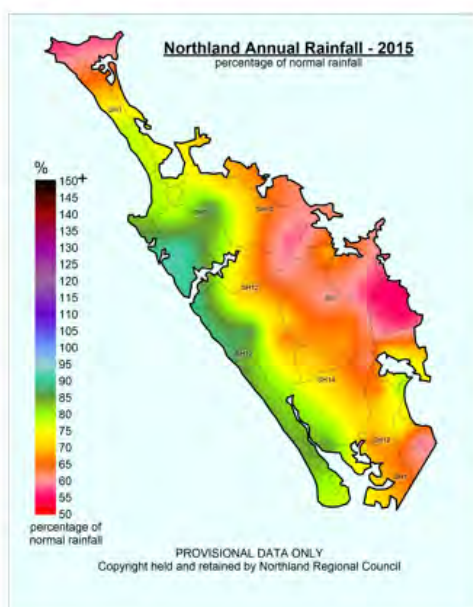
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- The annual rainfall for 2017 in Northland was close to average. The lack of storm events over winter was balanced out by a wet stormy autumn and consistent rain through June, July and August 2017. See below for details:-

Drought maps under development:



### Annual rainfall maps for 2016/17/18



## 8.2.6 GOVERNANCE AND ENGAGEMENT

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### ECONOMIC DEVELOPMENT

#### Investment and Growth Reserve

Project	December / January update	Future developments/ reporting
Extension 350	Quarterly reports for first and second quarters 2017/18 have been received.	
Resources Enterprise Limited (REL)	Financial report for the year ended March overdue.	Further meeting with Directors anticipated in February.
Hundertwasser Art Centre (Whangārei)	None	Awaiting provision of project plan and other conditions associated with first payment.
Kawakawa Hundertwasser Park Centre	Project information update received from Hundertwasser Park Charitable Trust	Prepare funding agreement with Kawakawa Hundertwasser Park Centre Trust.
Regional Promotion	None	Report for the six months ended December due in mid-February 2018.
Twin Coast Discovery Revitalisation	None	Report for the six months ended December due in mid-February 2018.
Twin Coast Cycle Trail (TCCT)	None	Awaiting further progress reports and associated invoices to complete funding commitment.

#### Other activities undertaken included:

- **Northland Inc SOI:** Letter setting out council's expectations on the 2018-2021 Statement of Intent sent to Northland Inc.
- **Northland Economic Quarterly:** The eighteenth issue of the Northland Economic Quarterly (NEQ) newsletter was published on 12 December 2017. The annual section reports the results of the 2016/17 seasons for forestry, dairy, kiwifruit and avocados while the spotlight section presents some data on traffic flows in Northland. The current and past issues can be found at [www.nrc.govt.nz/resources](http://www.nrc.govt.nz/resources).
- **New Irrigation Scheme Development – Demand Assessment:** Following council approval in December, staff have worked with Crown Irrigation Investment Limited to develop a Request for Proposal tender document.
- **Digital Infrastructure:** Letters signed by the four council CEOs were sent to Crown Investment Partners and Rural Connectivity Group in follow-up to their presentations to the Northland Forward Together strategic forum on 28 November on their plans for implementing central government's second phase of the Rural Broadband Initiative (RBI2) and the Mobile Black Spot Fund (MBSF) and the extension of the UFB programme (UFB2+).

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**COMMUNICATIONS****Publications**

- Boat sewage flyer (updated and reprinted)
- Regional Report Nov/Dec 2017 – this 8-page edition included a four-page ‘summer on the water’ feature, plus coverage of EnviroSchools Expos, the Long Term Plan, working with Māori, the True North campaign, Westpac Business Awards category winner Waitangi Treaty Grounds, the Pest Control Hub, the Regional Land transport Plan review and next steps for the Proposed Regional Plan.
- Work has been ongoing for the Long Term Plan Consultation Document and supporting information, which are due to be released for consultation in mid-March.

**ONLINE CHANNELS**

- **Most popular post on Facebook this month** – A video about the Navigation Safety Bylaw 2017 highlighting specifically the new rule requiring all passengers on board vessels 6 metres or under to wear a lifejacket while underway.

