

NORTHLAND REGIONAL COUNCIL

Supporting Information

For meeting to be held in the Council Chamber,
36 Water Street, Whangārei, on Tuesday 20 February 2018,
commencing at 10.30 am

SUPPORTING INFORMATION IN RELATION TO:

Item		Page
7.5	Investment Recommendations from the Investment Subcommittee	
	Attachment 1: Working Capital Fund Statement of Investment Policy and Objectives	1
8.2	Chief Executive's Report to Council	
	Appendix One – Ministerial Review – Better response to natural disasters and other emergencies – Summary of key recommendations	12
9.0	Receipt of Committee Minutes	
	Attachment 1: Civil Defence Emergency Management – 5 December 2017	15
	Attachment 2: Property Subcommittee Minutes – 5 December 2017	20
	Attachment 3: Regional Transport Committee – 6 December 2017	23
	Attachment 4: Investment Subcommittee – 31 January 2018	27



***Northland Regional Council
Working Capital Fund***

**Statement of Investment
Policy and Objectives**

Adopted by the Council

On: ~~February 2018~~

Signed: _____

- Deleted: 18
- Deleted: July
- Deleted: 2017

~~February 2018~~

- Deleted: July
- Deleted: 2017

1. CONTENTS

Amendments 3

2. Executive Summary 4

3. Introduction..... 5

 3.1 Background 5

 3.2 Taxation..... 5

 3.3 Distribution Policy 5

 3.4 Primary Objectives 5

4. Performance Objectives 6

 4.1 Return Requirements 6

 4.2 Risk Profile..... 6

5. Investment Strategy 6

 5.1 Benchmark Allocation 6

 5.2 Hedging 6

 5.3 Manager Return Objectives and Liquidity..... 7

6. Investment Guidelines and Requirements 7

 6.1 Fiduciary Duties..... 7

 6.2 General..... 7

7. Investment Advisors and Managers 8

 7.1 Appointment of an Independent Investment Advisor 8

 7.2 Appointment of Investment Managers..... 8

 7.3 Investment Manager Performance Evaluation 8

 7.4 Investment Manager Reporting 8

8. Independent Investment Advisor’s Responsibilities and Accountabilities 9

 8.1 Accountability 9

 8.2 Reports..... 9

Appendix A: Temporary Departures from this Statement 10

Appendix B: Investment Managers and Advisors 11

 Investment Managers..... 11

 Independent Investment Advisor 11

Deleted: Eriksen & Associates Ltd

Deleted: July 2017

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

This statement summarises the Council’s policies in respect of the investments of the Working Capital Fund. Council intends to review this SIPO annually and update, as appropriate, the policies to reflect the changing investment markets and Fund requirements.

AMENDMENTS

Date change made	Clause number	Date approved
August 2016	5.3: benchmark/return objectives updated for individual manager mandates. 2. and 5.1: benchmark allocations changed, AMP Short Duration reduced to 20%, Mint Diversified Income increased to 50%.	
July 2017	4.2: risk profile increased 5.1: reduced AMP, BlackRock and Mint; added Milford and Castle Point. 5.3 and Appendix B: added Milford and Castle Point, Mint objective updated	18 July 2017
<u>February 2018</u>	<u>5.1, 5.3 and Appendix B. QuayStreet and Harbour added. BlackRock and AMP removed. Benchmark allocations altered.</u>	

<u>Eriksens Global</u>	3	NRC Working Capital Fund
<u>February 2018</u>		Statement of Investment Policy and Objectives

Deleted: Eriksen & Associates Ltd
Deleted: July 2017

2. EXECUTIVE SUMMARY

The Northland Regional Council Working Capital Fund (“the Fund”) invests monies, which have been reserved for working capital requirements, in external managed funds. The Fund targets a moderate return, with capital protection and liquidity paramount in keeping with the Prudent Person rules of the Trustee Act.

The Fund is to be managed by five managers in five separate funds, each with a different mandate.

The benchmark mix for the overall Fund is:

Asset Class	Manager	Fund	Benchmark %
Diversified Income	Harbour Asset Management	Harbour Income Fund	20
Diversified Income	Milford Asset Management	Milford Diversified Income Fund	20
Diversified Income	Mint Asset Management	Mint Diversified Income Fund	20
Diversified Income	QuayStreet Asset Management	QuayStreet Income Fund	20
Diversified Growth	Castle Point Funds Management	5 Oceans Fund	20

Four investment managers (Harbour, Mint, Milford and QuayStreet) are appointed to manage diversified income assets plus one to manage diversified growth assets (Castle Point). The managers employ multi-asset strategies which aim to preserve capital and provide income. Each of the funds have wide ranges available with respect to asset allocation, enabling the managers to vary asset allocations as market conditions change to protect capital and enhance returns. Asset allocation is constantly reviewed to better meet the fund return objectives.

Each of the funds are tax and expense efficient PIE (portfolio investment entity) vehicles which have good liquidity.

Using multiple investment managers helps diversify manager risk and also reduces market risk. As further funds become available for investment it also increases the tactical opportunities both for inward and outward funds flow.

