

AGENDA

Council

Tuesday 19 March 2019 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 19 March 2019, commencing at 10.30am

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

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- 9.1** Confirmation of Confidential Minutes - 19 February 2019
- 9.2** Receipt of Confidential Committee Minutes
- 9.3** Human Resources Report
- 9.4** Purchase of a Whangārei CBD Property
- 9.5** Whangārei CBD Property Demolition

<p>ACC - Accident Compensation Corporation</p> <p>AHB - Animal Health Board</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>AMP - Asset Management Plan/Activity Management Plan</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DOL - Department of Labour</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EE - Environmental Education</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>EMA - Employers and Manufacturers Association</p> <p>EMC - Environmental Management Committee</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HSNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>HSWA - Health and Safety at Work Act 2015</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTP - Long Term Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>MCDEM - Ministry of Civil Defence & Emergency Mgmt</p> <p>MFE - Ministry for the Environment</p> <p>MHWS - Mean High Water Springs</p> <p>MMH - Marsden Maritime Holdings Limited</p> <p>MNZ - Maritime New Zealand</p> <p>MOH - Ministry of Health</p>	<p>MOT - Ministry of Transport</p> <p>MPI - Ministry for Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NES - National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>ORC - Otago Regional Council</p> <p>OSH - Occupational Safety & Health (now Ministry of Business, Innovation and Employment)</p> <p>PCBU - Person Conducting Business or Undertaking</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RTC - Regional Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RSG - Regional Sector Group</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SIPO - Statement of Investment Policy and Objectives</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>SRC - Southland Regional Council (Environment Southland)</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TA - Territorial Authority: City & District Councils</p> <p>TAG - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TRAION - Te Rūnanga a Iwi o Ngāpuhi</p> <p>TRC - Taranaki Regional Council</p> <p>TROTR - Te Rūnanga o Te Rarawa</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>WCRC - West Coast Regional Council</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WSMP - Workplace Safety Management Practices</p> <p>WWTP - Wastewater Treatment Plant</p>
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TITLE: Health and Safety Report
ID: A1170730
From: Beryl Steele, Human Resources Manager

Executive summary/Whakarāpopototanga

This report provides an overview of Health and Safety activity during the month of February 2019.

Recommendation

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 5 March 2019, be received.

Background/Tuhinga

Summary of Events

A total of four reports in February. The more serious report was from an injury from a Phoenix Palm. It resulted in the employee needing to go to White Cross for removal of a splinter and medication. They were also sent for an ultrasound to make sure there was no splinter left under the skin. The employee was wearing appropriate PPE but needed to be more aware of surroundings and potential hazards.

Policy, Process and Documentation Review

- A H&S policy and process review and update was initiated in February. This will continue through March and April
- The H&S Strategy Steering Group are meeting in March to finalise the strategy.
- A review of the risk register has been started and will continue through March and April.

Traffic Management Plan

The Traffic Management Plan Group will be meeting again to progress on lights and signage requirements. Contact is being made with Whangarei District Council in relation to using the Northland Transportation Alliance for the development of traffic management plans. Finalising this is a priority.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 08 March 2019

TITLE: Confirmation of Minutes - 19 February 2019

ID: A1169753

From: Chris Taylor, Governance Support Manager

Recommendation

That the minutes of the council meeting held on 19 February 2019 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Council Minutes - 19 February 2019 [↓](#)

Authorised by Group Manager

Name: Chris Taylor

Title: Governance Support Manager

Date: 12 March 2019

Council Meeting
19 February 2019

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 19 February 2019, commencing at 10.30 am

Present:

Chairman, Bill Shepherd
Deputy Chairman, David Sinclair
Councillors:
John Bain
Justin Blaikie
Paul Dimery
Mike Finlayson
Penny Smart
Rick Stolwerk
Joce Yeoman

In Attendance:

Full Meeting

Independent Financial Advisor
NRC Chief Executive
GM – Strategy, Governance and Engagement
GM - Customer Service - Community Resilience
GM - Environmental Services
GM, Corporate Excellence
GM - Regulatory Services
Chairman's Personal Assistant

Part Meeting

Finance Manager
Financial Accountant
Accounts Assistant Treasury and Projects
Chief Financial Officer – Far North District Council
Manager Transaction Services – Far North District Council
Māori Relationships Manager
Corporate Planning Manager
Policy Analyst
Economic Policy Advisor
Strategic Policy Specialist
Biosecurity Manager
CEO – Northland Inc.
GM – Investment and Infrastructure – Northland Inc.
Northland Inc. Directors (2)

The Chair declared the meeting open at 10.30 am.

Council Meeting
19 February 2019

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

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

Secretarial Note: The Chief Executive Officer advised that Item 9.5 in the Confidential Agenda had been withdrawn from the agenda based on additional information that had been received. Further work would be done and the item would be brought back to council at a later date.

The Chairman advised that additional pages would be tabled for Item 6.3. The additional pages were minor corrections for the Annual Plan 2019/20 Supporting Information.

Health and Safety Report for December 2018 and January 2019 (Item 3.0)

ID: A1159977

Report from Tracey Warboys, Health and Safety Specialist

Moved (Blaikie/Sinclair)

That the report 'Health and Safety Report for December 2018 and January 2019' by Tracey Warboys, Health and Safety Specialist and dated 4 February 2019, be received.

Carried

Confirmation of Minutes - 11 December 2018 (Item 4.1)

ID: A1158038

Report from Chris Taylor, Governance Support Manager

Moved (Shepherd/Dimery)

That the minutes of the council meeting held on 11 December 2018 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 4.2)

ID: A1157209

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Finlayson)

That the action sheet be received.

Carried

Secretarial Note: A council workshop to be scheduled within the next two weeks to discuss plans for addressing the shortfall in general funding.

ID: A1164597

2

Council Meeting
19 February 2019

Working Party Updates and Chairpersons' Briefings (Item 4.3)

ID: A1154691

Report from Chris Taylor, Governance Support Manager

Moved (Blaikie/Smart)

That the report 'Working Party Updates and Chairpersons' Briefings' be received.

Carried

Secretarial Note: The Land Management team were congratulated on their successful application to the Hill Country Erosion Fund.

Council Working Group Updates (Item 4.4)

ID: A1159587

Report from Nola Sooner, Land and Rivers Team Administrator/PA

Moved (Finlayson/Yeoman)

That the report 'Council Working Group Updates' be received.

Carried

Financial Report to 31 January 2019 (Item 5.1)

ID: A1161254

Report from Vincent McColl, Financial Accountant

Moved (Yeoman/Sinclair)

That the report 'Financial Report to 31 January 2019' by Vincent McColl, Financial Accountant and dated 7 February 2019, be received.

Carried

Secretarial Note: The Chief Executive Officer explained the reasons for the large negative variances to budget.

The council's Independent Financial Advisor confirmed that volatile markets can be expected. The response from management had helped and proved that council is able to respond appropriately.

ID: A1164597

3

Council Meeting
19 February 2019

Credit note for approval (Item 5.2)

ID: A1136567

Report from Trish Wells, Accounts Receivable Officer

Moved (Stolwerk/Yeoman)

1. That the report 'Credit note for approval' by Trish Wells, Accounts Receivable Officer and dated 10 December 2018, be received.
2. That the issue of credit note 7403973 to the value of \$8,441.32 including GST (as detailed in the report from the Accounts Receivable Officer, Trish Wells, dated 10 December 2018) be approved.

Carried

Approval to Borrow to Fund Flood Protection Infrastructure (Item 5.3)

ID: A1156622

Report from Simon Crabb, Finance Manager

Moved (Finlayson/Blaikie)

1. That the report 'Approval to Borrow to Fund Flood Protection Infrastructure' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That council enters into a loan from the Local Government Funding Agency of \$1,016,260 (inclusive of 1.6% Borrower Notes) at a fixed borrowing cost in the range of 4% pa and 4.25% pa for a term of 14 years, to fund Awanui flood protection infrastructure capital works, and be repaid from the Awanui River Targeted Rates and the Regional Wide Flood Infrastructure Rates.

Carried

Secretarial Note: Council is monitoring closely with each recommendation that comes through.

Regional Rates Collection - Update to 31 December 2018 (Item 5.4)

ID: A1156884

Report from Simon Crabb, Finance Manager

Moved (Stolwerk/Yeoman)

That the report 'Regional Rates Collection - Update to 31 December 2018' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.

Carried

Secretarial Note: The Chief Financial Officer and Manager Transaction Services from Far North District Council were in attendance to answer any questions from councillors.

It was requested that Far North District Council put in place a process to notify Northland Regional Council about details of abandoned land.

ID: A1164597

4

Council Meeting
19 February 2019

Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF (Item 5.5)

ID: A1156890

Report from Simon Crabb, Finance Manager

Moved (Stolwerk/Bain)

1. That the report 'Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That the private equity funds held in the Property Reinvestment Fund are transferred to the Community Investment Fund and reimbursed with cash redeemed from Community Investment Fund Income assets, in line with the recommendations provided by EriksensGlobal.
3. That growth assets held in the Property Reinvestment Fund are transferred to Income assets as necessary to provide funding certainty for the costs of the Kensington and Kaipara Service Centre development projects, in line with the recommendations provided by EriksensGlobal.

Carried

Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve (Item 5.6)

ID: A1160121

Report from Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager

Recommendation

Moved (Shepherd/Sindair)

1. That the report 'Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve ' by Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager and dated 5 February 2019, be received.

Carried

It was further moved (Dimery/Bain)

2. That council approves the use and distribution of the Emergency Services Fund Reserve as follows: up to \$10,000 a year can be spent on ESF engagement and promotion, and the remainder distributed to ESF recipients in direct proportion to current allocation.

Carried

ID: A1164597

5

Council Meeting
19 February 2019

Treasury Management Policy (Item 6.1)

ID: A1102988

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Sindair/Stolwerk)

1. That the report 'Treasury Management Policy' by Dave Tams, Group Manager Corporate Excellence and dated 3 December 2018 be received.
2. That an update to the Terms of Reference of the Audit and Finance Working Party to include 'recommend new borrowing to council' be approved.
3. That the following updates to the Financial Delegations from the council to officers be approved:
 - a. Change the 'Overall management' delegation to 'Overall responsibility for day to day treasury management activities including establishing appropriate structures, procedures and controls' and delegate this to the General Manager – Corporate Excellence.
 - b. Delegate the General Manager – Corporate Excellence to ensure financial policies comply with legislation.
 - c. Remove the delegation to the Chief Executive Officer to approve new counterparties and counterparty limits.
 - d. Remove the delegation to the Chief Executive Officer to enter international swaps and derivatives.
4. That the Delegations Manual be amended accordingly to reflect recommendation 2 above and to make other minor changes for consistency and clarity, including updating references to Treasury Management policies.
5. That the financial instruments be approved:

Category	Financial instrument
6. Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) Floating rate note (FRN) Fixed rate note (MTN)
Investments <181 days	Short term bank deposits Bank registered certificates of deposit (RCDs)
Investments (other)	LGFA borrower notes Bank term deposits linked to pre-funding maturing debt
Interest rate risk management	Forward rate agreements (FRAs) on bank bills Interest rate options on: <input type="checkbox"/> Bank bills (purchased caps and one for one collars) <input type="checkbox"/> Interest rate swaptions (purchased swaptions and one for one collars only)

That the named counterparties and limits be approved:

ID: A1164597

6

Council Meeting
19 February 2019

Counterparty/issuer	Maximum investments per counterparty (\$m)
NZ Government	Unlimited
Local Government Funding Agency (LGFA)	20.0
NZ registered banks: <input type="checkbox"/> ANZ Bank New Zealand Limited <input type="checkbox"/> ASB Bank Limited <input type="checkbox"/> Bank of New Zealand (BNZ) <input type="checkbox"/> Kiwibank Limited <input type="checkbox"/> Westpac New Zealand Limited	20.0

Carried

Adoption of Draft User Fees and Charges 2019/20 and approval to consult (Item 6.2)

ID: A1157911

Report from Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Stolwerk)

1. That the report 'Adoption of Draft User Fees and Charges 2019/20 and approval to consult' by Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts the Statement of Proposal and the Draft User Fees and Charges 2019/20 (**Attachment 1** pertaining to Item 6.2 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to section 150 of the LGA, and that this be carried out in conjunction with consultation on the Annual Plan 2019/20.
3. That council delegates to the Chief Executive the authority to make any necessary minor formatting, typographical and administrative changes to the Draft User Fees and Charges 2019/20 prior to formal public consultation.

Carried

Adoption of the Annual Plan 2019/20 Supporting Information (Item 6.3)

ID: A1159110

Report from Kyla Carlier, Corporate Planning Manager

Moved (Shepherd/Sinclair)

That the additional tabled pages be received.

Carried

ID: A1164597

7

Council Meeting
19 February 2019

Recommendations

Moved (Shepherd/Yeoman)

1. That the report 'Adoption of the Annual Plan 2019/20 Supporting Information' by Kyla Carlier, Corporate Planning Manager and dated 1 February 2019, be received.

Carried

It was further moved (Shepherd/Yeoman)

2. That council adopts the supporting information for the Annual Plan 2019/20 plus the additional tabled pages (**Attachment 1** pertaining to Item 6.3 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to sections 95 and 95A of the LGA.

Carried

It was further moved (Yeoman/Stolwerk)

3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical and administrative changes to the supporting information prior to formal public consultation.

Carried

Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult (Item 6.4)

ID: A1158997

Report from Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Blaikie)

1. That the report 'Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult' by Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts and approves for release the Annual Plan 2019/20 Consultation Document (included as **Attachment 1** pertaining to Item 6.4 of the 19 February 2019 council agenda) for consultation pursuant to sections 82, 95 and 95A of the Local Government Act 2002.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical, and administrative changes to the Consultation Document prior to formal public consultation.

Carried

Secretarial Note: Staff were complimented on producing a great document.

Council Meeting
19 February 2019

Manea Footprints of Kupe - Request for a funding contribution from Council (Item 6.5)

ID: A1132029

Report from Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist

Moved (Sindair/Finlayson)

1. That the report 'Manea Footprints of Kupe - Request for a funding contribution from Council' by Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist and dated 22 November 2018, be received.
2. That \$500,000 be transferred from the Community Investment Fund into the Investment and Growth Reserve once the conditions of funding set out in recommendation 3 have been met.
3. That \$500,000 (excluding GST) be allocated as Enabling Investment funding from the Investment and Growth Reserve to the Manea Footprints of Kupe project subject to the following conditions being met.
 - a. All resource and building consents are obtained for all elements of the project to proceed;
 - b. Fixed price construction tenders that permits all elements of the project to proceed is secured;
 - c. All funding has been secured to cover the development of the entire project;
 - d. A funding agreement is signed between Te Hua o Te Kowariki Trust, Manea Footprints of Kupe Ltd, Far North Holdings (FNHL), and council that includes:
 - i. a list of key performance indicators;
 - ii. a schedule of payment instalments that are linked to construction milestones with the first payment not occurring prior to 1 November 2019;
 - iii. an undertaking that any cost overruns for the construction of the buildings will be covered by supplementary funding and not by reducing the experience/fit-out development; and
 - iv. an undertaking that Manea will be held in perpetuity for the benefit of the local community and that should it ever be sold into private ownership that council will be refunded its \$500,000 funding allocation.
 - e. Confirmation that an overdraft facility of \$200,000 has been secured.

Carried

Council Meeting
19 February 2019

Environment Fund Criteria Review (Item 6.6)

ID: A1156376

Report from Imogen Field, Land Management Advisor - Freshwater Improvement Project; Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager

Moved (Bain/Yeoman)

1. That the report 'Environment Fund Criteria Review' by Imogen Field, Land Management Advisor - Freshwater Improvement Project; Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager and dated 24 January 2019, be received.
2. That council approve the new Environment Fund criteria.