Key Performance Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
<b>WEB</b>					
# Visits to the NRC website	22,600	21,600	22,930	23,700	28,100
E-payments made	20	15	9	2	3
# subscription customers (cumulative)	1,156	1,158	1,168	1,165	1,167
<b>SOCIAL MEDIA (cumulative)</b>					
# Twitter followers	1,320	1,326	1,335	1,354	1,362
# NRC Facebook fans	5,059	5,145	5,377	5,724	5,812
# NRC Overall Facebook Reach	150,900	119,700	135,800	113,000	114,200
# CDEM Facebook fans	14,433	14,500	14,700	14,900	15,300
# CDEM Overall Facebook Reach	158,200	112,300	141,900	137,700	338,300
# Instagram followers	92	108	126	176	199

\* December report covers 30 days from 9 December 2017 – 8 January 2018 (first working day after holiday break).

**EVENTS****ENVIROCHOOLS / EDUCATION****Events held**

- On 1 December, Councillor Rick Stolwerk officiated at the EnviroSchools Bronze celebration at Mangawhai Beach School;
- On 7 December, Cr Rick Stolwerk officiated at Ruakākā School’s Environmental Leaders Fund project opening – Honey Meadow.
- On 11 December, staff facilitated a successful EnviroSchools Green-Gold sharing and decision-making session with Dargaville Intermediate School to which Cr Penny Smart attended;

**EnviroSchools Census**

During December, Northland EnviroSchools participated in the nation-wide EnviroSchools census for 2017. The census provides a three-yearly opportunity to update our understanding of what’s taking place in the EnviroSchools network. A 62% response rate was achieved and both national and regional results will be available in early March 2018.

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**School communities facilitated**

Despite the school holidays, during December and January, 35 school communities were visited by EnviroSchools facilitators.

**IWI LIAISON**He Aitua.

Kua hinga te Totara I te wao nui a Tane.

Council acknowledges the passing of Russell Kemp ONZOM, previously Chief Executive of Te Uri o Hau Settlement Trust, and in recent years the Chairman of both Te Uri o Hau and Te Runanga o Ngāti Whātua.

Mr Kemp led Te Uri o Hau through the Treaty settlement negotiation process, resulting in the first settlement legislation for the region. Over the past three years, Mr Kemp has been integral in leading the negotiations which would see all outstanding Ngāti Whātua historical claims concluded, including management of the Kaipara Harbour.

Mr Kemp is survived by his wife, five children, grandchildren and great grandchildren.

Te Oneroa-a-Tōhē Board

The December meeting of Te Oneroa-a-Tōhē Board was cancelled due to a lack of quorum. The next scheduled meeting is on 16 February 2018 where the Board will consider putting the development of the Beach Management Plan, and in effect the Board, on hold until such time as all Iwi Board representatives are in attendance (currently standing apologies from two Iwi). A full report will be provided to the March council meeting.

**CORPORATE PLANNING****Levels of Service Q2: October – December 2017**

Staff measure performance against the levels of service and measures set out in the Long Term Plan 2015-2025, on a quarterly basis. These results are reported in council's annual report each year.

Council is making good progress against all measures and targets in quarter two, with the exception of the measure for the percentage of non-compliance events for permitted farm diary effluent activities. The annual inspection programme was completed in quarter two, showing that 22.6% of permitted farm diary effluent activities that were monitored were non-compliant. The target is less than 15% of monitoring events.

All other measures are on track.

**Legislative Compliance October – December 2017**

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 Q2 has highlighted that council is compliant with all recorded legislative requirements.

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**GOVERNANCE SUPPORT****Local government official information (LGOIMA) requests**

Month	LGOIMA requests received	LGOIMA requests received
July	7	7
August	5	10
September	10	15
October	11	16
November	10	12
December	10	14
January	7	11
February	11	
March	18	
April	12	
May	8	
June	7	
<b>Total LGOIMA requests received</b>	<b>116</b>	<b>85</b>
<b>Total LGOIMA requests not responded to ≤ 20</b>	<b>9</b>	<b>5</b>

In January 2018, there was one LGOIMA that exceeded 20 working days' response. REQ.587228 was a request for all water quality data throughout Northland. Due to people being on leave and reassignments, it was after 20 days when the requestor was emailed to apologise for the delay and to seek further information.