- Deleted: Fixed Income
- Deleted: AMP Capital Investment Management
- Deleted: AMP Capital NZ Short Duration Fund
- Deleted: 10
- Deleted: Diversified Income
- Deleted: BlackRock Investment Management
- Deleted: 25
- Deleted: Fixed Income Global Opportunities Fund
- Deleted: Diversified Income
- Deleted: Milford Asset Management
- Deleted: 20
- Deleted: Milford Diversified Income Fund
- Deleted: Mint
- Deleted: Mint
- Deleted: Diversified
- Deleted: 25
- Deleted: One investment manager is appointed to manage fixed income assets. AMP’s Short Duration Fund combines interest rate and investment grade credit strategies with the aim to generate a consistent income stream. The fund targets lower volatility by investing in securities which have a shorter average duration (and maturity) compared to other traditional fixed income funds.¶
¶ Three
- Deleted: further
- Deleted: and BlackRock
- Deleted: The AMP, Milford, Mint and Castle Point
- Deleted: The BlackRock Fund is an Australian Unit Trust which is also relatively tax efficient. Being in Australian dollars provides added diversification on an unhedged basis.

- Deleted: Eriksen & Associates Ltd
- Deleted: July 2017

3. INTRODUCTION

3.1 BACKGROUND

The purpose of the Fund is to create transparency and govern the working capital assets of the Northland Regional Council by investing in a diversified selection of defensively orientated managed funds.

3.2 TAXATION

Council is exempt from tax except to the extent that it derives income from Council Controlled Trading Organisations (CCTO).

Council, where possible and desirable, will invest:

- Other than in CCTO's; and
- In investments that provide gains and income that are not taxed prior to being received by Council.

Thus compared to a taxed entity, Council will prefer:

- Investments yielding interest (over those paying dividends);
- Investments in growth stocks/low dividend yield stocks (over other/high dividend yield stocks); and
- Portfolio investment Entities (PIEs).

The balance date of the Fund is 30 June.

3.3 DISTRIBUTION POLICY

- Council may, but does not have to, make distributions from the Fund to meet the objectives of the Fund.
- The real value of the Fund should be maintained.
- Capital may be withdrawn to fund working capital requirements.

3.4 PRIMARY OBJECTIVES

The primary objectives underlying the investment policy for the Fund are:

- a) to ensure that the Fund is invested prudently with particular emphasis on capital preservation and liquidity;
- b) to ensure that the Fund is diversified in its investments;
- c) to maintain the real value of the Fund;
- d) to ensure that capital is available as needed for working capital requirements;
- e) to produce investment income to subsidise Council operations.

Deleted: Eriksen & Associates Ltd

Deleted: July 2017

4. PERFORMANCE OBJECTIVES

4.1 RETURN REQUIREMENTS

The Fund is to achieve a return equal to the New Zealand Official Cash Rate **plus** 2% p.a. after fees over rolling three years periods.

4.2 RISK PROFILE

This investment strategy will be set to achieve the above objective and to limit the risk of a negative return in any one year to less than one in seventeen.

5. INVESTMENT STRATEGY

5.1 BENCHMARK ALLOCATION

Given the objectives, the assets of the Fund will be invested based on the following benchmark allocation:

Asset Class	Manager/Fund	Benchmark %	Ranges %
Diversified Income	Harbour Income	20	0 - 40
Diversified Income	Milford Diversified Income	20	0 - 40
Diversified Income	Mint Diversified Income	20	0 - 40
Diversified Income	QuayStreet Income	20	0 - 40
Diversified Growth	Castle Point 5 Oceans	20	0 - 40
Total		100	

5.2 HEDGING

Offshore investments will be hedged at the investment manager's discretion.

Where Council invests in funds managed offshore in a foreign currency, on the recommendation of Council's Independent Investment Advisor, Council may hedge its foreign investments back into New Zealand dollars.

- Deleted: Fixed Interest
- Deleted: AMP Capital NZ Short Duration
- Deleted: 10
- Deleted: 50
- Deleted: BlackRock Fixed Income Global Opportunities
- Deleted: 25
- Formatted Table
- Deleted: 0 - 50
- Deleted: Milford Diversified Income
- Deleted: 0 - 40
- Deleted: Mint
- Deleted: Diversified
- Deleted: 25
- Deleted: 0 - 50

- Deleted: Eriksen & Associates Ltd
- Deleted: July 2017

5.3 MANAGER RETURN OBJECTIVES AND LIQUIDITY

Manager/Fund	Benchmark/Return Objective	Redemption Terms (Business Days)	Risk of Loss (years)
Harbour Income	NZ OCR plus 3.5%, net of fees over rolling 3 year periods	Max 10	1 in 20
Milford Diversified Income	NZ OCR plus 2.5%, net of fees over rolling 3 year periods	Max 10	1 in 20
Mint Diversified Income	NZ CPI plus 3%, net of fees over rolling 3 year periods	Max 10	1 in 25
QuayStreet Income	NZ OCR plus 2%, net of fees over rolling 3 year periods	Max 10	1 in 25
Castle Point 5 Oceans	NZ OCR plus 3%, net of fees over rolling 3 year periods	Max 10	1 in 8

- Deleted: S
- Deleted: AMP Capital Short Duration
- Deleted: 5
- Deleted: &P/NZX Short End Swap Index, gross of fees over rolling 3 year periods
- Deleted: BlackRock Fixed Income Global Opportunities

6. INVESTMENT GUIDELINES AND REQUIREMENTS

6.1 FIDUCIARY DUTIES

Council accepts their fiduciary duties and the requirements of the Prudent Person provisions of the Trustee Act 1956. Council believes that the appointed manager(s) has the expertise, governance structures and capacity to apply the appropriate risk management techniques to carry out their duties under the investment management agreement(s).