Carried

Inter-regional Marine Pest Management - Discussion Document (Item 6.7)

ID: A1160314

Report from Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager

Recommendation(s)

Moved (Sindair/Stolwerk)

1. That the report 'Inter-regional Marine Pest Management - Discussion Document' by Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager and dated 5 February 2019, be received.
2. That council approves the release of the draft discussion document and the associated consultation process.
3. That council delegates authority to the Deputy Chief Executive to make changes to the discussion document prior to the start of the consultation to add content relating to potential pathway plan implementation costs and for the purpose of formatting, adding agency logo's and other minor changes to text for readability).

Carried

It was further moved (Bain/Yeoman)

4. That council appoint a political spokesperson for the purposes of consultation in Northland being Councillor Sinclair.

Carried

ID: A1164597

10

Council Meeting
19 February 2019

Chair's Report to Council (Item 7.1)

ID: A1156744

Report from Bill Shepherd, Chairman

Moved (Shepherd/Sinclair)

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 31 January 2019, be received.

Carried

Secretarial Note: Councillor Dimery asked for it to be noted that he had also attended the Northland Inc. AGM.

Secretarial Note: Councillor Bain left the meeting at 11.42 am.

Chief Executive's Report to Council (Item 7.2)

ID: A1156933

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Shepherd/Stolwerk)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 29 January 2019, be received.

Carried

Secretarial Note: GM – Enviromental Services to circulate LiDAR report to councillors.

Councillor Yeoman congratulated staff on the scope of work council is doing and the effort being put in by staff.

Secretarial Note: Councillor Bain returned to the meeting at 11:46 am.

Receipt of Committee Minutes (Item 8.0)

ID: A1158061

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Bain)

That the unconfirmed minutes of the:

- ☐ Investment Subcommittee - 28 November 2018
- ☐ Civil Defence Emergency Management - 4 December 2018
- ☐ Regional Transport Committee - 5 December 2018
- ☐ Property Subcommittee - 5 December 2018

be received.

Carried

ID: A1164597

11

Council Meeting
19 February 2019

Business with Public Excluded (Item 9.0)

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	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 11 December 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.3	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 s7(2)(a).
9.4	Sale of Council's Lessor's Interest in a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded

.Carried

Conclusion

The meeting concluded at 12.01 pm

TITLE: Receipt of Action Sheet

ID: A1171230

From: Chris Taylor, Governance Support Manager

Executive summary/Whakārapopotanga

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

Recommendation

That the action sheet be received.

Attachments/Ngā tapirihanga

Attachment 1: Action Sheet - March 2019 [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 12 March 2019

Outstanding Actions as at 7/03/2019

Id	Meeting	Target Date	Officer Responsible	Description	Request Details	Most Recent Comment
4641	Council 18/09/2018	31/12/18	Tams, Dave	Reforecasting of budgets	That the Audit Working Party undertake a 'reforecasting exercise' to discuss best practise when there are changes to budgeted costs and revenue.	The Audit Working Party decided to wait for the New Year before considering if a reforecast was to be actioned.
4693	Council 11/12/2018	25/12/18	Taylor, Chris	Invitation to the LGC	That the new Chair of the LGC be invited to address council in March/April 2019.	An invite has been sent to the Chair of the LGC.

Actions Completed in the last month

Id	Meeting	Date Completed	Officer Responsible	Description	Request Details	Most Recent Comment
4692	Council 11/12/2018	7/03/19	Howse, Bruce	Kauri Dieback results	That the results of soil testing for Kauri Dieback at priority one sites be circulated to councillors.	Action completed by: Taylor, Chris Complete. Results reported in the February 2019 Chief Executive's Report.
4694	Council 11/12/2018	7/03/19	McKenzie, Don	Acknowledgement Letter	That an acknowledgement letter be sent to Todd Hamilton from Backyard Kiwi, on behalf of council (noting his nationally recognised work).	Action completed by: Taylor, Chris Complete.

TITLE: Working Party Updates and Chairpersons' Briefings

ID: A1167741

Recommendation

That the report 'Working Party Updates and Chairpersons' Briefings' be received.

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

The working party met on 12 February 2019. The topics for discussion included:

- Health and Safety Year in Review 2017-2018; and
- Rating Project.

Following discussion, the Risk and Health & Safety Working Party provided advice on the following next steps:

- Work is underway with the NZTA regarding in-car safety and the traffic management plan and NZTA has been asked to lead the work / plan; and
- The Corporate SIG is currently looking at regional shared rating service options, and a paper was presented to the group at their meeting earlier in February.

Planning Working Party (Chair, Cr Joce Yeoman)

The working party met on 13 February 2019. The topics for discussion included:

- Natural Resources Policy Team Work Programme; and
- Planning Working Party Terms of Reference Update.

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

- Staff to present a paper to the March council meeting recommending the change to the Planning Working Party's terms of reference

Audit and Finance Working Party (Chair, Cr David Sinclair)

The working party met on 19 February 2019. The topics for discussion included:

- Financial Update; and
- External Audit Planning.

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

- A council workshop will be scheduled ASAP to discuss plans for addressing the shortfall in general funding; and
 - A council workshop will be scheduled at the start of August to discuss the external audit, prior to the closing of the agenda for the August council meeting.
-

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 12 March 2019

TITLE: Council Working Group Updates

ID: A1168878

Recommendation

That the report 'Council Working Group Updates' be received.

Whangārei Harbour Catchment Group (Chair Adrian Tonks)

The Whangārei Harbour Catchment Group met on 11 February 2019. The topics for discussion included:

- Update on work in the catchment, including Otaika Stream project, Takahiwai inanga spawning site restoration and the Hātea water quality project.
- Update from Whangarei District Council (WDC) staff on progress with wastewater and stormwater management in the catchment, including monitoring of water quality at Limeburner's Creek in preparation for the WDC wastewater treatment plant resource consent renewal.
- Presentation from NRC staff providing an overview of last year's sediment monitoring undertaken in the harbour. Results show continued high levels of zinc and copper in the upper harbour.
- Discussion regarding allocation of \$10,000 funding to Whitebait Connection-led project to investigate site suitability for an inanga spawning site restoration at Mair Park and potential for further fish passage barrier removal within the wider catchment.

Following discussion, the Whangārei Harbour Catchment Group provided advice on the following next steps:

- The group agreed to allocate the annual budget to the Mair Park inanga restoration project for this year, also to include invitations to relevant iwi/hapu to participate.
- WDC's ecological monitoring plan for the Limeburner's Creek area will be shared with the group for comment.

Authorised by Group Manager

Name: Bruce Howse

Title: Group Manager - Environmental Services

Date: 07 March 2019

TITLE: Financial Report to 28 February 2019

ID: A1170951

From: Vincent McColl, Financial Accountant

Executive summary

This report is to inform council of the year to date (YTD) financial result to February 2019. Council has achieved a YTD surplus after transfers to and from reserves of \$3.26M, which is \$383K favourable to budget.

Recommendation

That the report 'Financial Report to 28 February 2019' by Vincent McColl, Financial Accountant and dated 6 March 2019, be received.

Report

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 28,386	\$ 30,249	\$ (1,863)
Expenditure	\$ 25,652	\$ 26,349	\$ 696
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 2,734	\$ 3,901	\$ (1,167)
Transfer From (To) Special Reserves	\$ 526	\$ (1,023)	\$ 1,550
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$ 3,260	\$ 2,878	\$ 383

Historical gains transferred as operational funding – YTD Feb 2019 (refer Attachment 1)

Externally managed fund gains of \$208K were accrued in the month of February 2018. Taking this accrual into account the overall capital losses incurred for February YTD is now (\$19K). \$208K has been based on conservative estimates provided by Eriksens Global and it is anticipated that the actual gains for February will be considerably higher.

The funding contribution originally planned to come from externally managed fund gains at this stage of the year was \$1.2M. With offsetting savings of \$225K, the revised actual funding contribution required from gains is \$1.0M. As there have been no gains generated to date there has been a \$1.0M transfer of historical gains out of the externally managed fund reserves. A further \$19K has also been transferred from the managed fund reserves to compensate for the year to date capital loss. A breakdown by each fund is presented over the page.

As yet there has been no need to withdraw any physical cash from the managed fund portfolio as a result of the YTD operational funding shortfall. Any withdrawal is anticipated to occur at financial year end.

Externally Managed Fund	Historical Gains Reinvested upto 30 Jun 2018	Historical Gains Transferred YTD 28 Feb 2019	Historical Gains Still Available for Future Transfers
PRF	\$272,827	-\$272,827	\$0
IIF	\$1,032,000	-\$756,795	\$275,205
CIF*	\$4,679,217	-\$18,321	\$4,660,896
TOTAL	\$5,984,044	-\$1,047,943	\$4,936,101

* The amount of CIF gains budgeted as General Funding in 2018/19 is \$34K for the year. Once the CIF generates \$34K of gains in 2018/19 there will be no CIF historical gains transferred to general funding.

Revenue

Year to date revenue is \$28.39M, which is \$1.86M or 6.2% below budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$257,601	1.4%	<ul style="list-style-type: none"> A higher level of rating units / SUIPs were used for the rating strike versus what was in the LTP.
User Fees and Sundry	\$115,705	3.4%	<ul style="list-style-type: none"> Higher than budgeted consent application fees of \$84K offsetting costs incurred (hearings, consultants and legal) Higher than budgeted consent management fees of \$112K Unbudgeted prosecutions of \$43K Partially offset by: Lower than budgeted fare box revenue of \$127K
Grants and Subsidies	\$15,151	0.7%	<ul style="list-style-type: none"> Unbudgeted subsidies received for the Mycoplasma Bovis response of \$92K Unbudgeted stop wild ginger subsidies offsetting costs with this project of \$91K Partially offset by: Lower than budgeted NZTA subsidies of \$35K offset by lower than budgeted transport contract costs Lower than budgeted revenue for FIF projects of \$151K offsetting lower expenditure for these projects
Investment Interest Income	(\$44,842)	(13.1%)	<ul style="list-style-type: none"> This is due to a change in IGR interest attribution
Investment Property Income	(\$4,838)	(0.3%)	
Other Income	\$5,498	3.0%	
Dividend Income	(\$55,088)	(2.7%)	<ul style="list-style-type: none"> Lower than budgeted MMH final dividends by a quarter of a cent (\$0.0025) per share.
Short Term Fund	(\$53,507)	(135.7%)	<ul style="list-style-type: none"> Actual January YTD returns as per Eriksens Global of 1.6% (2.7% annually) are lower than the budgeted 2.8% (4.75% annually)
Property Reinvestment Fund	(\$864,776)	(105.7%)	<ul style="list-style-type: none"> Actual January YTD returns of -0.4% (-0.7% annually) are lower than the budgeted 4.4% (7.5% annually).
Community Investment Fund	(\$658,653)	(99.3%)	<ul style="list-style-type: none"> Actual January YTD returns of -0.3% (-0.5% annually) are lower than the budgeted 4.4% (7.5% annually). Nearly all of the losses incurred here are offset by lower than budgeted transfers to reserve.
Infrastructure Investment Fund	(\$575,532)	(93.9%)	<ul style="list-style-type: none"> Actual January YTD returns of 0.4% (0.7% annually) are lower than the budgeted 3.4% (5.75% annually)
Total	(\$1,863,283)	(6.2%)	

Expenditure

Year to date expenditure is \$25.65M, which is \$696K or 2.6% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	(\$116,064)	(3.1%)	<ul style="list-style-type: none"> Higher than budgeted consent application costs of \$175K (consultants and hearing committee costs) partially offset with higher than budgeted consent revenue. Overall Regulatory services are favourable to budget by \$135K.
Environmental Services	\$191,626	3.3%	<ul style="list-style-type: none"> Lower than budgeted natural hazards consultancy of \$86K. Savings here are expected to be approximately \$230K at year end. Lower than budgeted FIF project expenditure of \$245K offset by lower than budgeted income Offset by: Unbudgeted stop wild ginger biocontrol expenditure of \$91K
Strategy and Engagement	\$298,338	6.0%	<ul style="list-style-type: none"> Lower economic development projects than budgeted YTD of \$67K offset with lower transfers from the IGR Lower than budgeted Northland Inc payments of \$100K offset by lower transfers from the IGR Lower than budgeted TTMAC member costs of \$14K Other accumulated small variances within this group
Customer Service and Community Resilience	\$217,030	4.2%	<ul style="list-style-type: none"> Lower transport contract costs of \$135K partially offset by lower than budgeted NZTA subsidies and farebox revenue Budget timing differences on the Hatea River channel dredging of \$81K. This is fully offset with lower than budgeted transfers from reserves. Offset by: More than budgeted Emergency services grants of \$52K offset by higher than budgeted transfers from reserve
Corporate Excellence	(\$23,383)	(0.6%)	<ul style="list-style-type: none"> Higher than budgeted expenditure on council's IaaS outsourced contract and other IT expenditure (e.g. licencing) of \$231K Offset by: Lower than budgeted HR consultancy of \$35K Lower than budgeted net labour charged to HR of \$101K Lower than budgeted consultancy in relation to our internal audit program of \$14K
CEO Office	\$128,610	5.2%	<ul style="list-style-type: none"> Lower than budgeted labour charged to the CEO Department of \$187K Offset by: Higher than budgeted investment properties related expenditure of \$71K partially offset by higher than budgeted recovery of tenants costs Higher than budgeted building R&M of \$21K
Total	\$696,157	2.6%	

Note that across council there is a \$319K favourable salaries variance predominantly due to a deferral in the recruitment of positions identified in the LTP.

Transfers to reserves

For the year to date there has been a net transfer **from** reserves of \$526K compared to a budgeted net transfer **to** reserves of \$1.0M. This is predominantly due to:

- \$1.0M of historical gains transferred from the externally managed fund reserves to replace the gains that have not eventuated because of poor performing domestic and global markets in the December 2018 quarter.
- \$99K lower than budgeted transfers required from the IGR for Northland Inc. payments.
- \$490K higher than budgeted operational transfers to reserves relating to the Whangārei and Far North bus reserves, Hātea River reserve, and river reserves.

Capital Expenditure

Capital expenditure of \$2.25M (excluding commercial property purchases and commercial developments) is lower than budget by \$409K. This is predominantly due to the timing of flood infrastructure work compared to budget and delays on hydrology capex.

At this stage we anticipate \$358K of capital carry forwards at year end; being \$300K for rating software and \$58K of Hydrology capex (water level stations and ADCP flow tracker) being deferred to next year in order to bring forward LTP year 2 capex of \$60K.