**8.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE****CIVIL DEFENCE EMERGENCY MANAGEMENT****Warnings and activations**

Weather warnings and watches were issued for the Northland region as follows:

Date	Event	Outcome
<b>3 - 4.1.18</b>	Severe rain warning and wind warning 12 hours from 9:00 am to 9:00 pm (80mm to 100mm)	Moderate rainfall across parts of Northland.
<b>17 -18.1.18</b>	Severe rain warning and wind watch (100mm up to 150mm rain in 36 hrs)	Moderate rainfall across the region with 40mm to 100mm in places. Situation monitored.
<b>23.1.18</b>	Severe Thunderstorm watch for Northland	Nil

**Tsunami Advisory**

On Wednesday 24 January at 10.52 pm the Ministry of Civil Defence and Emergency Management issued an advisory that it was assessing a large earthquake (8.0m) in the Gulf of Alaska which had the potential to cause a tsunami. At 12.15 am MCDEM advised that there

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was no threat to New Zealand. The situation was monitored by Northland CDEM personnel and updates posted to the Northland CDEM Facebook page. 56,414 people were reached by the post.

**Ministerial Review – Better Responses to Natural Disasters and Other Emergencies**

The Technical Advisory Group report that undertook a review of several CDEM responses to recent emergencies has released its [report](#)<sup>1</sup>. The Terms of reference for the review were reported in earlier agendas.

A total of 43 recommendations have been made. These recommendations have marked implications for MCDEM; including the establishment of a new organisation to replace the current Ministry of Civil Defence & Emergency Management. Recommendations are also made to strengthen arrangements at a regional level and to adopt a regional approach, including more formal shared services arrangements.

A team within the Department of the Prime Minister and Cabinet (DPMC) is working to support the Minister of Civil Defence to develop the Government's response to the report. They are aiming to do this by the middle of this year. A four-phase process has been outlined, that involves socialising the report with key stakeholders, developing policy proposals, testing proposals, and supporting Government decision making on the report. Initially, the Minister of Civil Defence, along with officials from DPMC, intends to attend meetings with Mayors, Regional Council Chairs, and Chief Executives at their existing LGNZ meetings in late February/early March.

The summary and key recommendations from the report released in early January 2018 are included as **Attachment One**.

**CDEM and CEG Meetings**

The Northland CDEM Group and Coordinating Executive Group both met on 5 December 2017 and considered the Section 17A Local Government Act review recommendations. The CDEM Group resolved that the delivery of CDEM services for the regions be through a fully integrated strengthened shared services agreement and secondly that funding for the services be from a regionally set rate. Partial shared services currently operate, with Kaipara and the Whangārei District; shared services arrangement are being developed with the Far North District Council. A proposal for a regional rate needs to be developed through an annual plan process.

**TRANSPORT****REGIONAL LAND TRANSPORT PLANNING****Draft Regional Land Transport Plan 2015/21 – Three-Year Review (RLTP)**

The draft RLTP was released for public comment on Friday 15 December 2017 with a closing date of Wednesday 31 January 2018.

Six "Have Your Say" sessions were held between Monday 15 January 2018 and Wednesday 17 January 2018.

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<sup>1</sup> <https://www.dpmc.govt.nz/our-business-units/ministry-civil-defence-emergency-management/ministerial-review-better-responses>

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147 people signed in to the sessions. However, it must be noted that this figure could be higher as an unknown number of persons did not sign in.

The breakdown per venue is as follows:

- Whangārei = 48
- Dargaville = 9
- Opononi = 19
- Kaikohe = 5
- Kaitiāia = 47
- Kerikeri = 19

The main issues of concern-

- Dust from unsealed roads;
- Degradation of the regions state highways and local roads; and
- The need for rail in Northland.

Summary of the issues raised will be reported to a working group on 19 February 2018 and on 26 February 2018, a closed workshop will be held to discuss the revised State Highway Improvement Regional Rankings. This will be followed by the deliberation sessions for the submissions received.

#### Draft Government Policy Statement

To date, no formal feedback has been received from either the Government or the Ministry of Transport (MoT) on the progress made to the proposed new Draft GPS.