Council therefore places no specific constraints on the investment manager with respect to investment guidelines.

6.2 GENERAL

All investments must be prudent investments and shall be made in accordance with the requirements of the applicable legislation.

Council is permitted to borrow to assist with working capital requirements. Council prefers their investment manager(s) not to borrow.

No investment manager appointed by Council may:

- (i) hold, without prior disclosure to Council, any investment in its own company, its parent or any subsidiary and must disclose any investment in associated companies; or
- (ii) delegate to another investment manager on terms other than in accordance with these guidelines.

- Deleted: Eriksen & Associates Ltd
- Deleted: July 2017

Futures and options may be used by the investment manager, at its discretion, for the prudential investment management of the Fund provided that such investments are not used for gearing purposes.

7. INVESTMENT ADVISORS AND MANAGERS

7.1 APPOINTMENT OF AN INDEPENDENT INVESTMENT ADVISOR

An independent investment advisor will be appointed to evaluate the performance of the investment managers and to provide strategic research and market information. The role and accountabilities of the investment advisor are set out in section 8. The appointed advisor is recorded in Appendix B.

Council may change the independent investment advisor from time to time if they so decide.

7.2 APPOINTMENT OF INVESTMENT MANAGERS

Council believes that external professional investment managers should be appointed to manage the Fund. The appointed investment managers are recorded in Appendix B.

When an investment manager is appointed, a mandate will document the requirements of the manager in terms of performance evaluation, reporting and the investment guidelines and requirements within the guidelines of the Fund as a whole.

Council may change investment manager(s) from time-to-time as they see fit at their sole discretion giving consideration of their performance and the changes to the manager's organisation, investment team and process.

7.3 INVESTMENT MANAGER PERFORMANCE EVALUATION

Each investment manager's performance will be monitored and formally evaluated annually against:

- such other objectives set out in Section 4 and such other measures as agreed between Council and the investment manager(s) from time-to-time.

7.4 INVESTMENT MANAGER REPORTING

Each investment manager will be required to prepare and submit written and verbal reports as follows:

- (a) the reporting requirements as set out in the manager's mandate as appropriate; and
- (b) as requested by Council
 - recommendations on the manager's mandate;
 - such other information that is required by Council in their day-to-day activities which it is reasonable to ask the manager to provide.

Deleted: Eriksen & Associates Ltd

Deleted: July 2017

8. INDEPENDENT INVESTMENT ADVISOR'S RESPONSIBILITIES AND ACCOUNTABILITIES

8.1 ACCOUNTABILITY

The appointed independent investment advisor, in terms of clause 7.1, shall be responsible to Council and accountable for:

- providing a regular commentary on the global economy and investment markets;
- monitoring the investment managers' performances;
- proactively advising Council on market changes including legislation developments and trends; and
- ensuring that an investment manager manages the assets of the Fund under its care in terms of its mandate.

8.2 REPORTS

In terms of its responsibilities the independent investment advisor is expected to provide quarterly independent reports as requested, by Council covering:

- the Fund's performance and analysis of the performance measured against such comparators as the investment advisor feels appropriate given the objectives of Council;
- "market intelligence" in terms of changes to the manager that may have an impact on the quality of the future performance; and
- an assessment of the impact of unexpected events that have occurred.

With a view, in each case, to identifying the potential for:

- an unacceptable risk occurring; and
- poor future performance.

APPENDIX A: TEMPORARY DEPARTURES FROM THIS STATEMENT

Council recognise that from time to time circumstances will occur which require a departure from the guidelines set out in this statement. Any such departure requires the prior approval of Council.

Eriksens Global	10	NRC Working Capital Fund
February 2018		Statement of Investment Policy and Objectives

Deleted: Eriksen & Associates Ltd
Deleted: July 2017

APPENDIX B: INVESTMENT MANAGERS AND ADVISORS

INVESTMENT MANAGERS

Castle Point Funds Management
[Harbour Asset Management](#)
Milford Asset Management
Mint Asset Management
[QuayStreet Asset Management](#)

INDEPENDENT INVESTMENT ADVISOR

Eriksens [Global](#)

Deleted: Eriksen & Associates Ltd

Deleted: July 2017

“Summary and key recommendations

New Zealanders expect a national emergency management system that can be relied on to work well when needed. That calls for a system that is underpinned by clear roles and responsibilities, good information and communication, the right capability and resources, and that makes the most of local knowledge - balanced with the need for specialist expertise and national capability.