Attachments

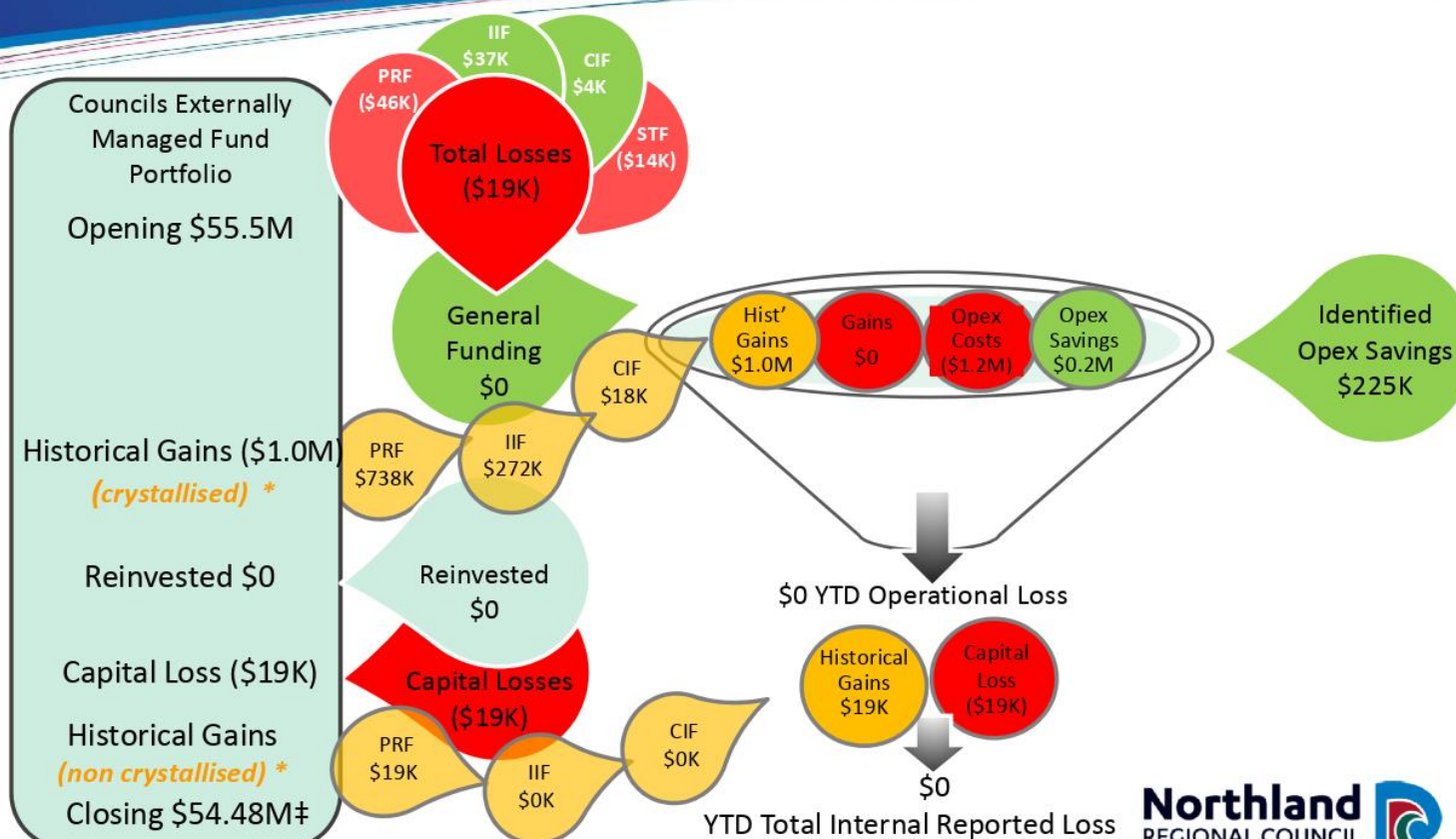
Attachment 1: Externally managed funds - Historical gains transferred as operational funding
February 2019 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 12 March 2019

Proposed Strategy to fund YTD & any future shortfalls

UPDATE TO FEB 19



* Historical Gains are limited to \$1.3 M. † excludes any other planned withdrawals / deposits

TITLE: 2018 Service Delivery Reviews
ID: A1166427
From: Linda Harrison, Organisational Project Manager

Executive summary/Whakarāpopototanga

The purpose of this report is to update council on the outcome of Local Government Act Section 17A service delivery reviews that have been conducted during 2018.

This report provides an overview of the analysis completed for all services that were timetabled to be reviewed during 2018. The report recommends that council adopt the review findings of maintaining the status quo for the services reviewed in 2018 but indicates a potential scope of work arising from the review.

Recommendation(s)

1. That the report '2018 Service Delivery Reviews' by Linda Harrison, Organisational Project Manager and dated 21 February 2019, be received.
2. That council adopt the recommendations of the 2018 Service Delivery Reviews report to maintain the status quo delivery models for Governance, Māori Relationships, Community Engagement and Investments due to the costs of any additional reviews likely to outweigh any benefits.

Background/Tuhinga

Section 17A Service Delivery Reviews

Section 17A of the Local Government Act 2002 (LGA) places an obligation on council to review its services for cost effectiveness. The legislation states that a review should consider three elements:

1. how a service is governed;
2. how it is funded; and
3. how it is delivered.

The following options (or combinations of) exist for the delivery of council services:

- i. 'In house' council resources;
- ii. Council controlled organisation (CCO), either wholly owned by council, or a CCO where council is a part owner;
- iii. Another council;
- iv. Another person or agency (e.g. central government, a private sector organisation or a community group);
- v. Shared service or partial shared service agreement;
- vi. Joint committee with another council;
- vii. Business unit within council;
- viii. Joint venture of public private partnership; or
- ix. Outsourcing to external providers.

Each service must be reviewed at least every six years. The intent of the legislation is to encourage efficiencies as well as collaboration between councils.

Review methodology

In order to conduct reviews in the most efficient and effective manner, council adopted a two-step approach. Step 1 was to conduct a high-level assessment of a particular services' suitability for an alternative delivery model as opposed to the status quo.

If the step 1 assessment shows that the service contains a number of attributes indicating potential for more efficient or effective delivery under a different model, then a more detailed review was carried out – being step 2. However, if the assessment did not show any potential for more efficient or effective service delivery under a different model, then it was deemed that the cost of conducting a more detailed service delivery was not warranted.

Council has no specific budget provision for services that require more detailed step 2 analysis. External reviews to date have cost between \$10,000 and \$70,000 per service.

What is NOT included in a Section 17A Service Delivery Review

- A review of levels of service;
 - This work is completed as part of the Long Term Plan (LTP) process.
- An analysis and/or implementation of process improvements or other opportunities for improvement.
 - These functions are undertaken through council's Continuous Improvement Plan and little benefit is seen from duplicating this work.
 - However, any observations regarding possible opportunities for improvement will be forwarded to the Continuous Improvement Manager.

Councils are not required to engage with the community when undertaking reviews.

Council investments

A preliminary review of investment services revealed that this service contains a number of attributes that indicate potential for more efficient or effective service delivery under a different delivery model. Consequently, an external consultant with the appropriate skills and expertise was contracted to conduct the investigation and make recommendations to council.

The review conducted recommended that:

- The current practice of funding this service from within investment returns remains the most appropriate funding mechanism;
- Some benefits may exist by delivering investment services via a CCO, but the establishment and ongoing operating costs of a CCO are likely to be prohibitive;
- There is scope for operational improvements within the current outsourcing to external providers/investment sub-committee structure; and
- The sector may further investigate the idea of establishing a multi-council shared service where participants may benefit from economies of scale in relation to fund management fees and investment advice. However, this option is unlikely to deliver a significant reduction in costs and may require additional funding to establish without material benefits over the status quo.

Other services reviewed in 2018

The remaining services reviewed in 2018 (Governance, Māori Relationships, Community Engagement), did not meet the minimum benefit criteria to warrant further investigation into alternative delivery models. It is therefore considered that the cost of conducting full and detailed reviews for these services is likely to outweigh the benefits.

It is recommended to maintain the status quo for the following services:

- Governance
- Māori Relationships
- Community Engagement
- Investments.

The ongoing service delivery schedule is included in the council's supporting information. A copy of the full report is available on request.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1.	Maintain status quo delivery models for all services reviewed in 2018	This option is the most cost effective as analysis conducted to date indicates that the cost of any further reviews is likely to outweigh the benefits.	Council does not get to see the full range of alternative delivery options available.
2	Undertake more detailed reviews	Provide additional details to council.	This represents unbudgeted expenditure unlikely to yield additional benefits to the work already undertaken.

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 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

Section 17A service delivery reviews are a requirement of the Local Government Act 2002. All council services are required to be reviewed at least every six years and will be undertaken in accordance with a rolling calendar adopted in 2016.

Further considerations

4. Community views

No community views were sought at this stage of the assessment. The council is not required under any legislation to consult with the community when undertaking service delivery reviews. Should any major changes be recommended as the result of a future review, then community views would be sought at that time in accordance with council's Significance and Engagement Policy.

5. Māori impact statement

There are no known issues with the current service delivery models of the services reviewed in 2018 and consequently Māori have not been engaged in these reviews. Should any major changes be recommended as the result of a future review, then appropriate engagement with Māori would occur at that time.

6. Financial implications

There are no additional financial implications should council favour option 1. Undertaking the additional more detailed reviews of options 2 would incur unbudgeted expenditure of approximately \$20,000 per review.

7. Implementation issues

Due to the recommendation to maintain the status quo on delivery of the council services reviewed in 2018, there are no implementation issues to be considered when making this decision.

Attachments/Ngā tapirihanga

Attachment 1: Section 17A Service Delivery Review Schedule [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 12 March 2019

SECTION 17A SERVICE DELIVERY REVIEW SCHEDULE

In order to ensure that all services were reviewed every six years, at its meeting on 19 April 2016 council adopted a rolling schedule of reviews to be completed by 8 August 2022 as follows:

Activity	Sub-activity	Review	Status	In depth	Next
Economic Development	Northland Inc.	2017	complete	✓	2023
River Management	River Management	2017	complete		2023
	Hydrology	2017	complete		2023
Land and Biodiversity		2017	complete		2023
Biosecurity		2017	complete		2023
Natural Hazard Management		2017	complete		2023
Civil Defence and Emergency Management		2017	complete	✓	2023
Transport	Regional Transport Management	2017	complete	✓	2023
	Passenger Transport Administration	2017	complete	✓	2023
Economic Development	Investments	2018	complete	✓	2024
Governance & Engagement	Governance	2018	complete		2024
	Māori relationships	2018	complete		2024
	Communication & engagement (includes environmental education)	2018	complete		2024
Economic Development	Commercial Property Will commence in July 2019 and be reported by December 2019.	2019			
Oil Pollution Response	Will commence in July 2019 and be reported by December 2019.	2019			
Harbour Safety and Navigation	Will commence in July 2019 and be reported by December 2019.	2019			
Planning and Policy		2020			
Consents	Consent Applications	2020			
	Consents Advice and Information	2020			
Monitoring	State of the Environment Monitoring	2020			
	Compliance Monitoring, Environmental Incidents Response and Waste Management and Contaminated Sites	2020			
Flow – on investigations	Biosecurity & biodiversity Investigate potential shared service agreements prior to the next review.	2020			

A1009451

TITLE: Planning Working Party - Terms of Reference

ID: A1169484

From: Michael Day, Natural Resources Policy Manager

Executive summary/Whakarāpopototanga

This report presents, for council consideration, a proposed amendment to the Planning Working Party Terms of Reference. The specific amendment is for the Planning Working Party to make recommendations to council on district council planning initiatives¹. It concludes with the recommendation that the proposed amendment to the Planning Working Party Terms of Reference is adopted.

Recommendation(s)

1. That the report 'Planning Working Party - Terms of Reference' by Michael Day, Natural Resources Policy Manager and dated 1 March 2019, be received.
2. That the proposed amendment to the Planning Working Party Terms of Reference is adopted.

Background/Tuhinga

The objectives of the Planning Working Party are to:

- Provide oversight and assistance to the Chief Executive on council's resource management planning activities ensuring that accountabilities and responsibilities are fulfilled; and
- Make recommendations to council on planning matters.

Staff consider including the ability to make recommendations to council on district council RMA planning initiatives, such as whether to formally lodge submissions on district council plan changes, aligns well with the working party objectives. The Planning Working Party Terms of Reference do not currently include this function. This report therefore seeks to amend the Planning Working Party Terms of Reference to include this role.

The proposed amendment to the Terms of Reference are highlighted and attached for council's consideration.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Endorse the change as described in the agenda item 'Planning Working Party – Terms of Reference'.	The proposed amendment directly gives effect to the objectives of the Planning Working Party's Terms of Reference, specifically to make recommendations to council on	Nil.

¹ Prepared under the Resource Management Act 1991

		planning matters. It is therefore the most efficient and effective option to workshop any district council RMA planning material.	
2	Decline the recommended change.	Nil.	There would be no council working party to workshop district council RMA planning matters and provide recommendations to council.

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 is part of council's day to day activities.

3. Policy, risk management and legislative compliance

The decisions recommended in this report are compliant with council's policies and legislative responsibilities. There are no known risks to council from making these administrative amendments to the Planning Working Party terms of reference.

Further Considerations

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

Attachments/Ngā tapirihanga

Attachment 1: Planning Party Terms of Reference [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 06 March 2019

Document Approval

Date	Amendment	Sign
11 July 2018	Updated to include alignment with areas of focus as specified in the Long Term Plan 2018 - 2028	Jonathan Gibbard
xx xx 2019	Updated to include reference to providing recommendations to council on district council RMA planning initiatives	Jonathan Gibbard

Terms of Reference – 2016-2019 Triennium

Planning Working Party – Terms of Reference

Membership

The Planning Working Party shall be comprised of five (5) councillors and one (1) non-elected member as follows:

Chairperson:	Joce Yeoman
Members:	John Bain Paul Dimery Penny Smart A non-elected member from the TTMAC Working Party ¹
Ex-officio:	Bill Shepherd (full voting rights)

Standing orders do not apply.

Quorum

The quorum for meetings of the working party shall be three (ex-officio counts towards a quorum).

Objectives

The objectives of the working party are to:

- Provide oversight and assistance to the Chief Executive on council's resource management planning activities ensuring that accountabilities and responsibilities are fulfilled; and
- Make recommendations to council on planning matters.

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

¹ At the 22 August 2017 council meeting, council endorsed TTMAC Working Party members Chetham, Mahanga, Murphy, Tautari as being associated with the Planning Working Party, noting that only one member would attend any given meeting as the official representative of the TTMAC Working Party.

- 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);
- Discuss any matters with the external auditor, or other external parties (subject) to confidentiality considerations);
- Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the working party or its working groups;
- In discussion with the CEO and subject to operating within approved budget allocation - obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- Co-opt a person as a (non-voting) member of the working party to assist with special projects;
- 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;
- Undertake such other functions as may be delegated by council from time to time.

2. Planning

For council's planning activities:

- i) To oversee the preparation of the Regional Policy Statement (RPS) for Northland, including the resolution of appeals.
- ii) To oversee the development of the proposed regional plan under the Resource Management Act 1991. To identify and workshop important and / or contentious matters with full council, as appropriate, to ensure buy-in prior to formal council consideration of plans.
- iii) To recommend to council the release of draft plans and plan changes, including variations, for public consultation.
- iv) To make recommendations to council on any appeals in accordance with council decisions on the proposed plan, plan change or variation.
- v) To make recommendations to council to accept, adopt or reject private plan change applications under clause 25 of the First Schedule of the Resource Management Act 1991.
- vi) To oversee the management of the private plan change process.
- vii) To recommend to council positions and perspectives on proposed legislation (including amendments) and national policy initiatives for incorporation into council submissions as appropriate.
- viii) [To make recommendations to council on district council RMA planning initiatives, such as whether to formally lodge submissions on district council plan changes.](#)
- ix) To make recommendations to council on the processes to be used to develop and review planning proposals.

3. No Delegated Authority – Power to Act

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

4. Alignment with areas of focus (Long Term Plan 2018 – 2028)

- Continuous improvement in water quality and security of supply (through the RPS and Regional Plan)
- Enhancement of indigenous biodiversity & biosecurity
- Safe and resilient communities

- Enduring relationships with tangata whenua

TITLE: Appointment of Trustee to the Northland Events Centre Trust

ID: A1170997

From: Dave Tams, Group Manager, Corporate Excellence

Executive Summary / Whakarāpopototanga

This paper seeks to re-appoint Mr Alistair Wells as the Northland Regional Council (NRC) representative on the Northland Events Centre Trust (NECT).

Recommendation(s)

1. That the report 'Appointment of Trustee to the Northland Events Centre Trust' by Dave Tams, Group Manager, Corporate Excellence and dated 6 March 2019, be received.
2. That Mr Alistair Wells be re-appointed to the Northland Events Centre Trust as the Northland Regional Council representative to 31 December 2019.

Background / Tuhinga

NRC appoints one of five Trustees to the NECT Board of Trustees. Currently this is Mr Alistair Wells. Mr Wells was initially appointed to the Board of Trustees in 2011 and was re-appointed for a three-year term in October 2015. We have been advised that Mr Wells' term as a Board Trustee expired in 2018.