Local government officials have advised the MoT that in order to meet the revised timetable for the submission of Improvement Projects to NZTA, an early completion of the Draft GPS.

#### **PASSENGER TRANSPORT ADMINISTRATION**

##### **Total Mobility**

Total Mobility (TM) figures are reported one month in arrears, as the information is unavailable at the agenda deadline.

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
November	1150	\$18,816	\$25,000	-\$6,184	\$74,796	\$150,000	- \$75,204
December	1149	\$14,281	\$25,000	-\$10,719	\$89,077	\$175,000	- \$85,923

#### Getting out There Expo

Hundreds of people of all ages and abilities attended this year's Getting Out There Expo held on 8 and 9 December 2017 at Forum North. The bi-annual expo is an opportunity for senior and disability providers to showcase the services and products available to help people live well and get out into their communities. NRC staff promoted Total Mobility and the CityLink Bus service.

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Regional Total Mobility meeting – 12 December 2017

Agenda items included, finalising the amendments to the Total Mobility Guidelines, update on Ridewise, the (electronic swipe card system) and other regional issues that needed further clarification from NZTA.

Total Mobility working group meeting

Local Agencies and Transport Operators last meeting for the year was held 13<sup>th</sup> December, discussion covered Ridewise which has been live for one month and planning for 2018.

New Transport Operator – Expressions of Interest

We have 5 interested Private Hires wanting to join the Total Mobility scheme, formal application forms and health and safety documents have been sent early January, a decision will be made end of February.

**Operational Statistics**

<u>November 2017</u>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Year/Date Actual</b>	<b>Year/Date Budgeted</b>
City Link Passengers	27671	26573	+1098	132049	139878
City Link Farebox Revenue (gst exclusive)	\$55,031	\$59,556	-\$4,525	\$258,191	\$310,115
Mid North Link Passengers	280	414	-134	1179	2100
Mid North Link Farebox Revenue	\$1,056	\$2,699	-\$1,643	\$4,446	\$13,692
FarNorth Link Passengers	652	685	-33	2713	3280
FarNorth Link Farebox Revenue	\$1521	\$1624	-103	\$6399	\$7773
Hokianga Link Passengers	20	-	-	93	-
Hokianga Link Farebox Revenue	\$333	-	-	\$1,529	-
<u>December 2017</u>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Year/Date Actual</b>	<b>Year/Date Budgeted</b>
City Link Passengers	20622	22622	-2761	152671	163261
City Link Farebox Revenue (gst exclusive)	\$40,734	\$53,673	-\$12,940	\$298,925	\$363,788
Mid North Link Passengers	288	408	-120	1467	2508
Mid North Link Farebox Revenue	\$1,398	\$2,699	-\$2,104	\$8,355	\$18,817
FarNorth Link Passengers		561	-	5932	3481
FarNorth Link Farebox Revenue	\$763	\$1330	-	\$13,654	\$9,103
Hokianga Link Passengers	40	52	-12	133	202

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Hokianga Link Farebox Revenue	\$427	-		\$1888	-
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**Regional Integrated Ticket System**

The brand has been selected, BEE Card, with the establishment of a website ([www.beecard.co.nz](http://www.beecard.co.nz)) and 0800 number (0800 233 227) underway. Natasha and the Marketing and Engagement team have been very helpful and the project is on schedule.

Narelle has done an exceptional job with the fares, tariffs and routes for GTFS, the route data is complete.

During the process it became apparent that all SuperGold users will require a BEE Card so the initial card order has now increased from 1500 to 5000. The number of devices now required has also been increased due to an increase in fleet required to deliver the new services for May 2018.

**Total number of devices now required**

Retail Device	Mobil Retail Device	Customer Service workstation	Mobile Checking Device	Bus Driver Console / Fare Paying Device (on Bus)
5	1	2	1	14 / 28

The consortium has yet to confirm training dates, who will require training, and the consideration of a Train the Trainer option. The RITS consortium and Ritchie's have planned to have the buses wired for the new ticket system by April 2018, although we have allowed from 26 April – 1 May (go live date).