This is in keeping with the intent of the current legislation. However, practice over the past fifteen years has not always matched this intent. The result is marked variations in practice and patchy capability across the country, and different understandings about roles, responsibilities and authority.

Ensuring public confidence in the emergency management system will require strengthening the application of current legislation, consistent with the intent of the Civil Defence and Emergency Management Act (CDEM Act), together with some changes, to allow stronger national-level leadership, direction and standards.

Our recommendations are interdependent, and should be considered as a package. We believe that together they will provide New Zealand with a system that will be fit-for-purpose and well placed to meet future challenges.

*Change is needed to the functions, structures, and culture at the national level. We recommend establishing a proactive **national emergency management** agency to provide national coordination and support in local emergencies, national control in national emergencies, and to lift CDEM performance overall. This includes professional leadership for the emergency management sector and a far stronger role in setting and enforcing national standards. The national agency must also provide assurance that those standards are being met. We see merit in the national director having stronger powers to direct and to ensure that responses to emergencies take account of national interests.*

*In all emergencies – regardless of scale – the consequences affect people, local economies, and communities. It is clear that local leadership, knowledge, and engagement with those affected communities is integral to supporting trust and confidence and to ensuring an effective response. We recommend that **mayors should have primary authority for declaring states of local emergency** under the CDEM Act. Further, we recommend providing the option to **declare a ‘major incident’** in order to signal the significance of an event and achieve public recognition of the action being taken, without the extraordinary powers invoked under a state of emergency.*

Organisational arrangements need to recognise that emergency response will require territorial, regional, and national capabilities in all but the most minor events. Emergencies can quickly escalate from a contained community event to a cross-district/regional emergency. The reality of how emergencies develop, the current legislative and institutional arrangements, and human nature, all contribute to the risk of not realising an emergency is beyond one’s capability and capacity until far too late.

*The current legislation intended that emergency management would be a consortium of territorial and regional effort (exercised through regional Groups). We are of the view that that intent needs to be strengthened. We recommend retaining the joint committee governance with iwi added. The majority view recommends requiring the development of **more formalised shared service arrangements, implemented by the regional or unitary council, to strengthen a Group-wide approach and accountability.** This would be supported with consistent Group Emergency Management Office structures.*

Iwi need to have a major role in regionally based arrangements. Currently the resources, capability, and social capital of iwi to assist in emergency response is not recognised in legislation, and specific needs of Māori, whanau, hapū, and iwi are often not recognised in Group plans. We found a compelling case for iwi to be represented at all levels of the Group structure from our meetings with iwi and our reading of submissions received. As a result,

we recommend clearer protocols with iwi, and full participation of iwi in coordination and planning structures.

*There is a need for far greater professionalisation of emergency management in the CDEM system. Key roles in the system are often part-time. There is no real career path. Training and professional development is very patchy and there are no required professional standards or accreditation. Even with the best will in the world, emergency management responsibilities do not always get the priority they deserve (often an add-on to people's 'day jobs'). Despite the statutory requirement for Groups to have "suitably trained and competent personnel for effective emergency management in their areas", there is no assurance that the people on the spot will have the training, capability, or aptitude needed to respond to an emergency. No one wants response efforts being undermined by having the wrong person in the job. We recommend that **all staff in emergency management roles meet national standards for professional development and training, and key roles (for example, the Controller role) have national accreditation.***

Group effort needs to be backed with national capability that can be deployed as required. The recommendation to establish a cadre of professionals to act as 'fly-in teams' first surfaced in the Review of the CDEM Response to the 22 February Christchurch Earthquake. It received strong support then and was endorsed in many submissions received for this current review. There are examples of surge capacity teams deployed at the regional level, in other emergency response services, and internationally. Details of the capabilities required and the most appropriate operating model will need to be worked through. The starting point should be the functions in the CIMS1 framework – controllers, planning, operations, logistics, intelligence (including science), communications, and welfare – drawn from the agencies best placed to provide these capabilities.

*Local context and circumstances are important and must be taken into account in any response. But there is also a national interest in ensuring that the system will work when needed. There is a real need for some consistency, standardisation and agreed protocols (for example, in operating practice and procedures, structures, signage, roles and responsibilities). This allows Groups to support each other, and to help coordination (including, for example, deploying fly-in teams and managing cordons). The current legislation allows for this. Accordingly we recommend **greater national consistency and standards, and a more robust system of audit and assurance to ensure those standards are met.***

*CDEM legislation is not as clear as one might expect. Regularly we heard that the authority to act, or the authority to task someone, either does not exist or is not clear. This situation can lead to a lack of coordination, no one really in charge, and the risk of poor outcomes for the community. We see a strong need to **clarify that Group (and national) Controllers have control authority - the authority to task other agencies - under a state of emergency.***