The maximum period a Trustee can serve is 12 consecutive years.

We seek to re-appoint Mr Wells for the period from expiry in 2018 until 31 December 2019. This will allow the newly established council time to consider and review the appointment for a further term of office.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Re-appoint Mr Wells to the Board of Trustees of NECT	NRC fulfils its obligation to appoint a Board Trustee	Nil
2	Do not re-appoint Mr Wells to the Board of Trustees of NECT	Nil	NRC does not fulfil its obligation to appoint a Board Trustee

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. 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, risk management and legislative compliance

This decision is in alignment with the specifications set out in the NECT – Deed of Trust, to which NRC is a signatory.

Further considerations

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

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 12 March 2019

TITLE: 2019 Local Government New Zealand Conference

ID: A1171590

From: Bill Shepherd, Chairman

Executive summary/Whakarāpopototanga

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

Recommendation(s)

1. That the report '2019 Local Government New Zealand Conference' by Bill Shepherd, Chairman and dated 7 March 2019, be received.
2. That the Chairman, Chief Executive and Councillors _____ and _____ represent the Northland Regional Council at the 2019 LGNZ Conference.
3. That the Chairman will be the council's presiding delegate and Councillor _____ and Councillor _____ will be the other delegates for voting purposes on behalf of the Northland Regional Council at the Annual General Meeting of Local Government New Zealand.

Background/Tuhinga

The LGNZ Conference (<http://www.lgnz2019.co.nz/lgnz19>) is being held 7-9 July 2019 in Wellington.

The theme of the conference is **Riding the localism wave: Putting communities in charge**. It is about communities and empowering them to take charge of their social, economic, environmental and cultural well-being through localism. This is a global concept reshaping governments around the world, recognising that best outcomes are a result of local people making local decisions about the places they live.

In spite of New Zealand's highly centralised governance political system, examples of localism abound. The conference will focus on these best practice examples, and how to apply the lessons from these examples to how communities, local government and central government engage with each other.

The goal is to make New Zealand a more prosperous and dynamic place, that celebrates and capitalises on the unique features of the diverse natural and social landscape.

The conference is a chance for delegates to listen to fresh thinking from local and international speakers, take part in valuable, hard-hitting discussions, and network within the sector.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	That council nominates a number of councillors to attend the LGNZ conference.	Councillors will have exposure to top class speakers, be able to participate in valuable discussions/interactive sessions as well as make the most of networking opportunities.	There is substantial cost for each councillor to participate.
2	Council elects not to have representation at the LGNZ conference.	Saving of costs for council.	Potentially a lost opportunity for councillors.

The staff's recommended option is 1: that council nominates a select number of councillors to attend the LGNZ conference.

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 as it is a matter of day to day operations provided for in the council's Long Term Plan.

3. Policy, risk management and legislative compliance

The report complies with the council's decision making process and sections 76 to 82 of the Local Government Act 2002.

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

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Bill Shepherd
Title: Chairman
Date: 12 March 2019

TITLE: Regional Software Holdings Limited - Six Month Report to 31 December 2018 and Statement of Intent for 2020-2022

ID: A1172869

From: Carol Cottam, Information Services and Technology Manager and Simon Crabb, Finance Manager

Executive summary/Whakarāpopototanga

The Regional Software Holdings Limited (RSHL) Statement of Intent specifies that a set of half yearly financial and service performance statements are presented to council before the end of February every year.

These statements for the six months to 31 December 2018 are attached as **Attachment 1**.
(Note: There are calculation errors in the columns.)

Regional Software Holdings Limited (RSHL), in which council has a 16.75% shareholding, updates its Statement of Intent annually. The 2020–2022 Statement of Intent is presented for review as **Attachment 2**.

Recommendation(s)

1. That the report 'Regional Software Holdings Limited - Six Month Report to 31 December 2018 and Statement of Intent for 2020-2022' by Carol Cottam, Information Services and Technology Manager and Simon Crabb, Finance Manager and dated 11 March 2019, be received.
2. That council receive the revised 2020–2022 Statement of Intent for Regional Software Holdings Limited.

Background/Tuhinga

Six Month Report to 31 December 2018

RSHL is a council controlled organisation owned by Waikato Regional Council (32.75%), Northland Regional Council (16.75%), Horizons Regional Council (15.50%), Taranaki Regional Council (15.50%), Southland Regional Council (15.50%), and West Coast Regional Council (4.00%).

RSHL provides a framework for collaboration between its owners and across the wider regional council sector, supporting the procurement or development of shared software services and products. While the current flagship of RSHL is the Integrated Regional Information System (IRIS), the scope of activities for RSHL is not just limited to the IRIS application.

Council's Chief Executive Officer, Malcolm Nicolson, is one of the six RSHL directors.

The RSHL Statement of Intent specifies that the following unaudited statements are provided to its shareholders within two months of the end of the first half of the financial year:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cashflows

- Statement of Service Performance

These statements are included in the report attached as Attachment 1.

RSHL is on track to achieve its 2018/19 non-financial performance measures. RSHL is also on track to operate within 5% of its approved annual budget, noting that the actual Regional Council Collaboration (ReCoCo) expenditure and offsetting revenue are both expected to be well under budget at year end.

Statement of Intent (SOI) for 2020–2022

RSHL submitted their draft SOI to council for review.

There are no significant changes to the previous SOI, and the key features are:

- In line with its strategic direction, RSHL continues to seek to provide a broader shared service for the regional council sector, providing a 'vehicle' for delivering shared services and solution to the sector through initiatives championed through the regional council special interest groups.
- This intention to provide a broader shared service for the sector is also reflected in the Statement of Financial Performance. An estimated income of \$500,000 is shown in the statement for Regional Sector Shared Services, which is made up of the contributions to be collected from the participating councils, along with a corresponding expenditure line of \$500,000 as the costs associated with delivering the services.
- RSHL is committed to ensuring that the IRIS software solution is based on a fully supported and future-facing technology platform. As part of this commitment, RSHL is intending to invest in a technology refresh programme that will see capital investment shifting from the current platform towards the design and delivery of a future technology platform. As the roadmap for this technology refresh is developed the investment profile and level of member contributions will be reviewed and reflected in the future SOI's.
- The draft SOI has not assumed any additional contributions from potential new customers. Indications are that other regional councils are likely to use IRIS in the future.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Receive the revised RSHL Statement of Intent	Compliant with legislative requirements. Revised SOI has the potential to create additional value to council's investment.	No material disadvantage.
2	Do not receive the revised RSHL Statement of Intent	No advantage through not adopting the SOI.	Not compliant with legislative requirements. Potentially destroys council's value in our CCO.

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. 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, risk management and legislative compliance

Schedule 8(2) of LGA 2002 requires a draft SOI to be delivered to shareholders on or before 1 March each year.

Further considerations

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

Attachments/Ngā tapirihanga

Attachment 1: RSHL Six-Monthly Report and Accounts December 2018 PDF [↓](#)

Attachment 2: DRAFT RSHL Statement of Intent 2020-22 V1 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 12 March 2019

Regional Software Holdings Ltd

Six Month Report to Shareholders 31 December 2018

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

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Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Introduction

Regional Software Holdings Limited (RSHL) was incorporated in October 2012. This report covers the 6 months from 1 July 2018 to 31 December 2018 as required by Section 66 of the Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

Type of Entity and Legal Basis

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

Structure of the Company

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

Main sources of RSHL's Cash and Resources

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

Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration between the shareholders and across the wider regional council sector. It supports the procurement or development of shared software services and products in a manner that provides greater consistency in how we operate our core processes and a more cost effective alternative than individual councils can achieve on their own.

The company operates through managed contractual arrangements, and by facilitating collaborative initiatives between councils' staff. Some councils are both customers of RSHL and providers of service to RSHL.

RSHL seeks to reduce costs to the existing shareholders and increase its influence in Regional Council sector information systems by increasing the user base for IRIS and by expanding the common product suite.

Whilst the current flagship of RSHL is the Integrated Regional Information System (IRIS), the scope of activities for RSHL is not limited to the IRIS application suite. Future activities will be identified by Shareholder Councils. New opportunities will be identified, and priorities set in the Business Plan, other opportunities may arise and be investigated on a case by case basis. New activities will require explicit Board approval.

Vision

To provide a high quality shared service for the Regional Council sector (and associated agencies) that delivers value to shareholders, customers and the sector.

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Mission

Sponsor collaboration through the Regional Council special interest groups and provide a vehicle for delivering shared solutions and services to the sector in accordance with our values and in a manner that achieves:

- Consistent, common and efficient regional council specific processes and functions
- Value through economies of scale
- Reduced risk through ensuring continuity of supply and control of the destiny of Regional Council sector specific software
- Greater influence with central government through demonstration of a more cohesive and collaborative sector

Values

In all RSHL decisions and interactions the Board and staff together with member council participants who may be working within the RSHL framework will observe the following values and ethos:

- The best decision is that which provides the best end result, primarily for our shareholder councils but also our customer councils, and indirectly the communities they serve.
- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open
- Our solutions will be practical, appropriate to the scale of the problem and affordable
- Where appropriate we will utilise codes of practice and standards produced by industry groups
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

Objectives

The principal objective of RSHL is to deliver on the vision, mission and values.

The secondary objective of RSHL is to:

- Achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent,
- Be a good employer,
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

Service Performance

Progress against the Statement of Intent (SOI) performance measures is reported in the following section.

Items of significance during the six months include:

- One IRIS release has been successfully delivered in the current year to date. This included one RSHL funded major enhancement, eleven minor enhancements and twenty-six support fixes.

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

- The first phase of the implementation of IRIS at Hawke's Bay Regional Council went live on 26th November 2018 with no significant issues experienced. This involved the Consents and Compliance functionality. The implementation of the Incidents and Enforcements functionality is progressing well, with go-live planned for 11th February 2019. RSHL have provided Project Management support, subject matter expertise and guidance from across the RSHL councils.
- RSHL has received funding from across the regional council sector to deliver collaborative projects that are put forward by the Regional Council Special Interest Groups (SIGs) as part of the ReCoCo initiative (Regional Council Collaboration). The initiative aims to leverage RSHL as the 'vehicle' for delivering common and consistent processes across the sector. The first three ReCoCo initiatives have been approved and are currently underway

Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2018-19 financial year.

Performance Measures		For the period ending 31 December 2018
Non Financial	Undertake an annual survey of users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Baseline to be developed following the completion of the first survey.	To be undertaken in the 3 rd Quarter 2018-19
	Develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. Draft annual roadmap presented to the Board by 31 December of each year for the following year. Adoption by the Board by 30 June of each year.	On Track High-level technology direction and roadmap for IRIS was presented, discussed and agreed at the in-person Board Meetings in November 2018 and January 2019.
	Major Enhancement projects identified on the Annual Roadmap are all completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	On track
	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group.	On Track
	User Groups and business representatives are engaged in the development of the Major Enhancement Annual Roadmap.	On Track Business Intelligence representatives from several regional councils have been involved in developing the roadmap.
Financial	RSHL will operate within 5% (plus or minus) of its shareholder approved annual budget.	On track for year end, however the ReCoCo budget of \$500k revenue and expenditure will not be met, the agreed value is now \$220k. This should have NIL

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

		impact on the final overall financial results.
	Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	On track
	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL. <i>(Applies once in 3 year period)</i>	On Track Business Intelligence representatives from several regional councils have been involved in developing the roadmap.
	Consider, evaluate and, if appropriate, implement new service areas or areas outside of the current scope of IRIS ¹	On Track This is largely being achieved through the ReCoCo initiative.
	Be a service delivery agent for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the Regional Council Corporate Services SIG.	On Track Three ReCoCo initiatives have been approved for delivery by RSHL and are currently underway or having Statements of Work developed.

RSHL Financial Position

Revenue is tracking favourable to budget with 3 quarters of shareholder contributions being invoiced to date. The invoicing for ReCoCo has been completed, the actual value is \$210k against the Budget of \$500k. The December accounts reflect the income as \$220k with a credit raised in January of \$10k.

Operating expenditure is tracking favourable to budget with the ReCoCo spend being slower than expected as we await projects from the ReCoCo Advisory Group, it is possible that the full funding from ReCoCo will not be fully utilised by year end. Expenditure to date on IRIS software is progressing however it is possible that the capital spend budget may not be fully utilised at year end.

The cash position is looking favourable due to the full ReCoCo funding being received early in the year.

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Shareholdings & Directors

Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula. The following shareholding was agreed:

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

The Directors appointed for the period that this six monthly report covers were:

Director	Appointed By
Mike Nield (Chairman)	Taranaki Regional Council
Mike Garrett (Deputy Chairman)	Waikato Regional Council
Malcolm Nicolson	Northland Regional Council
Ged Shirley	Horizons Regional Council
Les Gibbs	West Coast Regional Council
Neil Selman	Southland Regional Council

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Financial Statements

Statement of Financial Performance

For the Six Month Period Ending 31 December 2018

	Notes	31 Dec 2018 6 Months Unaudited \$	31 Dec 2017 6 Months Unaudited \$	30 June 2019 12 Months SOI \$	30 June 2018 12 Months Audited \$
Income					
Members contribution		838,183	823,901	1,117,579	1,151,350
User funding		117,939		148,463	-
Regional sector shared services		220,000	1	500,000	-
Interest income		155	104	600	277
Other income	1	72,312	117,231	62,750	77,255
Total Income		1,248,589	941,236	1,829,392	1,228,882
Expenses					
Administration & Technical Support	2	15,925	9,743	31,820	42,870
Audit fees		-	-	5,400	5,250
Datacom support charges		103,456	115,802	178,000	278,468
Management fees		65,394	73,821	157,500	148,773
Environmental Charges		5,556	4,438	10,500	9,476
Implementation Costs		4,575	15,388	-	19,505
Other Direct Software Expenses		67,358	61,944	112,750	68,041
Travel, meeting & promotional costs		3,532		17,000	
Independent Director		15,000	2,500	30,000	18,627
Regional sector shared services		15,956	-	500,000	-
Depreciation		397,878	362,526	786,423	740,460
Total Expenses		694,630	646,162	1,829,392	1,331,470
Operating Surplus		553,959	295,074	-	(102,588)
Taxation			-	-	-
Net Profit After Tax		553,959	295,074	-	(102,588)

The accompanying notes form part of these financial statements.

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Statement of Financial Position

For the Six Month Period Ending 31 December 2018

	Notes	31 Dec 2018 6 Months Unaudited \$	31 Dec 2017 6 Months Unaudited \$	30 June 2019 12 Months SOI \$	30 June 2018 12 Months Audited \$
Assets					
Current assets					
Bank Accounts and Cash	3	490,772	239,471	137,932	305,693
Debtors and Prepayments	4	422,088	367,941	-	6,317
GST Receivable		-	-	-	33,237
Withholding Tax Paid		130	208	-	94
Total Current Assets		912,990	607,620	137,932	345,341
Non-Current Assets					
Property, Plant and Equipment	5	4,990,914	5,106,333	5,202,007	5,025,893
Non-Current Assets		4,990,914	5,106,333	5,202,007	5,025,893
Total Assets		5,903,904	5,713,953	5,339,939	5,371,234
Liabilities					
Current Liabilities					
Creditors and Accrued Expenses	6	88,543	87,843	-	166,199
GST		56,367	23,414	-	-
Income Tax		-	-	-	-
Total Current Liabilities		144,910	111,257	-	166,199
Total Liabilities		144,910	111,257	-	166,199
Net Assets		5,758,994	5,602,696	5,339,939	5,205,035
Represented By:					
Equity					
Equity		5,149,150	5,149,150	5,149,150	5,149,150
Current Year Earnings		553,959	295,074	-	(102,588)
Retained Earnings		55,885	158,472	190,790	158,472
Total Equity	7	5,758,994	5,602,696	5,339,939	5,205,035

The accompanying notes form part of these financial statements.