**Buslink Christmas Cheer – Thursday 21 December 2017**

The event was very successful, and appreciated by new and regular BusLink passengers. (CityLink) passengers rode the bus for \$1. Santa was in Kaitiāia (Far North Link), passengers rode the Town Shoppers bus route for \$1; and got their picture taken with Santa. Mid North Link and Hokianga Link, the bus drivers handed out small gifts at random throughout the day. We saw an increase in passenger numbers in all services on this day.

**Road Safety Update****Regional Road Toll Statistics – 2018 & 2017 Comparison**

<u>Location</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Far North	1	3
Whangārei	3	0
Kaipara	0	1
Northland	4	4
National	33	30

There were 41 fatalities in Northland in the 2017 year; there were 27 fatalities for the same period in 2016. This figure is hugely disappointing and reflects a trend for increased injury and fatal crashes across New Zealand and also apparently has been identified as a global trend.

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The 2017 crash statistics obtained through the Crash Analysis System (CAS) for all of New Zealand including the regions are still provisional. This crash data won't be formally approved until about April 2018 when all the crash data is officially entered and analysed.

Road safety partners will be looking very closely at the crash figures and attempt to better understand the crash types, the factors why drivers are continuing to behave the way they do.

One death in the Far North; three deaths in Whangārei and zero deaths in the Kaipara district. These include two drivers, two motorcyclists.

Casualty ages involved in death related crashes

0 – 14yrs	0
15 – 19yrs	0
20 – 24yrs	0
25 – 39yrs	0
40 – 59yrs	3
60 + yrs	1

## **NAVIGATION, SAFETY AND MARITIME OPERATIONS**

December and January workloads for Maritime were dominated by cruise ships, bylaw safety patrols and the usual summer incidents.

Twelve cruise ships in December 2017 and nine cruise ships in January 2018 were safely piloted in and out of the Bay, including 20 December 2017 involving three cruise ships including the Ovation of the Seas, with over 6000 passengers disembarking to join the already full towns of Paihia and Russell. Weather conditions were not ideal with up to 40 knots of wind creating difficult conditions for piloting.

Stormy conditions caused the cancellation of a further four cruise ships during storms on the 4, 17 and 18 January. Pilotage was carried out with two of these, however conditions for tendering were untenable.

The same storms caused a number of minor vessel dragging and groundings, and the movement of a number of buoys due to the coincidental high spring tides. The moorings however performed well, a testament to the raised standards and strict enforcement of servicing.

Incidents involved a larger number of jetskis both unregistered and behaving unsafely and a lack of use of dive flags, despite last year's enforcement campaign. Eleven infringement fines and two written warnings have been issued.

Staff also attended the Kai Iwi lakes open day to explain the new bylaws and latest consultation; and the Whangārei AMP and Kerikeri Primary School for recreational boating education. Staff are developing education videos utilising Maritime NZ funding. These are being viewed on Facebook and You Tube. Three of our harbour wardens have been carrying