*Authority must be backed by joined-up intelligence to support decision-making, with systems that allow agencies to work to a common operating picture. New Zealand's intelligence infrastructure and hardware has been inadequate in recent emergencies, although agencies individually have a lot of capability to draw on. Recent advances in technology could help provide better intelligence for emergency management. We think a **new fit-for-purpose all-of-government NCMC and 24/7 monitoring, alerting, and warning centre** is required. Further we recommend **investigating existing technologies available internationally to support a common operating picture.***

Effective responses rely on good communications to affected communities, to the public, and to decision makers. Mayors (and Ministers) will always front in emergencies, but they will need support to do that well. Social media is increasingly important, both as a source of intelligence, and as a communications channel. The Public Information Management (PIM) function in the current arrangements is primarily about information to the public through

ITEM 8.2: Attachment One

*traditional channels, rather than strategic communications advice to assist Ministers and decision makers. As a result, we recommend **adding strategic communications to CIMS (and to fly-in teams), and ensuring timely, consistent, and proactive use of the range of appropriate channels** (for example, social media, online, radio, print, TV)."*

Northland Civil Defence Emergency Management Group

Minutes of the Northland Civil Defence Emergency Management Group Meeting,
held in the Council Chamber, Northland Regional Council,
36 Water Street, Whangārei, on
Tuesday, 5 December 2017 commencing at 11.10 am

Members Present:

Far North District Council – Cr C Kitchen (Chair)
Whangarei District Council – Mayor S Mai
Northland Regional Council – Cr R Stolwerk

Advisors/Observers Present:

NZ Police – Supt. R Le Prou
Fire and Emergency New Zealand – Mr B Mosby
Ministry of Civil Defence & Emergency Management – Ms B Vercoe

In Attendance:

Northland Regional Council – Ms T Capp
Northland Regional Council – Mr T Phipps
Northland Regional Council – Mr G Macdonald
Northland Regional Council – Ms S Morgan
Northland Regional Council – Mrs C Nyberg
Northland Regional Council – Ms S Botting
Northland Regional Council – Ms K Abbott
Northland Regional Council – Mr M Soljak
Kaipara District Council – Ms S Douglas
Far North District Council – Mr B Hutchinson
Whangarei District Council – Ms Sandra Boardman (*departed 11.23am*)
Whangarei District Council – Ms V Randall

Apologies

Moved (Kitchen/Stolwerk)

That the apology from Cr J Larsen for non-attendance be received.

Carried

Secretarial Note: Non-attendance at the last three meetings by the Kaipara District Council representative has been noted. The members agreed that a letter would be sent to the Acting Mayor of Kaipara District Council outlining the responsibilities and Terms of Reference of the Group.

Declaration of Conflict of Interest

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

1.0 Confirmation of Minutes – 6 June 2017 and 5 September 2017 A1006073

Secretarial Note: The minutes will be carried forward to be received at the next meeting because all members were not present. For the avoidance of doubt the quorum shall consist of 4 members.

2.0 Membership of the CEG/CDEM Group and key appointments

A1006085

Report from Tony Phipps, CEG Chairperson dated 10 November 2017.

Moved (Mai/Le Prou)

1. That the report 'Members of the CEG/CDEM Group and key appointments' by Tony Phipps, CEG Chair, dated 10 November 2017 be received.
2. That the Northland CDEM Group approves the appointment of Mr Andrew Bonica of the Far North District Council, Ms Sandra Boardman and Ms Sue Hodge, both, Whangarei District Council as Local Controllers, pursuant to section 27, Civil Defence Emergency Management Act 2002.

Carried

Action: A report will be written for the next meeting outlining the Terms of Reference of the Group along with the responsibilities of the members under Standing Orders.

3.0 Ministry of Civil Defence Emergency Management Monthly Update A1006088

Report from Graeme MacDonald, CDEM Manager dated 22 November 2017

Moved (Kitchen/Stolwerk)

1. That the report 'Ministry of Civil Defence & Emergency Management monthly update Graeme MacDonald, Civil Defence Emergency Management Manager dated 22 November 2017 be received.

Carried

4.0 Coordinating Executive Group Chairpersons report A1006095

Report from Tony Phipps, CEG Chairperson dated 24 November 2017

Moved (Stolwerk/Le Prou)

1. That the report 'Coordinating Executive Group Chairpersons report' by Tony Phipps, CEG Chairperson, dated 24 November 2017 be received.

Carried

5.0 Report on the Northland Civil Defence Emergency Management Group – Section 17A Local Government Act Review A1006100

Report from Graeme MacDonald, CDEM Manager dated 18 November 2017

Moved (Stolwerk/Le Prou)

1. That the 'Report on the Northland Civil Defence Emergency Management Group Section 17A Local Government Act review' by Graeme MacDonald, CDEM Manager, dated 18 November 2017 be received.
2. That the recommendations from the report be noted.
3. That the representation on the Northland Civil Defence Emergency Management Group and the Northland Coordinating Executive Group be reviewed to ensure that the appropriate level of commitment and seniority sits on the two groups.
4. That the delivery of CDEM services by the four contributing councils be through a fully integrated strengthened shared service model.
5. That funding for a fully integrated strengthened shared service model be from a regionally set rate to cover all direct CDEM costs and that the practicalities of a regional rate be researched and reported back to the next group meeting.