MJ Nield - Chairman
Xx xx xx

G Shirley – Director
Xx xxx xx

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Statement of Cash Flows

For the Six Month Period Ending 31 December 2018

Notes	31 Dec 2018 6 Months Unaudited \$	31 Dec 2017 6 Months Unaudited \$	30 June 2019 12 Months SOI \$	30 June 2018 12 Months Audited \$
Cash flows from Operating Activities				
Cash was provided from:				
Receipts from Members	886,893	583,332	1,117,579	1,148,084
Interest	155	104	600	277
Other Income		57,750	711,213	94,926
Total Operating Receipts	887,048	641,186	1,829,392	1,243,288
Cash was applied to:				
Payments to Suppliers	(347,315)	(310,820)	(1,042,970)	(503,931)
Net GST Movement	24,855	(26,050)	-	(26,111)
Interest/Withholding Tax	-	(22)	-	-
Total Operating Payments	(322,460)	(336,8920)	(1,042,970)	(530,042)
Net cash from operating	564,588	304,294	786,422	713,246
Cash flows from Investing Activities				
Cash was applied to:				
Purchase of Fixed/Intangible Assets	(379,510)	(417,898)	(785,248)	(760,628)
Total Investment Payments	(379,510)	(417,898)	(785,248)	(760,628)
Net cash from investing	(379,510)	(417,898)	(785,248)	(760,628)
Cash flows from Financing Activities				
Cash was provided from:				
Capital raised	-	-	-	-
Total Financing Receipts	-	-	-	-
Net cash from financing	-	-	-	-
Net increase (decrease) in cash flow for the year	185,078	(113,604)	1,175	(47,382)
Opening Cash Balance	305,693	353,075	136,758	353,075
Closing Cash Balance	490,772	239,471	137,932	305,693
Made up of:				
Westpac Current Account	130,796	206,642	25,000	141,786
Westpac Online Saver Account	359,976	32,829	112,932	163,907
	490,772	239,471	137,932	305,693

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

The accompanying notes form part of these financial statements.

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Notes to the Financial Statements

For the Six Months Ending 31 December 2018

Statement of Accounting Policies

Reporting Entity

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

The financial statements are those of RSHL, for the six months ended 31 December 2018, and were authorised for issue by the Board of Directors on xx February 2018.

Public Benefit Entity Simple Format Reporting

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

Basis of Preparation of the Financial Statements

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

Statement of Compliance

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

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity (PBE) Standards. RSHL adopted the PBE standards for the first time in July 2014.

These financial statements comply with PBE Standards.

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

Changes in Accounting Policies

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Summary of Significant Accounting Policies

Revenue

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

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

Interest revenue is recorded as it is earned.

Expenditure

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

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

Bank Accounts and Cash

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

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

Debtors

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

Inventories

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

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

Depreciation

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

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

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Notes to the Financial Statements for the Six Month Period Ending 31 December 2018

1. Other Income

	31-Dec-18	31-Dec-17	30-Jun-19	30-Jun-18
	6 Months	6 Months	12 Months	12 Months
	<u>Unaudited</u>	<u>Unaudited</u>	<u>SOI</u>	<u>Audited</u>
Recovery of other direct software expenses	67,946	101,844	62,750	57,750
Hawkes Bay Regional Council Reimbursements	4,366	15,388	-	19,505
Total Other Income	72,312	117,232	62,750	77,255

2. Administration Costs

	31-Dec-18	31-Dec-17	30-Jun-19	30-Jun-18
	6 Months	6 Months	12 Months	12 Months
	<u>Unaudited</u>	<u>Unaudited</u>	<u>SOI</u>	<u>Audited</u>
Administration Support	520	1,852	2,825	1,851
Accounting & Technical Support	13,171	5,512	23,295	35,667
Legal expenses	-	315	5,700	315
Insurance	2,125	1,970	-	1,970
External contractors	-	-	-	2,933
Bank Fees	109	94	-	134
Total Administration Support	15,925	9,743	31,820	42,870

3. Bank Accounts and Cash

	31-Dec-18	31-Dec-17	30-Jun-19	30-Jun-18
	6 Months	6 Months	12 Months	12 Months
	<u>Unaudited</u>	<u>Unaudited</u>	<u>SOI</u>	<u>Audited</u>
Current Account	130,796	206,642	25,000	141,786
Savings Account	359,976	32,828	112,932	163,907
Total Bank Accounts and Cash	490,772	239,471	137,932	305,693

4. Debtors and Prepayments

	31-Dec-18	31-Dec-17	30-Jun-19	30-Jun-18
	6 Months	6 Months	12 Months	12 Months
	<u>Unaudited</u>	<u>Unaudited</u>	<u>SOI</u>	<u>Audited</u>
Debtors	422,088	367,941	-	6,317
Prepayments	-	-	-	-
Total Debtors & Prepayments	422,088	367,941	-	6,317

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

5. Property, Plant and Equipment

IRIS Software Intellectual Property

Carrying amount as of 01 July 2017	5,097,160
Additions	426,340
Work in Progress	281,100
Depreciation Expense	(737,625)
Work in Progress written off/impaired	(80,772)

Carrying Amount as of 30 June 2018 4,986,203

Carrying amount as of 01 July 2018	4,986,203
Additions	51,016
Work in Progress*	311,883
Depreciation Expense	(395,711)

Carrying Amount as of 31 December 2018 4,953,350

* WIP includes individual Council funded for Waikato Regional Council \$26,078 & Taranaki Regional Council \$6,710.

E-learning Software

Carrying amount as of 01 July 2017	5,198
Additions	37,327
Depreciation	(2,835)

Carrying Amount as of 30 June 2018 39,690

Carrying amount as of 01 July 2018	39,690
Additions	-
Depreciation expense	(2,126)

Carrying Amount as of 31 December 2018 37,564

Total Asset Carrying Amount as of 31 December 2018 4,990,914

6. Creditors and Accrued Expenses

	31-Dec-18 6 Months Unaudited	31-Dec-17 6 Months Unaudited	30-Jun-19 12 Months SOI	30-Jun-18 12 Months Audited
Creditors	79,434	87,843	-	160,069
Accrued expense – Waikato Regional Council Dec 2018	9,109	-	-	-
Accrued Expense – Audit NZ	-	-	-	5,250
Accrued expense – Environment Charges Feb 2018	-	-	-	839
Accrued expense – Xero Software subscription June 2018	-	-	-	41
Total Creditors and Accrued Expenses	88,543	87,843	-	166,199

7. Equity

	31-Dec-18 6 Months Unaudited	31-Dec-17 6 Months Unaudited	30-Jun-19 12 Months SOI	30-Jun-18 12 Months Audited
Contributed Capital				
Balance at 01 July	5,149,150	5,149,150	5,149,150	5,149,150
Capital Contribution	-	-	-	-
Balance at 30 June	5,149,150	5,149,150	5,149,150	5,149,150

Regional Software Holdings Ltd—Six Month Report to 31 December 2018

Accumulated Surpluses				
Balance at 01 July	55,884	158,472	190,790	158,472
Surplus/(Deficit) for the year	553,959	295,074	-	(102,588)
Balance at end of period	609,843	453,546	190,790	55,884
Total Equity	5,578,994	5,602,696	5,339,257	5,205,035

8. Commitments

There are no significant commitments at balance date, (nil previous years).

9. Contingencies

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

10. Related Party Transactions

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

Related Party Transactions Significant to RSHL Requiring Disclosure:

RSHL purchased management services from Waikato Regional Council (WRC) (32.75% shareholder) to the value of \$83,330 (including GST) (Dec 2017: \$84,247.43 (incl. GST).

RSHL purchased administrative services from Horizons Regional Council (HRC) (15.50% shareholder) to the value of \$11,799 (Dec 2016 \$3,972.42) (including GST).

Regional Software Holdings Limited

Draft Statement of Intent 2020/2021/2022

January 2019
Version 0.1

1 Introduction

This Statement of Intent is a public declaration of the activities and intentions of Regional Software Holdings Limited (RSHL). The statement outlines the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

1.1 Vision

To provide a high quality shared service for the Regional Council sector (and associated agencies) that delivers value to shareholders, customers and the sector.

1.2 Mission

Sponsor collaboration through the Regional Council special interest groups and provide a vehicle for delivering shared solutions and services to the sector in accordance with our values and in a manner that achieves:

- Consistent, common and efficient regional council specific processes and functions
- Value through economies of scale
- Reduced risk through ensuring continuity of supply and control of the destiny of Regional Council sector specific software
- Greater influence with central government through demonstration of a more cohesive and collaborative sector

1.3 Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration between the shareholders and across the wider regional council sector. It supports the procurement or development of shared software services and products in a manner that provides greater consistency in how we operate our core processes and a more cost effective alternative than individual councils can achieve on their own.

The company operates through managed contractual arrangements, and by facilitating collaborative initiatives between councils' staff. Some councils are both customers of RSHL and providers of service to RSHL.

RSHL seeks to reduce costs to the existing shareholders and increase its influence in Regional Council sector information systems by increasing the user base for IRIS and by expanding the common product suite.

Doc # 13625620

Whilst the current flagship of RSHL is the Integrated Regional Information System (IRIS), the scope of activities for RSHL is not limited to the IRIS application suite. Future activities will be identified by Shareholder Councils. New opportunities will be identified, and priorities set in the Business Plan, other opportunities may arise and be investigated on a case by case basis. New activities will require explicit Board approval.

1.4 Values

In all RSHL decisions and interactions the Board and staff together with member council participants who may be working within the RSHL framework will observe the following values and ethos:

- The best decision is that which provides the best end result, primarily for our shareholder councils but also our customer councils, and indirectly the communities they serve.
- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open
- Our solutions will be practical, appropriate to the scale of the problem and affordable
- Where appropriate we will utilise codes of practice and standards produced by industry groups
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

1.5 Possible New Customers and Shareholders

RSHL seeks to reduce costs to the existing shareholders and increase its influence in Regional Council sector information systems by increasing the user base for IRIS and expanding the product suite.

RSHL responds to requests from Councils and organisations that show potential interest in using the IRIS software.

The potential market for the IRIS application is New Zealand Regional Councils and Unitary Authorities.

RSHL seeks to extend its collaboration framework and service delivery beyond the scope of the IRIS software product. In line with this intention, RSHL will sponsor collaboration through the Regional Council special interest groups and provide a vehicle for delivering shared solutions and services to the sector in order to achieve consistent, common and efficient regional council specific processes and value through economies of scale. RSHL will work alongside the special interest groups to agree and deliver the collaborative work programme and this will operate on a cost recovery basis.

2 Objectives

The principal objective of RSHL is to deliver on the vision, mission and values.

The secondary objective of RSHL is to:¹

- a) achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent;

¹ From: Constitution of regional Software Holdings Ltd, Section 1.1

- b) be a good employer;
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

3 Board's Approach to Governance

Members of RSHL's Board of Directors are appointed by the shareholders to govern and direct RSHL's activities. The Shareholders Agreement states that each shareholder has the right to appoint one Director, and that person will be the CEO, or a person nominated by the CEO.² The Constitution allows each Director to appoint an alternative director.³ The Constitution also allows the Shareholders to appoint independent directors.⁴ The Constitution requires that the Board collectively must have relevant knowledge and experience of finance, public bodies, management, governance, and IT management.⁵

The Board is the overall final body responsible for all decision-making within the company. The Board is accountable to its shareholders for the financial and non-financial performance of the company.

Directors' behaviour is to comply with Institute of Directors' standards for Code of Conduct. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- The role and fundamental obligations of the Board
- Independence and conflict of interest, including conflict with management
- Board procedures, including the role of the Chairman and interaction with the General Manager
- Reliance on information and independent advice
- Confidentiality of company information
- Board and Director performance review and development

RSHL will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, the provisions of the Local Government Act 2002 and the Companies Act 1993.

4 Ratio of Consolidated Shareholder's Funds to Total Assets

It is intended that the proportion of equity to total assets be in excess of 60%.

5 Accounting Policies

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

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

²RSHL Shareholders Agreement clause 4.1

³ RSHL Constitution clause 8.3

⁴ RSHL Constitution clause 8.4

⁵ RSHL Constitution clause 8.6

Appendix 1 includes RSHL's Accounting Policies

6 Performance Targets and Other Measures

Performance targets by which the success of the company may be judged in relation to its objectives are:

		2019/20	2020/21	2021/22
Non Financial	Undertake an annual survey of users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Baseline to be developed following the completion of the first survey.	Applies each year		
	Develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. Draft annual roadmap presented to the Board by 31 December of each year for the following year. Adoption by the Board by 30 June of each year.	Applies each year		
	Major Enhancement projects identified on the Annual Roadmap are all completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Applies each year		
	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group.	Applies each year		
	User Groups and business representatives are engaged in the development of the Major Enhancement Annual Roadmap.	Applies each year		
Financial	RSHL will operate within 5% (plus or minus) of its shareholder approved annual budget.	Applies each year		
	Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Applies each year		

Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies once in 3 year period
	Consider, evaluate and, if appropriate, implement new service areas or areas outside of the current scope of IRIS ⁶	Applies each year
	Be a service delivery agent for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the Regional Council Corporate Services SIG.	Applies each year

7 Distribution of Profits to Shareholders

RSHL does not have an objective to make a profit. It seeks to provide products and services at lower costs, and / or higher levels of service than shareholder councils can achieve on their own.

In order for RSHL to be subject to tax, generally it must meet the business test. Fundamental to this is a profit motive. Given the basis under which this CCO operates is to minimise the costs and generally operate on a cost recovery basis and that a pecuniary profit is not intended and highly unlikely, the lack of a profit motive is real.

The RSHL Shareholders Agreement states "If Operating Expenses for a fiscal year are less than the budgeted amount for such year, the Company will retain the funds for application to Operating Expenses for the subsequent fiscal year"⁷. Therefore there will not be a profit available for distribution.

8 Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within two months of the end of the financial year the following audited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.
- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made to it within two months of 1 March by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Shareholder Councils

⁶ Consider does not mean commit to do, but to identify & evaluate one or more opportunities

⁷ Shareholders Agreement, clause 7.4

the ability to include any changes in Annual Fees, or any other form of financial impact, in their Council's budget processes. The Board are to approve the business plan by the end of March prior to the commencement of the new financial year.

- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council's shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above the CPI index.
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

9 Procedures for Major Transactions and Other Acquisitions and Disposals

The Company will not enter into major transactions as defined in Section 129(2) of the Companies Act 1993 without the consent of the shareholders.

10 Procedures for Issue of Shares

The RSHL shareholder agreement requires the approval of the Shareholders holding at least of 75% of the shares for "the issuing or acquisition of any Shares or any change to the rights attaching to any Shares"⁸.

11 Activities for Which Compensation Is Sought

Payment of an Annual Fee for IRIS will be sought from all customers of RSHL, which includes Shareholder Councils, for annual support and development fees, as set out in the License Agreement. The IRIS annual support fee also includes funding to cover the cost of running RSHL.

It is noted that other products or services may be delivered by RSHL. Any such services will only be delivered after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of RSHL.

Any ongoing activities to identify develop or procure additional products or services will be budgeted for in advance, subject to the business case. The subsequent recovery from one or more shareholder or customer councils will be agreed by the Directors on a case by case basis in accordance with the RSHL Constitution.

12 Estimate of Commercial Value of The Shareholder's Investment

The Directors' estimate of the commercial value of the Shareholders' investment in RSHL is equal to the Shareholders' equity in the Company. Reassessment of the value of this shareholding shall be undertaken on or about 30 June each year.