**ITEM: 8.2**

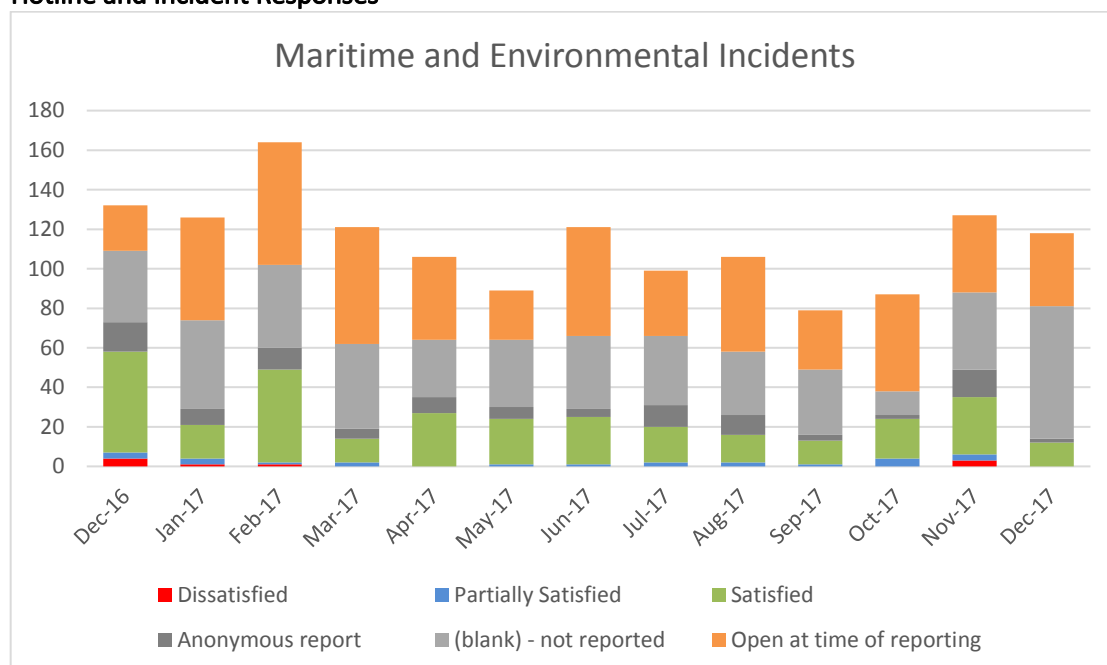
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out a Summer Safety campaign at the boat ramps and fishing competitions promoting the new bylaws around lifejackets in particular. This has also been funded by Maritime NZ.

On 28 January a woman drowned after getting into trouble in the Kai Iwi lakes off the Taharoa Domain in Omamari. The matter has been referred to the coroner.

**CUSTOMER SERVICES****Performance Statistics****Telephones**

Call volumes were up for the latter part of November but dropped off again in December. Except for November, overall call volumes continue to trend lower than previous years. Call conversion rates continue to exceed 98%.

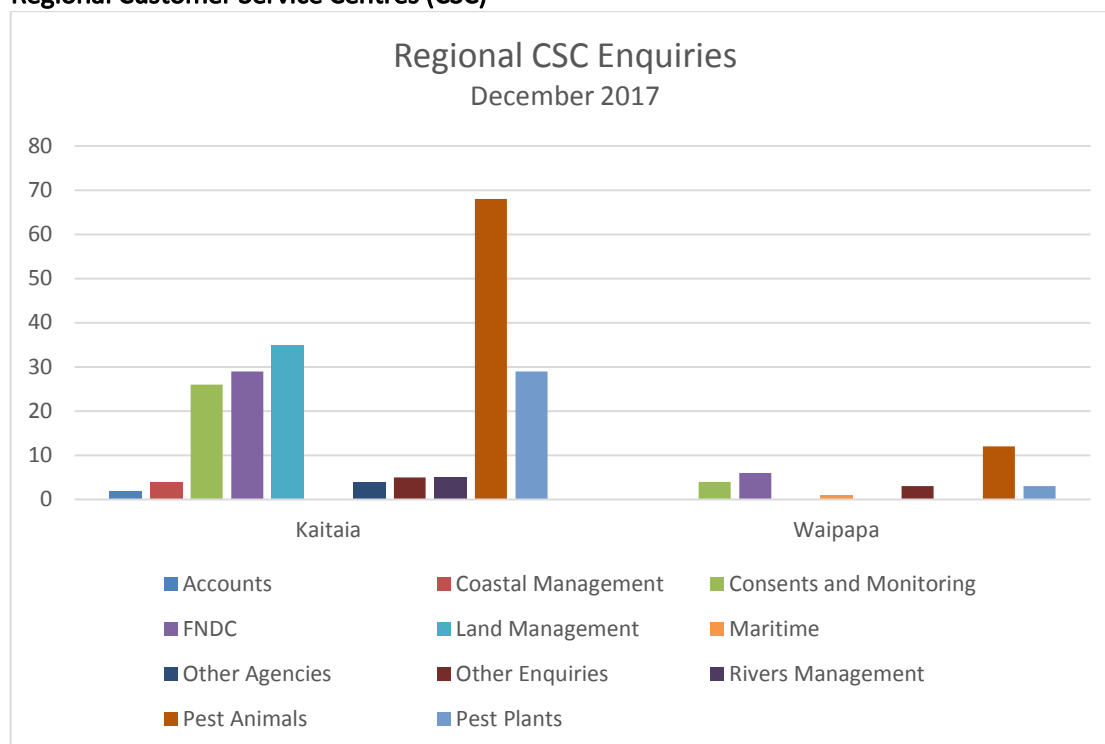
**Hotline and Incident Responses**

Customer satisfaction follow-up calls for December were not completed in January but will be resumed in February.