Carried

6.0 Rangitaiki River Scheme Review – April 2017 Flood Event Recommendations A91006109

Report from Graeme MacDonald, CDEM Manager dated 18 November 2017

Moved (Mosby/Le Prou)

1. That the report 'Rangitaiki River Scheme Review – April 2017 Flood Event Recommendations' by Graeme MacDonald, CDEM Manager, dated 18 November 2017 be received.
2. That the recommendations from the report regarding flooding awareness and evacuation planning be incorporated into community response planning for the Kaitaia Community and where necessary communities that have an identified high level of risk from flooding events.

Carried

7.0 Community Resilience Projects A1003661

Report from Shona Morgan, Community Resilience Coordinator, dated 14 November 2017

Moved (Stolwerk/Le Prou)

1. That the report Community Resilience Projects by Shona Morgan, Community Resilience Coordinator dated 14 November 2017 be received.

Carried

8.0 Professional Development and Training

A978611

Report from Kim Abbott, CDEM Officer, 13 November 2017

Moved (Mai/Kitchen)

1. That the report 'Professional Development and Training' by Kim Abbott-
Emergency Management Officer, dated 213 November 2017 be received.

Carried

9.0 Public Information Management (PIM) update

A1006134

Report from Murray Soljak, Public Information Manager and Susan Botting, Public Information Officer, dated 16 November 2017

Moved (Stolwerk/Le Prou)

1. That the report Public Information Management (PIM) update by Murray Soljak,
Public Information Manager and Susan Botting, Public Information Officer and
dated 16 November 2017 be received.

Carried

10.0 Northland Lifelines Group Update

A1006225

Report from Kim Abbott, CDEM Officer, dated 21 16 November 2017.

Moved (Stolwerk/Mosby)

1. That the report 'Northland Lifelines Group Update' by Kim Abbott, CDEM Officer,
dated 16 November 2017 be received.

Carried

11.0 Northland Tsunami Siren Testing Outcome Report September 2017

A1006231

Report from Sharon Douglas, CDEM Officer Kaipara District, dated 18 August 2017

Moved (Stolwerk/Le Prou)

1. That the report 'Northland Tsunami Siren Testing Outcome Report September
2017' by Sharon Douglas, CDEM Officer, Kaipara District, dated 18 November 2017
be received

Carried

12.0 Welfare Coordination Update

A1006242

Report from Claire Nyberg, CDEM Officer, dated 16 November 2017

Moved (Stolwerk/ Mai)

1. That the report 'Welfare Coordination Group update' by Claire Nyberg, Civil Defence Emergency Management Officer, dated 16 November 2017 be received.

Carried

Secretarial Note: There is a typing error on page 67 of the agenda, the correct wording is Manaia PHO not Manaia PHU.

13.0 Kaipara District Update

A1006244

Report from Sharon Douglas, CDEM Officer, dated 17 November 2017

Moved (Kitchen/Mosby)

1. That the report 'Kaipara District Update' by Sharon Douglas, CDEM Officer Kaipara District, dated 17 November 2017 be received.

Carried

14.0 Far North District Update

A1006250

Report from Bill Hutchinson, Civil Defence Team Leader, dated 13 November 2017

Moved (Mosby/Stolwerk)

1. That the report 'Far North District Update' by Bill Hutchinson, Civil Defence Team Leader, dated 13 November 2017, be received.

Carried

15. Whangārei District Update

A1006264

Report from Victoria Randall, CDEM Officer Whangārei District, dated 13 November 2017

Moved (Stolwerk/Mai)

1. That the report 'Whangārei District Update' by Victoria Randall, CDEM Officer, Whangārei District, dated 13 November 2017 be received.

Carried

Action: Simon Weston has changed positions and is subsequently no longer a member of the Coordinating Executive Group. The group will send him a letter thanking him for his contributions.

Conclusion

The meeting closed at 12:44pm

NORTHLAND REGIONAL COUNCIL PROPERTY SUBCOMMITTEE

Minutes of meeting of the Property Subcommittee
held in the Committee Room, Northland Regional Council, 36 Water Street, Whangārei,
on Tuesday, 5 December 2017 commencing at 1.00 pm.

Present:

Full Meeting
Cr Penny Smart (Chair)
Cr David Sinclair
Cr Bill Shepherd (ex officio)

Part Meeting
Cr Rick Stolwerk

In Attendance:

Full Meeting
Property Officer
Property Officer, Parental Leave Cover

The Chair declared the meeting open at 1.00 pm.

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

That the apologies for non-attendance from:

Cr John Bain;
Chief Executive Officer; and
Strategic Projects Manager

be received.

Carried

Declarations of Conflict of Interest (Item 2.0)

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

Confirmation of Property Subcommittee Minutes – 9 November 2017 (Item 3.1)

ID: A1003470

Report from Property Officer, Maxine Bailey

Moved (Sinclair/Shepherd)

That the minutes of the open section of the Property Subcommittee meeting, held on 9 November 2017, be confirmed as a true and correct record.