The technologies used to develop the IRIS product will eventually reach the end of their useful life. From time to time, RSHL will need to reinvest to ensure the underlying technology remains fit for purpose and current. Whilst there is currently no outstanding need for reinvestment, future statements of intent will identify and provide for this reinvestment

⁸ RSHL Subscription & Shareholders Agreement Section 5.1 (b)

13 Shareholding

Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula. The following shareholding was agreed:

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

Statement of Intent 2019-2020

Regional Software Holdings Limited

Statement of Financial Performance

For the 12 Months to 30 June

2018-19 Budget		2019/20 SOI	2020/21 Indicative	2021/22 Indicative
Income				
1,117,579	Members Contribution	1,139,931	1,162,730	1,185,984
1,117,579		1,139,931	1,162,730	1,185,984
<u>Other Income</u>				
600	Interest Received	600	600	600
62,750	Council Specific Funding	65,905	65,905	67,289
500,000	Regional Sector Share Services	210,000	210,000	210,000
148,463	User Funding	151,432	154,612	157,859
1,829,392	Total Income	1,567,868	1,593,847	1,621,732
Expenditure				
<u>Administration costs</u>				
2,825	Administration costs	9,125	9,153	9,179
23,295	Accounting & Technical Support	28,495	28,615	28,737
11,100	Audit & Legal fees	5,900	6,024	6,150
178,000	Datacom Support Services	208,260	208,260	208,260
50,000	Technical Services	150,000	150,000	30,000
10,500	Environment Charges	20,000	20,000	20,420
157,500	Management Fees	200,400	200,400	200,400
10,000	Promotional Costs	2,500	0	0
30,000	Independent Director's Fees	30,600	30,600	30,000
7,000	Travel & Meeting Costs	9,000	9,000	8,250
500,000	Regional Sector Share Services	110,000	110,000	0
62,750	Other Direct Software	77,905	77,905	67,289
1,042,970	<i>Total administration costs</i>	852,185	849,956	608,685
<u>Sundry other costs</u>				
786,423	Depreciation	878,641	967,115	1,058,921
1,829,393	Total expenditure:	1,730,826	1,817,071	1,667,605
-	Surplus/(deficit) before Tax	(162,958)	(223,224)	(45,873)
	Income Tax Expenses			
-	Surplus/(deficit) after Tax	(162,958)	(223,224)	(45,873)

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

2018-19 Budget		2019/20 SOI	2020/21 Indicative	2021/22 Indicative
	ASSETS			
	Current assets			
137,932	Bank Accounts and Cash	721,945	515,836	528,883
-	Debtors and Prepayments	-	-	-
	Non Current Assets			
5,202,007	Property, Plant & Equipment	4,703,489	4,686,374	4,627,454
<u>5,339,939</u>	Total Assets	<u>5,425,435</u>	<u>5,202,210</u>	<u>5,156,337</u>
	LIABILITIES			
	Current liabilities			
-	Creditors and Accrued Expenses	-	-	-
-	Income Received in Advance	-	-	-
<u>-</u>	Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,339,939</u>	NET ASSETS	<u>5,425,435</u>	<u>5,202,210</u>	<u>5,156,337</u>

Represented by:

2018-19 Budget		2019/20 SOI	2020/21 Indicative	2021/22 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
-	Current Year Earnings	(162,958)	(223,224)	(45,873)
190,790	Retained Earnings	298,177	298,177	74,953
<u>5,339,939</u>	Total Equity	<u>5,284,369</u>	<u>5,224,103</u>	<u>5,178,230</u>

Regional Software Holdings Limited
Statement of Cash Flows
For the 12 Months to 30 June

2018-19 Budget		2019/20 SOI	2020/21 Indicative	2021/22 Indicative
	Cashflows from Operating Activities			
	Cash received from:			
711,213	Receipts from customers	361,432	364,612	367,859
1,117,579	Shareholder contributions	1,205,836	1,228,635	1,253,273
600	Interest	600	600	600
-	Income Tax Paid (refunded)	-	-	-
1,829,392	Total Operating Receipts	1,567,868	1,593,847	1,621,732
	Cash applied to:			
1,042,970	Payments to suppliers	852,185	849,956	608,685
-	Income Tax Paid (refunded)	-	-	-
-	Interest W/holding tax paid	-	-	-
1,042,970	Total Operating Payments	852,185	849,956	608,685
786,422	Net cash from operating	715,683	743,891	1,013,048
	Cashflow from Investing Activities			
	Cash received from:			
-	Sale of Fixed Assets	-	-	-
-	Investment Maturities	-	-	-
-	Total Investment Receipts	-	-	-
	Cash applied to:			
785,248	Purchase of Fixed/ Intangible assets	600,000	950,000	1,000,000
-	Investment deposits	-	-	-
785,248	Total Investment Payments	600,000	950,000	1,000,000
(785,248)	Net cash from investing	(600,000)	(950,000)	(1,000,000)
	Cashflow from Financing Activities			
	Cash received from:			
-	Capital contributions	-	-	-
-	Investment maturities	-	-	-
-	Total Financing Receipts	-	-	-
	Cash applied to:			
-	Capital repaid	-	-	-
-	Total Financing Payments	-	-	-
-	Net cash from financing	-	-	-
1,175	Net increase (decrease) in cash-flow for the year	115,683	(206,109)	13,048
136,758	Opening cash balance	606,262	721,945	515,836
137,932	Closing cash balance	721,945	515,836	528,883
	Made up of:			
25,000	Current account	25,000	25,000	25,000
112,932	Auto-call account	696,945	490,836	503,883
137,932		721,945	515,836	528,883

Appendix 1: Accounting Policies

1 General Information

Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), owned by Waikato Regional Council (32.75%) Northland Regional Council (16.75%) Horizons Regional Council (15.50%) Taranaki Regional Council (15.50%) Southland Regional Council (15.50%) and West Coast Regional Council (4.00%.) RSHL was incorporated on 17 October 2012.

RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS Software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

Public Benefit Entity Simple Format Reporting

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

Basis of Preparation of the Financial Statements

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

Statement of Compliance

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

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

These prospective financial statements comply with PBE Standards.

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

The reporting period for these prospective financial statements is the year ending 30 June.

2 Summary of Significant Accounting Policies

Revenue

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

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

Interest revenue is recorded as it is earned.

Expenditure

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

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

Bank Accounts and Cash

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

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

Debtors

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

Inventories

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

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

Depreciation

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

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

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

Note For Info: Requirements for Statement of Intent
Source: Office of the Auditor General
<http://www.oag.govt.nz/2007/corporate-intent/appendix2.htm>

Item	Section
Statement of intent	This document
Coverage over three financial years and updated annually	1 & 8 & 6
Objectives of the group	2
A statement of the board's approach to governance	3
Nature and scope of the activities to be undertaken	1
Ratio of consolidated shareholders' funds to total assets, and the definitions of those terms	4
Accounting policies	5
Performance targets and other measures by which the performance of the group may be judged in relation to its objectives	6
An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders	7
The kind of information to be provided to the shareholders/ shareholding Ministers by the organisation during the course of the next three financial years	8 (Shareholders)
Procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation	9
Any activities for which the board seeks compensation from any local authority, Harbour Board, or the Crown (whether or not the relevant entity has agreed to provide the compensation)	11 (Local authority)
The board's estimate of the commercial value of the Crown/shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed	12 (Shareholders)
Other matters that are agreed by the shareholders/ shareholding Ministers and the board	none (Shareholders)
Annual report should contain information that is necessary to enable an informed assessment of the operations of the parent entity and its subsidiaries, including a comparison of performance with the relevant statement of intent or statement of corporate intent	8 (Plus explanation of material variances)

TITLE: Chair's Report to Council

ID: A1169638

From: Bill Shepherd, Chairman

Purpose of Report

This report is to receive information from the Chair on strategic issues, meetings/events attended, and correspondence sent for the month of February 2019.

Recommendation

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 1 March 2019, be received.

Strategic issues

Kawakawa Hundertwasser

Attending the blessing of the Mauri stone for the Kawakawa Hundertwasser centre on 1 February was a big thrill. This project has been 'on the books' since around 2012, and it is great to see that it is now moving ahead.

When I compare Kawakawa with the town that existed 30 years ago, there is absolutely no comparison! I have total admiration for the way the town has pulled itself up by its boot straps, and equally I have no doubt that the new facility will be a great additional boost for the town.

Well done Kawakawa!

Provincial Growth Fund

The Provincial Growth Fund (PGF) is proving to be a welcome source of much needed funds for many local projects.

The real challenge for the community groups and organisations that have been granted funding from the PGF is to ensure that those funds are well invested, and importantly that they are invested for the purpose that they have been granted.

Unless we all collectively ensure that the money is well spent, then the whole PGF concept will be discredited and it won't last past the next election and that would be a great pity.

Financial markets

Over many years the council, with community approval, has subsidised rates from our investment funds and our dividend for owning shares in Marsden Maritime Holdings. The wobbles in the financial markets in the last quarter of 2018 have highlighted the risks for your council in becoming too dependent on those returns. Whilst subsidising rates with commercial returns is a laudable objective, we need to ensure that the council is not forced into having to curtail any community services or community projects through lack of cash from commercial returns.

So the council is in the process of determining a risk management strategy to deal with such situations in the future.

Fortunately, the markets have recovered somewhat in January and February, so some of the pressure has dissipated for now.

We live in interesting times!

Meetings/events attended

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Ground breaking ceremony – Kawakawa Hundertwasser Memorial Park.
 - PGF national announcement – Otamatea Marae, Maungaturoto.
 - Representatives from Ruakaka Economic Development Group/Prosper Northland Trust/VIEW to discuss cruise ship visits, new hotel, etc.
 - Royal NZ Navy Beat Retreat at Waitangi.
 - Waitangi National Trust dinner.
 - Dinner and Regional Sector meeting in Wellington with Minister Parker as guest speaker.
 - Northland Mayoral Forum held at Whangārei District Council.
 - Meeting with Dr Shane Reti, MP for Whangārei – catch up meeting.
- Shane Jones - Waitangi get together.
- NZTA sod turning ceremony – Loop Road intersection of SH 1 and SH 15.
- Lorraine Mecca at Waipapa – wanting a better understanding of council structures and advice on how to secure funding for government sponsored programmes.
- Regular fortnightly Northland Mayoral Forum teleconference calls.
- Stephen Smith, new CEO, Northland Chamber of Commerce – introduction and discussion of his intentions with his new role.
- Meeting with REL representatives with GM – Strategy, Governance and Engagement, Jonathan Gibbard; and Economist, Darryl Jones.
- Steve Mutton, Director Regional Relationships – Upper North Island, NZTA – to discuss the sod turning ceremony at Loop Road.
- Bronze Enviroschools celebration at Hikurangi School with Environmental Education Officer, Susan Karels.

Correspondence

During February I sent out the following correspondence:

Date	Addressed To	Subject
08.02.19	Steve Mutton Director Regional Relationships – Upper North Island NZTA	Sod turning ceremony Loop Road roundabout at intersection of SH 1 and SH 15

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

ID: A1169144

From: Malcolm Nicolson, Chief Executive Officer

Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 28 February 2019, be received.

7.2.1 HIGHLIGHTS

Procedures for National Environmental Standard – Plantation Forestry

Compliance and IT staff have done an outstanding job implementing procedures and systems to handle the new requirements under the National Environmental Standard – Plantation Forestry. A presentation was made at the National Environmental Compliance Conference on how NRC has implemented and are managing forestry activities under the Standard. Other regional councils are now requesting copies of the work that NRC has done (including the Ministry for Primary Industries review team).

Best trade exhibit at 2019 Kaitāia A & P show

Kaitāia office staff attended the A & P show with information on land management, pest animals, weeds and flood infrastructure. Staff answered customer queries and were awarded the 'Best Trade Exhibit' for 2019. The event had a lower attendance than normal but this could be due to the wet weather conditions. The Marketing and Engagement team will review future attendance at this event based on feedback from this year.

7.2.2 CEO'S OFFICE

Regional Software Holdings Limited

Hawkes Bay Regional Council (HBRC)

HBRC went live with the first phase of their IRIS implementation in November 2018 and involved the Consents and Compliance functionality. The second phase involved Incidents and Enforcements functionality and went live in February 2019. No significant issues were experienced during either phase.

RSHL has provided Project Management support, subject matter expertise and guidance from across the RSHL councils.

The Water Information System component has been deferred to Phase 2 of the IRIS implementation, alongside Land Management and Biosecurity. Planning for this phase is scheduled for March.

RSHL General Manager Recruitment

Applications and expressions of interest for the General Manager position have been sought through Seek and LG Jobs. A total of 18 applications have been received. These were reviewed to create a shortlist with interviews held later in February. Further interviews were to be held with the preferred candidates (two) early in March.

Council property update

A Sale and Purchase Agreement to sell a CBD property is currently undergoing due diligence by the vendor.

A draft Sale and Purchase Agreement to purchase a CBD property is currently before the vendor.

Redevelopment at 8 Kensington Avenue: Resource Consenting, tenant signup and detailed design is progressing within projected timeframes. No significant issues arose at the pre-application meeting with WDC regarding Building Consent. A Registration of Interest for the head construction contractor is to be released on GETS in March, 2019.

Kaipara Service Centre: Consultant engagement is almost complete. A Geotech Report and Topographical Survey have been received for the site and have confirmed that a two-storey building is appropriate. KDC councillors consider the broad terms of a lease agreement on 28 March, 2019.

The Mt Tiger Forest harvest has begun and will be complete in April 2019.

Current Legal Proceedings

<i>Department</i>	<i>Description</i>	<i>Status</i>
Consent decision appeal	To construct a boardwalk as part of a coastal walkway in Back Bay, Mangawhai Estuary	No further progress to report. Mediation adjourned until 30 June 2019.
Consent decision appeal	Seventeen groundwater takes for horticultural irrigation at Houhora, Motutangi, and Waiharara	The Court issued a decision on 19 February 2019. The decision states that <i>"the grant of consent is generally appropriate dependent of conditions"</i> and then asks for the applicant to provide amended conditions to the Court by 29 March 2019. The other parties then have until 12 April 2019 to provide comments to applicant on conditions. The amendments to conditions relate to wetland water trigger levels and saline intrusion triggers for the initial abstraction phase during the first year.
Consent decision appeal	Replacement consents for, and new consents for an expansion of, Doug's Opua Boat Yard in Walls Bay, Ōpua.	No further progress to report. An Environment Court hearing has been set down for the weeks of 8 or 15 April 2019.
Consents and notification decisions judicial review	Peat/kauri gum and resin extraction operation	The judicial review proceedings were withdrawn following surrender of the consents by the Consent Holder. One of the plaintiffs (Forest and Bird) has applied for costs from the council, which the council is opposing. The application is currently before the High Court for determination.

7.2.3 CORPORATE EXCELLENCE

Fraud Declaration

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

7.2.4 REGULATORY SERVICES

Consents in Process

During February 2019, a total of 50 Decisions were issued. These decisions comprised:

2	Moorings
6	Coastal Permits
0	Air Discharge Permits
12	Land Discharge Permits
6	Water Discharge Permits
16	Land Use Consents
3	Water Permits
5	Bore Consents

The processing timeframes for the February 2019 consents ranged from:

441 to 1 calendar days, with the median time being 50 days;

277 to 1 working days, with the median time being 25 days.

46 Applications were received in February 2019.

Of the 121 applications in progress at the end of February 2019:

35	were received more than 12 months ago (most awaiting further information);
26	were received between 6 and 12 months ago (most awaiting further information);
60	less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in February 2019.