**Activity****Water Street Office**

Trial of customer relationship management software is planned for February. If adopted this software will allow us to track all phone enquiries through to completion, manage customer satisfaction callbacks and improve reporting capability.

### Regional Customer Service Centres (CSC)



Enquiries to our Waipapa centre dropped off significantly in December. This has been attributed to people being busy focusing on the Christmas holiday. Generally, the customers in Waipapa tend to be more urban orientated than our Kaitiāia customers. From January, data will also be recorded from our Ōpua office.

### Customer Experience

Uptake of post-interaction surveying through the kiosk has continued to be low with staff being reluctant to encourage visitors to complete the survey. This will become more natural when we move to the new delivery model.

In the July – December period there were 35 compliments registered in IRIS. I believe that many more are still not being reported. A new easier recording system will make it easier and quicker for staff to record feedback.

### Feedback Cards

Four feedback cards were received for the month of December. Three were very positive and the fourth was very dissatisfied with the attitude of our officer describing him/her as being arrogant, overbearing and dictatorial. We are unable to identify the customer so cannot follow up the issue.

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**Complaints**

Over the six-month period July – December 2017 a total of 14 complaints were registered.

Root cause of complaint	Number of complaints
Issue has occurred repeatedly for me	1
Standard of service provided	3
Disagree with process or decision	6
Staff or contractor behaviour/attitude	1
Lack of information or communication	3
Disagree with cost/value for money	0
<b>TOTAL</b>	<b>14</b>

The repeated issue was in relation to an early child centre that was receiving calls due to an error in the phone number in a letter sent with the FDE monitoring report. The owner was very understanding and accepted our apology.

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**Attachment**

- *Attachment One – Ministerial Review – Better response to natural disasters and other emergencies – Summary of key recommendations (included in the Supporting Information)*
-

**TITLE:** Receipt of Committee Minutes

**ID:** A1026647

**To:** Council Meeting, 20 February 2018

**From:** Chris Taylor, Governance Support Manager

**Date:** 2 February 2018

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### Executive summary

The purpose of this report is to acknowledge the unconfirmed minutes of:

- Civil Defence Emergency Management – 5 December 2017;
- Property Subcommittee – 5 December 2017;
- Regional Transport Committee – 6 December 2017; and
- Investment Subcommittee – 31 January 2018.

The minutes will be circulated under separate cover.

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

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### Recommendation

That the unconfirmed minutes of:

- Civil Defence Emergency Management – 5 December 2017;
- Property Subcommittee – 5 December 2017;
- Regional Transport Committee – 6 December 2017; and
- Investment Subcommittee – 31 January 2018

be received.

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### Attachments

- *Civil Defence Emergency Management - 5 December 2017* (included in the Supporting Information)
  - *Property Subcommittee Minutes - 5 December 2017* (included in the Supporting Information)
  - *Regional Transport Committee - 6 December 2017* (included in the Supporting Information)
  - *Investment Subcommittee Minutes - 31 January 2018* (included in the Supporting Information)
- 

### Authorised by Group Manager

**Name:** Jonathan Gibbard

**Title:** Group Manager – Governance and Engagement

**Date:** 5 February 2017

**TITLE:** Business with the Public Excluded

**ID:** A1025768

**To:** Council Meeting, 20 February 2018

**From:** Chris Taylor, Governance Support Manager

**Date:** 1 February 2018

### 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 – Council Meeting 12 December 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 – 5 December 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	Sale of Council's Lessor's Interest to Freehold CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).

**ITEM: 10.0**

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10.5	Purchase of Kaitāia and Whangārei Properties for Flood Control Works	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
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3. That the Independent Financial Member be permitted to stay during business with the public excluded.

**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 – Governance and Engagement  
**Date:** 5 February 2018