Carried

Business with the Public Excluded (Item 4.0)

ID: A1003469

Report from Strategic Projects Manager, Phil Heatley

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
4.1	Confirmation of Confidential Minutes of the Council Meeting – 9 November 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
4.2	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).
4.3	Purchase of the Lessees Interest in a Hīhīāua 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).

ID: A1013592

Property Subcommittee Meeting
5 December 2017

4.4	Update: Property Subcommittee 2017 Action Notes	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

Open Meeting

Moved (Shepherd/Smart)

That the committee resumes in open meeting.

Carried

CONCLUSION

The meeting concluded at 2.15 pm.

NORTHLAND REGIONAL COUNCIL
REGIONAL TRANSPORT COMMITTEE

Minutes of the Regional Transport Committee meeting held in the Council Chamber,
36 Water Street, Whangārei, on Wednesday 4 December 2017
commencing at 10.00am

Present:

Northland Regional Council

Cr J Bain, Chairman
Cr P Dimery

Kaipara District Council

Cr J Geange (*Arrived 10.06am*)

Far North District Council

Cr A Court

Whangarei District Council

Cr P Halse

New Zealand Transport Agency

pp NZTA System Manager – J Hori-Hoult

In Attendance:

Full Meeting

NRC Chairman B Shepherd (*Departed 12.01pm*)

NRC Group Manager Customer Service & Community Resilience – T Phipps

NRC Transport Manager – C Powell

NRC Transport Strategic Planning Officer – S Selkirk

NRC Policy Analyst – J Trewin

NRC Minute Taker – T Capp

NRC Economist- D Jones (*Departed 10.45am*)

FNDC Group Manager Infrastructure and Assets – A Finch

WDC Roading Manager – J Devine

KDC General Manager Infrastructure – C Martin

KDC Roading and Solid Waste Manager – H Van Zyl

NZTA Senior Programme Advisor – M Taylor

NTA Manager – P Thomson

NZ Police- Inspector W Ewers

Northland Inc. General Manager Investment & Infrastructure– V Cooper
(*Arrived 10.20am*)

Northland Inc. Business Analyst – C Mc Intyre (*Arrived 10.20am*)

New Zealand Road Transport Forum CEO- K Shirley (*Departed 10.45am*)

Northland Freight Group Chairman– D Turner (*Departed 10.45am*)

National Road Carriers – P Rogers (*Departed 10.45am*)

Northern Advocate – K Edge

Resident – S Westgagte

Resident Paihia – S Cornwall

Resident Whangārei – A Wright (*Arrived 10.16am*)

The Chairman declared the meeting open at 10:00am.

Apologies (Item 1.0)

Moved (Dimery/Halse)

That the apologies from Mr P Clarke, New Zealand Transport Agency, and Cr G Martin, Whangarei District Council, for non-attendance; and the apology from Cr J Geange, Kaipara District Council, for lateness be received.

Carried

Declaration of Conflicts of Interest (Item 2.0)

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

Draft Government Policy Statement 2018 Update (Item 3.1)

ID: A1007695

Presentation by Jacqui Hori-Hoult, New Zealand Transport Agency

Jacqui Hori-Holt provided a verbal update on the Draft Government Policy Statement 2018.

Moved (Geange/Court)

1. That the presentation 'Draft Government Policy Statement 2018 Update' by Jacqui Hori-Hoult, New Zealand Transport Agency and dated 28 November 2017 be received.

Carried

The Importance of Providing Efficient Freight Transportation (Item 3.2)

ID: A1007694

Presentation by Ken Shirley, Chief Executive Officer, New Zealand Road Transport Forum

Ken Shirley provided a presentation on the importance of efficient freight transportation.

Moved (Bain/Dimery)

1. That the presentation 'The Importance of Providing Efficient Freight Transportation' by Ken Shirley, Chief Executive Officer, New Zealand Road Transport Forum and dated 28 November 2017 be received.

Carried

Confirmation of Minutes- 4 October 2017 (Item 4.1)

ID: A1007775

Moved (Geange/Dimery)

1. That the minutes of the Regional Transport Committee meeting held on 4 October 2017 be confirmed as a true and correct record.

Carried

Northland Regional Land Transport Plan 2015-2021 – Funding Uptake (Item 5.1)

ID:A1006289

Report from Chris Powell, Transport Manager, Northland Regional Council

An explanation was given to the new presentation of the Quarterly Expenditure Report by Chris Powell, including expenditure to date against budget and how it progresses throughout the year.

Moved (Halse/Geange)

1. That the report 'Northland Regional Land Transport Plan 2015-2021 – Funding Uptake' by Chris Powell, Transport Manager, Northland Transportation Alliance dated 23 November 2017, be received.