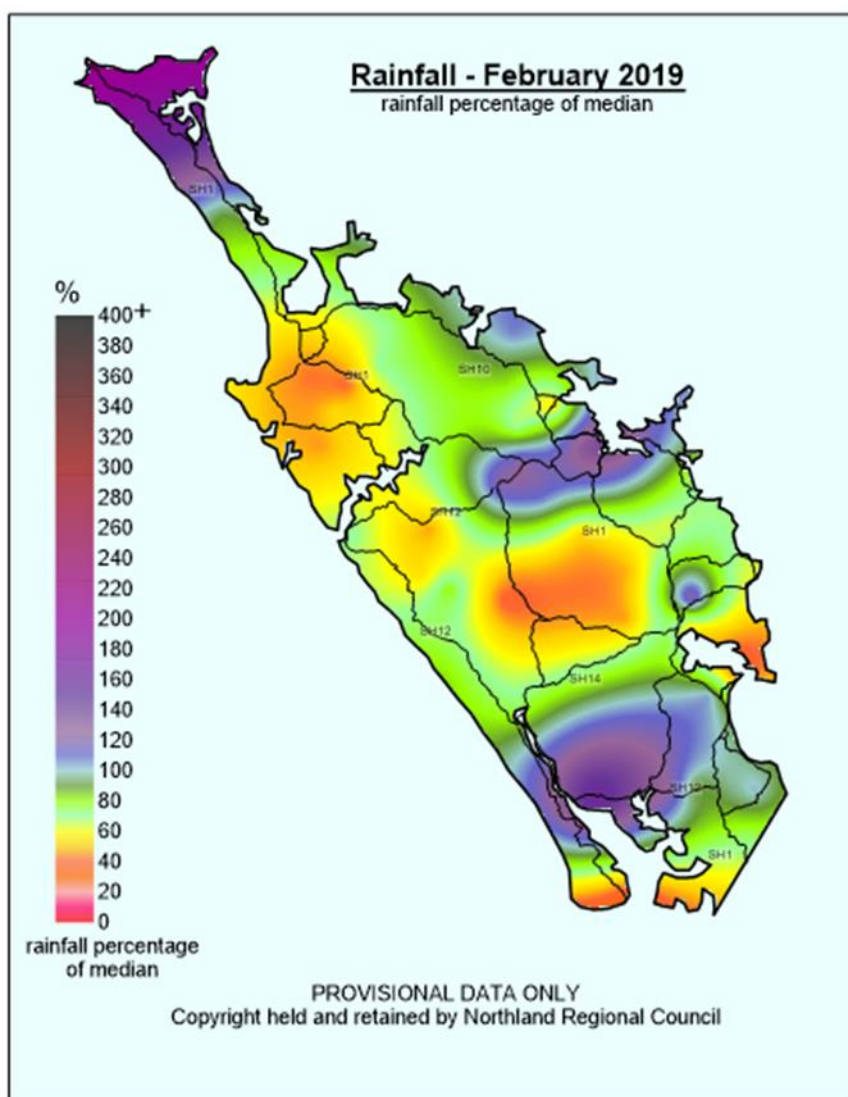
Consents Decisions and Progress on Notified Applications in Process, Objections and Appeals

The current level of notified application processing activities at the end of February 2019 is (by number):

Applications Publicly/Limited Notified During Previous Month	1
Progress on Applications Previously Notified	5
Hearings and Decisions	0
Appeals/Objections	3

Hydrology

Some reprieve from the dry conditions occurred with the rain events on the 3 (mostly isolated to the Bay of Islands area), 9 (isolated to Whangārei/eastern hills) and 22/23 February (throughout the region, but mainly in the Kaipara). Overall, February rainfall in the region was below that expected for the month, except in parts of the Bay of Islands and Kaipara. A more detailed report can be found on the Northland Regional Council website (<https://www.nrc.govt.nz/environment/river-and-rainfall-data/hydrology-climate-report/>).w



Low flow gaugings have been carried out at 28 sites in the Waitangi catchment. Gaugings will be carried out multiple times over low flows, with the aim of using the data to calibrate a MALF (“Mean Annual Low Flow”) model. If the dry weather persists, another low flow gauging run on the Waitangi will be required.

Low flow gauging project work has also been carried out at 28 Whangārei Harbour tributaries for MALF model calibration. This is the second run of gaugings at these sites completed this summer.

IRIS270 dataloggers and new depth/conductivity sensors have been installed at the Aupōuri Sweetwater Bore and Russell at Foreshore Bore recorder sites. These are the 3rd and 4th IRIS270 dataloggers installed and are running well now after some teething issues. It is noted that the Russell depth/conductivity sensor has been removed for maintenance following this install.

Natural Resources Science

Coastal

Samples have been collected from the council's estuary monitoring sites in Whangaroa and Ruakākā. The monitoring programme follows the National Estuary Monitoring Protocol, which was developed by Cawthron for use by regional councils. It involves sampling the physical and chemical (metals and nutrients) properties of the sediment, and the ecological communities of representative intertidal habitats. The programme enables the council to assess the health of representative intertidal sites in our estuaries and can be used to track changes in the health of these sites over time.

Freshwater quality/Freshwater ecology

A presentation on Northland groundwater quality has been prepared for the Four Waters Group. The presentation outlines existing information available on groundwater quality in Northland, non-compliance with Drinking Water Standards for New Zealand at specific sites and future projects proposed.

Air quality

Ambient PM₁₀ monitoring results for January 2019 for the Whangārei and Marsden Point airsheds and Kaikohe showed that compliance was met with the National Environmental Standards for Air Quality (NESAQ). PM_{2.5} monitoring results for Whangārei were within the Ambient Air Quality Guideline value.

Unsealed Road PM₁₀ monitoring started in early December 2018. Currently the monitor is at the fourth site for this summer.

Natural Resources Data

The Data Management Team processed a large information request for Opus on behalf of Te Rūnanga o Ngaitakoto. Opus has been engaged to scope the feasibility of small scale dams to improve the water security of the communities in the Far North.

Water use online system: The online submission system was tested by 10 consent holders in February 2019. We are currently obtaining feedback. Mark Rodgers (Hilltop Software) will be visiting on 20 and 21 March to alter the online system accordingly.

We are currently considering options to review the Field Monitoring Group Quality System to better reflect the responsibilities/tasks of the Natural Resources Monitoring teams.

Coastal/Water Quality Field Operations

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

The river water quality runs, including the priority catchments, were undertaken as was monthly periphyton sampling. Monthly cyanobacteria samples were collected at four lakes.

Recreational bathing site bacteriological monitoring was undertaken each Monday with results reported to LAWA, and exceedances of the relevant guidelines reported to the Northland District Health Board and relevant district councils for follow up action. The monitoring programme has now been completed for the summer.

Compliance monitoring

The results of compliance monitoring for the period 1 – 28 February 2019, comparison with the previous year's data (in brackets) 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	39 (20)	33 (15)	2 (2)	3 (0)	1 (3)
Coastal permit	72 (50)	63 (38)	8 (9)	1 (1)	0 (2)
Discharge permit	67 (68)	48 (51)	13 (12)	4 (1)	2 (4)
Land use consent	38 (18)	35 (16)	2 (2)	0 (0)	1 (0)
Water permit	228 (49)	169 (17)	49 (30)	1 (0)	9 (2)
Total	494 (205)	298 (137)	74 (55)	9 (2)	13 (11)
Percentage		78.4%	16.7%	2.0%	2.9%
YTD	5648	4516	660	228	244
Percentage		80.0%	11.7%	4.0%	4.3%

Coastal

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

Hazardous substances

Twelve incidents involving the discharge of hazardous substances and 17 enquiries regarding contaminated land were received and responded to. There was 487.1kg of hazardous wastes disposed of.

Discharge and land use monitoring

During the month compliance staff attended:

- A co-design workshop with the EPA enforcement unit.
- A meeting with the three district councils to discuss working together on the NES - Plantation Forestry.

Since 1 May 2018 (when the Forestry NES came into effect), NRC has received 326 notices of activities. The majority (about 55%) of these have been in relation to harvesting.

Notices of Activities NES–PF		
Subpart 1	Afforestation	7
Subpart 3	Earthworks	105
Subpart 4	River crossings	32
Subpart 5	Forestry quarrying	3
Subpart 6	Harvesting	179
	Total	326

Environmental incidents

Notification and response to smoke nuisance complaints has been minimal during the reporting period due to the continued total fire ban. The dry weather has predictably resulted in an upsurge of incidents relating to nuisance dust from unsealed roads.

One incident was reported during the period which resulted in a significant environmental impact. This was in relation to excavation / drainage works in a significant wetland to create pasture. Council's Biodiversity Team will be working with the landowner with the intent to re-establish the area. A decision on formal enforcement action has been temporarily deferred.

Abatement notices, infringement notices and formal warnings

The following enforcement actions were taken during the period:

Nature of Offence	Infringement Notice		Abatement Notice		Total	
	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices
Burning & smoke nuisance	1	1	0	0	1	1
Discharge to land	2	2	1	1	3	3
Illegal activity in CMA	2	2	1	1	3	3
Illegal take, dam or diversion of water	2	2	0	0	2	2
Other air discharge	3	3	0	0	3	3
Total	10	10	2	2	12	12

Dumping and burning of demolition waste, Kaikohe

Charges have been laid against two companies and one individual (associated with one of the companies) and a landowner for the dumping and burning of demolition waste near Kaikohe. One of the companies entered guilty pleas on 14 November 2018. The other company and the land owner have elected jury trial. The landowner requested a sentence indication hearing which was commenced on 28 February 2019. There was a dispute about the Summary of Facts which the presiding judge considered was too significant for him to give a sentence indication. The next court date is likely to be in April when it is expected that there will be an Agreed Summary of Facts.

Enforcement Order – Paihia Wastewater Treatment Plant

The matter came before Judge Smith on 4 March 2019. An agreement was reached in principle on the form and content of the enforcement orders, but the specific wording of the orders needed some further work. The final draft orders were provided to the Court of approval on 8 March.

Farm dairy effluent – Waipū

Charges have been laid against a Waipū farmer for offending which occurred in July and December 2018. The offences related to discharges of untreated effluent from breakages in irrigation lines. The farmer has a poor history of compliance with regional rules for animal effluent disposal. The first court appearance is scheduled for 25 March 2019.

7.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Environment Fund Update

On 21 February 2019 eight Hill Country Erosion Fund (planting) projects were approved totalling \$49,900, one Northern Wairoa Freshwater Improvement Fund project and two catchment group projects. There is still \$50k available to spend on planting projects under the boost fund. This will be aligned with the landowners over the next four weeks.

Farm Environment Plans (FEP) – 2018/19

This financial year 106 FEP's have been commenced and 69 completed.

One Billion Trees

The 2019-2023 Hill Country Erosion Fund (HCEF) contract is still being negotiated with MPI and will aim to be completed by the end of March. Once complete we will start developing the communications and implementation planning for the project.

Northern Wairoa Project

A total of \$193K of subsidies for fencing and stockwater reticulation has been allocated to landowners, we are currently in the process of developing planting projects for this season.

Kaipara Hill Country Erosion Fund (KHCEF)

This quarter, between 21st November 2018 and 21 February 2019, six farm plans with areas of high erosion risk covering 1,525 hectares were completed meeting MPI targets. A total of \$245,800 co-funding for KHCEF allocated from the NRC Environment Fund has been distributed across 48 projects within the Kaipara catchment involving fencing of waterways, land for retirement and planting riparian margins in the 2018/19 financial year.

Mature Tree Management Research

Willow clearance and chipping has recently been completed with focus now aimed at marketing and distribution of the chip. The main market this chip product will be aimed at is stock bedding on farm, and its biofuel potential; other options could be used to cover bare earthwork sites.

We have filmed this whole process and are currently developing a short educational documentary with landowner, consulting experts and operational contractors discussing issues, challenges and possible solutions.

Poplar timber trials

A portion of our milled poplar timber has been treated (H3) and we are now looking at ways to utilise this timber on farms. The timber seems to have held treatment well, but this will be monitored over time.

A portion of non-treated timber was supplied to a local Waka Ama club who have utilised the timber in building waka and waka paddles. Examples of these products were on display at the Northland Field Days to promote the use of poplar timber.

BIODIVERSITY

Wetlands

Biodiversity staff assisted Landcare Research with wetland and tradescantia biocontrol monitoring at in Hikurangi Swamp. This work is part of the Living Water programme and is in its third and final monitoring cycle. One of the biocontrol beetle agents is now widespread in the area and is showing

a knockdown of the tradescantia which should benefit regeneration of the wetland forest understorey.

Poutō Catchment Group

On 21 February 2019, \$8,500 of the Poutō Catchment Stakeholder Advisory Group's annual \$10,000 funding was approved, towards planting at Lake Kanono (up to \$4,000) and fencing at Lakes Humuhumu and Rotopouua (up to \$4,500). The balance of funds will be allocated in March. The Poutō Catchment Stakeholder Advisory Group is considering a draft Terms of Reference for a catchment working group. The purpose of the working group will be to implement the existing catchment plan objectives.

CoastCare

A kaitiaki ambassador programme has been running over the summer in the Karikari Peninsula area in response to a number of incidents and concern from the community related to issues such as damage caused by vehicles in the dunes and non-responsible freedom camping. Ngāti Kahu in conjunction with the four local marae chose two 'Kaitiaki Rangers' from each marae to ensure a Mana Whenua presence. Feedback from the community has been extremely positive and incidents reports to all agencies for the area have been significantly lower than in previous summers. The programme is a collaboration between Far North District Council, Department of Conservation, Ngāti Kahu and Northland Regional Council with funding from MBIE.

A CoastCare Social media campaign was run over January and February to encourage beachgoers to know how to care for our coast, lead by example and learn about the dune protection work being undertaken around our coast by volunteers. The posts were very popular with a total of 90,747 impressions and 2,240 engagements. 54 entries to the photo competition were received.

Check Clean Dry advocacy

Waitangi Day, Kai Iwi Lakes triathlon and Pacific Fusion festival were attended to promote the Check Clean Dry (CCD) message. In addition, visits were made to Lakes Waikere and Taharoa (Kai Iwi Lakes), Piroa Falls, Puketi forest falls and Wilson's Dam to engage with visitors and complete CCD surveys.

Dune Lakes FIF

The five fencing and water reticulation projects are underway with one of these now complete at Lake Wahakari. One further fencing job is progressing, working with Ngai Takoto and FNDC on an Occupation Plan which will allow riparian planting to mitigate farm runoff over the Road Reserve, once the fence is shifted. This work represents the bulk of project funding this financial year.

The project has formed a partnership with MPI, DOC, Fish and Game, the Eel Enhancement Company and iwi to better communicate and seek behaviour change in lake-use sectors who are at highest risk of moving aquatic weeds and pest fish further around the region. A strategy is being drafted and roll-out of this campaign is anticipated to be 1 July.

The Maruwai Kaiwhakahaere (contracted iwi community coordinators) are emerging into dynamic champions of the project among their people and wider community.

BIOSECURITY

Predator Free 2050

Predator Free 2050 Ltd (PF2050) recently announced they are seeking expressions of interest from parties located in the Provincial Growth Fund "surge regions" wishing to undertake ambitious, large landscape predator control to eradication projects. Council will coordinate and develop an expression of interest for Northland communities which aims to control predators over large areas and eradicate possums from selected areas within Northland. The project will bring together key agencies, organisations and community groups such as Reconnecting Northland, Kiwi Coast Trust,

the Integrated Kaipara Harbour Management Group, District Councils, Iwi, Department of Conservation and many more.

Biosecurity Threats/Incursions

Auckland Fruit Fly

Three single male Queensland fruit flies have been found in separate surveillance traps in the Auckland North Shore suburbs of Devonport (x1) and Northcote (x2). Council's Biosecurity Incursion Management Officer was deployed to Auckland to assist with managing one of the response workstreams and will continue to provide assistance if required. Council's participation in these events help to ensure staff gain response experience and will better prepare Northland for future responses.

Water lettuce, *Pistia stratiotes* – Notifiable organism

A site of this highly invasive aquatic weed was identified by one of our officers at a property in Tamaterau. This notifiable organism was thought to be largely eradicated from New Zealand. A specimen was provided to MPI to confirm the identification, and the incident handed over to MPI for follow up. As it was a small amount of material held in pots, containment of this site should be easily achieved, but MPI will complete a wider search and attempt to track back the original source.