Carried

Secreterial Note:

- *The Committee requested that a "Comments Column" be included in the spreadsheets to provide details of project progress.*

Northland Regional Land Transport Plan 2015-2021 – Three Year Review (Item 6.1)

ID: A1006340

Report from Chris Powell, Transport Manager, Northland Regional Council

Moved (Bain/Dimery)

1. That the report 'Northland Regional Land Transport Plan 2015/2021 – Three Year Review' progress report by Chris Powell dated 24 November 2017, be received.
2. That the Regional Transport Committee approve that there be no change to the existing Significance Policy as detailed in the Northland Regional Land Transport Plan 2015/2021 – Three Year Review.
3. That the Regional Transport Committee approve the content of the Draft Northland Regional Land Transport Plan 2015/2021 (updated for the 2018-2021 period) for release for public consultation on 15 December 2017.
4. That the Regional Transport Committee consider adopting the proposed simplified hearings process as detailed in this paper;
5. That all Regional Transport Committee elected representatives or their approved alternate, attend all Regional Land Transport Plan 2015/21 – Three Year Review public information sessions during the week of 15 – 19 January 2017.
6. That the Regional Transport Committee delegates to the Group Manager of Customer Service & Community Resilience the authority to make minor formatting, typographical and administrative changes to the Draft Regional Land Transport Plan 2015/21- Three Year Review.

Carried

ID: A1013907

Regional Transport Committee

6 December 2017

Secretarial Note:

- *There was a typing error on Page 2 of 6 of Item 6.1 in the agenda. There is no Recommendation 7, this text should follow on from Recommendation 6.*
- *There were two typing errors on Page 5 of 6 of Item 6.1 in the agenda. 'The draft RLTP will be released for public consultation on 15 December 2017' (not 1 December 2017), and 'submissions will be summarised as usual and considered by the full committee in late February 2018' (not 2017).*
- *It is to be noted that Cr Ann Court voted against the recommendations above.*

Regional Walking and Cycling Strategy Update and Enhancement Proposal (Item 6.2)

ID: A1007836

Report from Jon Trewin, Policy Analyst, Northland Regional Council

Moved (Dimery/Geange)

1. That the report 'Regional Walking and Cycling Strategy Update and Enhancement Proposal' by Jon Trewin, Northland Regional Council dated 24 November 2017, be received.

Carried

Northland Road Safety Update (Item 7.1)

ID: A1006162

Report from Chris Powell, Transport Manager, Northland Regional Council

Inspector Wayne Ewers- New Zealand Police, provided a presentation on Speed and Road Safety in Northland.

Moved (Halse/Dimery)

1. That the report 'Northland Road Safety Action Plan Update' by Chris Powell, Northland Regional Council dated 23 November 2017, be received.

Carried

CONCLUSION

The meeting concluded at 12.08pm.

MINUTES OF MEETING
INVESTMENT SUBCOMMITTEE

**Meeting held in the Whangamumu Room, Northland Regional Council
on Wednesday 31 January 2018 at 8.30am**

Chair:	Cr John Bain		
Present:	Cr Bill Shepherd	Cr Penny Smart	Geoff Copstick
In Attendance:	Cr Rick Stolwerk Jonathan Eriksen Rachael King (Minutes)	Malcolm Nicolson Andy Mahony	Dave Tams Kym Ace

The Chair declared the meeting open at 8.35am

1.0 APOLOGIES

Nil

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3.0 OPEN MEETING

**3.1 Performance of Council's Externally Managed Funds to
December 2017 & Proposed Adjustments**

Presented by: Jonathan Eriksen

ID: A1021479

Moved (Bain / Smart)

1. That the report "Performance of council's externally managed funds to December 2017 and proposed adjustments" by Simon Crabb, Finance Manager, and dated 16 January 2018, be received.
2. That the subcommittee endorses a recommendation to introduce the Quay Street Income Fund into the Working Capital Fund, and transfer \$1,500,000 to this fund from the WCF Milford Diversified Income Fund.
3. That council's overall exposure to Milford Asset Management is reduced to 20% of total funds under management by selling down investments in Milford Diversified Income Fund when the need for liquidity or fund rebalancing arises.

Carried

Summary of Discussion

A presentation from EriksensGlobal regarding fund performance was tabled (copy attached)

- The principles for all four funds are the same, although the treatment of the Working Capital Fund (WCF) is different
- One year is too short a period to look at risk vs return – three to five years is required
- EriksensGlobal are working on a model to show how portfolios would perform in the event of another global financial crisis (GFC) or "tech bubble"

- Markets are beginning to become unpredictable again – in the past 24 hours the Volatility Index (VIX) has moved from 11 to 14
- Investment recommendations were outlined as follows:
 - Minimise transactions
 - Maintain exposure to growth assets
 - Income funds and conservative growth funds also provide downside protection
 - Private equity generates greater returns
- Discussion took place regarding currency hedging
- Discussion took place around the need for the WCF and alternative options
- It was agreed to move monies out of Blackrock (WCF)

Agreed Action: *EriksensGlobal to come back to the subcommittee with a recommendation for further WCF investments*

Moved (Smart / Bain)

1. That the subcommittee endorses a recommendation to council that the monies to repay the \$3m Fixed Rate Note (FRN) with ANZ Bank come from the Working Capital Fund (WCF) in the short term, and be repaid from the IIF.

Carried

Post Meeting Note: *This payment should be made from the WCF, following discussion between the CEO and the Finance Manager.*

Meeting closed at 9.35am