Biosecurity Partnerships

Kiwi Coast – NRC Partnership

Kiwi Coast was a finalist in the New Zealander of the Year Awards, Community category. Council's ongoing support of the Kiwi Coast was acknowledged at the awards ceremony which was broadcast to tens of thousands of New Zealanders.

An article was published on the herald website: www.nzherald.co.nz



Photo: Kiwi Coast Coordinator Andy Mentor receiving award

Whangārei Heads High Value Area

Four hundred and ninety people attended the Backyard Kiwi release to see four more kiwi released into the fringes of the Whangārei Heads peninsula, with the hope that some may move into the Kiwi Link CPCA and contribute to its small but growing kiwi population

(<http://www.backyardkiwi.org.nz/4-new-kiwi>). Staff also supported the Weed Action coordinator to run their community weed control resources stall at the release, to continue to raise awareness and remove barriers to action for weed issues.

Piroa – Brynderwyn (Mangawhai – Waipū) High Value Area

One hundred and twenty DOC200 double set traps have been added to the predator control network within the Piroa-Brynderwyns high value area. The trap boxes continue to be built locally by the Waipū Men's shed. The trapping network is extending westward from the coast towards State highway 1. Currently there are over 700 predator traps deployed within the High Value area with more being installed every week.

Mid North – Bay of Islands High Value Area

The Kiwi Coast - Mid North Coordinator and Council biosecurity officers have continued to work together to get over 500 new predator traps out to landowners and community groups throughout the Mid North – Bay of Islands High Value Area over summer. The traps have continued to be built locally by inmates through a partnership with the Northland Regional Corrections Facility at Ngawha.

Tutukaka High Value Area

Staff are continuing to work with the Tutukaka High Value Area (HVA) working group to develop their community weed control plan similar to the Weed Action Whangārei Heads. This will help to support landowners and local community groups manage invasive weeds on private land throughout the HVA.

Kai iwi Lakes High Value Area

Staff and Te Roroa contractors have recently supported neighbouring landowners to carry out their annual possum control programme on land bordering the lakes. Staff are continuing to support the development of a community pest control programme surrounding the lakes however this will require more work and coordination to bring together.

Western Northland Pest Control

Staff and the western Northland pest control contractor have continued to support and develop CPCAs in western Northland. Pupu Rangi Nature Sanctuary CPCA has almost finished installing 800ha of mustelid control. This links with the Whatoro CPCA and Trounson Kauri Park. In total over 3000ha of forest and farmland will be trapped for mustelids providing protection for kiwi and native birds within the core pest control areas of Pupu Rangi Nature Sanctuary, Whatoro and Trounson Kauri Park.

Staff and contractors have been working with Te Roroa to help implement possum control within their restoration project Te Toa Whenua. The Te Toa Whenua is an initiative to restore the lower Waipoua River catchment creating an entirely native forested catchment. A possum control plan has been developed with possum control scheduled to occur over 1450ha of private and public conservation land with co-funding from the Department of Conservation.

Staff and contractors have been working with Kaitiaki Kiwi to help support the work being done in the Waipoua for kiwi protection. The NRC will help fund mustelid control on the private land through partly funding trapping contractors and by establishing new predator control lines within the core area and also at the Waipoua River mouth for Dotterel protection. With the council's support over 4500ha of mustelid control will be functioning by 2020. Through aerial pest control and trapping the kiwi population has doubled in the last eight years in the Waipoua.

Staff and contractors have developed a new CPCA with Wekaweka Landcare and the Native Forest Restoration Trust which will establish 920ha of predator control for kiwi, kokako and forest protection. Funding will also help fund a toxin pulse in bait stations in two core areas totalling 266ha. This CPCA project adjoins the DOC managed Mataraua Kokako Block where 900ha of ground pest control in the form of bait stations and trapping is occurring to protect kokako. This CPCA will achieve over 1800ha of landscape scale predator control protecting kiwi, kokako, kereru and locally endemic plants such as Coprosma waima and Olearia waima. In the past 25years the Mataraua

Kokako block has increased from 4 pairs to 60+ pairs. The proposed pest control will help protect the kokako population as it expands towards privately owned land.

Kauri Dieback

Staff have secured additional funding of approximately \$160,000 from the Kauri Dieback programme to ground truth priority sites and fence off kauri in Northland. Approximately \$95,000 will be allocated from the programme to fast track ground truthing of priority one and two sites identified through aerial surveillance. The remaining funding will be used to support landowners to fence off high risk sites and to protect privately owned forests from Kauri Dieback. The contractor engaged will be required to check and confirm the disease status of 140 aerial survey sites which have been earmarked as a priority for follow up.

A regional kauri dieback stakeholder meeting held in January was successful with over 25 agency and partner groups attending. A follow up meeting is scheduled for June. Staff have continued to work with Enviroschools coordinators to raise awareness of kauri dieback in schools.

Kauri dieback management plans are being finalised for all positive sites as well as those that are identified as medium – high risk sites. All site occupiers receive advice and a basic management plan about how to best protect their kauri and forest from kauri dieback and other diseases. Latest laboratory results in February indicate three new positive sites on private land and nine sites from which Kauri dieback was undetected. *Table 1* has a sample result summary.

Table 1: Kauri Dieback Ground Truthing Results 2018/19

Kauri Dieback Sampling Results 2018 - 2019									
Month	No. Sites / properties inspected					No. Samples Taken	Sample Results		
	Surveyed	Positive	Priority 1	Priority 2	Landowner Requests		Positive	Negative	Surveyed
October	5	1	0	2	3	17	6	11	
November	11	2	3	3	5	38	2	36	
December	11	3	8	3	0	44	9	26	9
January	15		7	3	5	40			40
February	2			1	1	4			4
YTD Total	44	6	18	13	13	143	17	73	53

Marine Biosecurity

2018/2019 Hull Surveillance Programme

The hull survey Programme has been running since October 2018 and is on track for the current year with 66% of the annual target (2,000 vessels) completed as of 25 February 2019. In February, a total of 253 vessels were checked by divers for marine pests in the harbours of Mangonui, Whangārei, Mangawhai, Tutukaka, Ngunguru and Kaipara. There were 11 incidents of Mediterranean fanworm (*Sabella spallanzani*) found on hulls, all in Whangārei Harbour.

Table 2: 2018/2019 Hull Surveillance Programme Results

Results of the 2018/2019 Hull Surveillance Programme	
<i>24 January to 25 February 2019</i>	
Number of vessels surveyed	253
<i>Total year to date</i>	<i>1314</i>

Results of the 2018/2019 Hull Surveillance Programme	
<i>24 January to 25 February 2019</i>	
Vessels detected with fanworm (<i>Sabella</i>)	11
Vessels detected with <i>Styela</i> sea squirt	0
Vessels detected with Japanese kelp (<i>Undaria</i>)	0
Vessels detected with Australian droplet tunicate (<i>Eudistoma</i>)	1
Vessels detected with <i>Pyura</i> sea squirt	0
<i>Pathways plan compliance</i>	62% of vessels

Kaipara Harbour Tunicates

Hull surveillance in the Kaipara Harbour revealed a dense presence of Australian droplet tunicates (*Eudistoma elongatum*) on a mussel farm and on an oyster barge nearby. This level of infestation has not been reported in the Kaipara Harbour previously to our knowledge, however *E. elongatum* has been known from many sites within the harbour for several years. The marine pest is only present in large numbers in summer months and dies down during rain events and winter months. Therefore, its detection and impacts to the ecosystems are limited, although at very high density the impacts of this species remain unknown.

The Marine Biosecurity Team is compiling a summary of previous reports of this marine pest in the Kaipara Harbour from our hull surveillance, confirmed public reports and previous NIWA surveys. There will also be a marine pest survey of the Kaipara conducted in collaboration with Auckland Council in the next four months. This survey will provide a better understanding of the extent and abundance of *E. elongatum* and its potential impacts in the Kaipara Harbour.

Ōpua Fanworm Eradication

The Ōpua Fanworm Eradication Programme is still on hold until the visibility improves. The divers have been monitoring visibility at Ōpua marina and it is still below what is necessary to dive and survey successfully (<35 cm). The divers have reported cooler water temperature in the last week, and we expect that visibility will improve once the temperature drops enough. They will keep monitoring and resume the dive surveys as soon as visibility improves.

Pahi Regatta

The Marine Biosecurity Team provided a stand at the Pahi Regatta on 26 January 2019. This gave the team the opportunity to meet and connect with some of the Kaipara boating community. Thirty people called in at the stand and spent time looking at the education material provided and asking questions to the biosecurity officers. Some children were especially enthusiastic and spent a lot of time talking about what they have seen in the water and learning about marine pests.

Auckland Fanworm Reaching Bay of Islands

In January, at least six boats that came to Northland's Bay of Islands from Auckland were found to have fanworm on their keels by our hull surveillance programme. These boats had all been recently hauled out and cleaned at a facility in Auckland prior to travelling to Northland.

Staff contacted the facility manager who was concerned to learn of the issue and is very motivated to improve their operations. The facility manager also asked for the details of each of the known boats to apologise to the owners. The Team will be following up with this facility to provide them with support in improving their operations and remedy the issue.

MBIE Endeavour Fund Application

The Cawthron Institute will submit a large proposal to the MBIE Endeavour Fund Application during March called *"A toolbox for tomorrow's marine biosecurity system"*. The principal investigator travelled to Whangārei to meet with the Marine Biosecurity Team in January and presented the proposal, the research questions and expected outcomes to staff and a representative of the Patukarakeke Trust Board. This proposal aligns with the Council's objectives, in particular in regard to the Marine Pathway Plan. The Marine Biosecurity Team provided a letter of support for the proposal and confirmed that the Council will be a research partner with in-kind contributions to the research in the form of access to data, staff time, storage space and vehicles if the proposal is successful.

Pest Plants

Manchurian Wild Rice

After the delayed start due to unsuitable weather conditions, the Manchurian wild rice contract work has been progressing very well, though the recent fruit fly response impacted the availability of one of the contractors, delaying work by a week.

Other Pest Plants

Work continues to focus on Mickey Mouse plant, and spartina in the Kaipara and Hokianga Harbours. Good progress has been made in the Hokianga, with sites showing significant reductions and local eradications. In the Kaipara several large, relatively high density sites that were identified last year have been the focus for treatment.

Mickey Mouse Plant Media Campaign

A media campaign is also underway to increase self-reporting for Mickey Mouse plant. This plant is most commonly found in residential gardens and is easily recognised with very bright red flowers and black berries which when viewed together resemble the face of mickey mouse. The weed is well suited for this type of passive surveillance and reports will assist in defining the extent of this very invasive species.

RIVERS

River Contract Works

Priority Rivers	Work	Status	Comments
Awanui	OpEx	95% complete	Mid-Awanui stop-bank re-alignment completed some remaining spraying, mulching and minor maintenance.
Awanui	CapEx	75% complete	Te Ahu stopbank stabilization works and grade control.
Awanui	CapEx	85% complete	Bell's Hill Benching.
Kaihu	OpEx	75% complete	70% long-reach digger work and 50% of the Spraying.
Minor Rivers	OpEx	32% complete	Only high priority work is being progressed.

LTP Projects

Rivers	Comments
Awanui	Good summer weather has allowed good progress with Bell's Hill Benching and the Te Ahu Rock Armouring. Modelling work is progressing and we expect the Preliminary Scheme design results to be delivered in March, with property acquisition starting in April.

Rivers	Comments
Matangirau	Modelling to refine the design has been completed and is under review. Next step is to share the results with FNDC and the community to agree on a preferred option.
Kawakawa - Taumarere	The Resource Consent has been lodged for the Turntable Hill river benching works to allow FNDC and NRC to process. An Archaeology Authority will be required before the Resource Consent can be granted.
Whangārei	Resource Consent has been lodged, tender for the works close on 15 March.
Panguru	Two options were presented to the community Hui on 27 February. Option 1-Raising the roads rough order costs ~ \$1.0 million ~ 10 year AEP, Option 2 Raising the roads & river work ~\$1.5 million 50 year 10 year AEP. Option 2 requires NZTA money. FNDC are negotiating with NZTA on low cost low risk project basis.

NATURAL HAZARDS

Work Streams	Status	Comments
Priority Rivers Flood Hazard Maps	95%	We expect the maps for Waipū and Paparoa to be released in April due to the reviews taking longer than what we expected.
Awanui Flood Model	75%	DHI has completed two model calibration runs, with only one remaining. Both calibration runs are being peer reviewed. This is the most complex part of the modelling work. Once the remaining calibration run is complete, DHI will start design storm runs.
Regional LiDAR	44%	LiDAR Capture is at 44% as of 21 Feb. No significant capture has been completed since that date due to a required 100 hour maintenance service which has now been completed on the plane.

Northland LiDAR Capture



Northland LiDAR Capture as of 21 February 2019



Northland LiDAR Capture as of 7 February 2019

7.2.6 STRATEGY, GOVERNANCE AND ENGAGEMENT

POLICY AND PLANNING

Proposed Regional Plan

The Hearing Panel is preparing its recommendations with the aim of presenting them to the April 2019 council meeting for approval. The aim is also for council to make its decisions on the provisions for managing genetically modified organisms at the same council meeting.

The council decisions version of the Proposed Regional Plan will have legal effect.

Once council has released its decisions, submitters will then have the ability to appeal provisions to the Environment Court.

National Initiatives

The one year review of the National Environmental Standards for Plantation Forestry will commence on 1 May 2019.

District Planning – Whangārei District Plan

All outstanding appeals on Whangārei District plan changes (the rural plan change 'package') have now been resolved by consent order agreed by all parties, meaning no Environment Court hearings are required. The consent order documents were signed on behalf of council under authority delegated to the Strategy, Policy and Planning Manager. The new district plan provisions align well with the Regional Policy Statement and are now operative.

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects report

Project	February update	Future developments/ reporting
Extension 350	Nothing new to report.	Continue receiving progress reporting and invoicing as per funding agreement.
Resources Enterprise Limited (REL)	Met with REL directors to discuss plans to reopen mill. December interest payment has now been paid.	Expecting March interest payment and update on plans.
Hundertwasser Art Centre (Whangārei)	Nothing new to report.	Second invoice due at 50% works complete.
Kawakawa Hundertwasser Park Centre (Te Hononga)	Stone laying ceremony 1 February 2019 and construction underway.	Second invoice expected in April 2019.
Extended Regional Promotion	Report for first six months 2018/19 received.	Next report due August 2019 for second sixth months 2018/19.
Twin Coast Cycle Trail (TCCT)	Nothing new to report	Awaiting further progress report on remaining four easements to complete funding commitment. Maybe Q4.
Manea Footprints of Kupe	Letter sent to Te Hua O Te Kowiri Trust confirming Council funding awarded.	Finalise funding agreement between Trust, Manea operating company and FNHL.

Other activities

- Hosted a workshop on 15 February, led by University of Auckland researchers, on the availability and performance of aggregate resources. The workshop was attended by around 20 interested parties including council staff, quarry owners and operators and roading contractors.
- Third and final meeting held with NZTA, consultants, NInc and district council on developing walking and cycling business cases using funding awarded through the PGF. A report is expected from the consultants responsible for developing the business cases in due course.

COMMUNITY ENGAGEMENT

Online Channels Highlights

- **New online engagement portal launched**
This new online platform was utilized successfully for the first time as part of the CoastCare “Northland Coast & Us” campaign. <https://sharespace.nrc.govt.nz/>
(Refer to the CoastCare section of this report for a summary of the campaign).
- **Most popular post on Facebook** – a short story about the Mitimiti CoastCare group and the mahi they are doing to restore Mitimiti’s dunes and protect native wildlife. The story outlines the cultural significance and beliefs of the dune systems connection with toheroa spat. This was part of a wider ‘Northland’s Coast and Us’ social media campaign aimed at promoting actions every can take to protect our coast and highlight mahi being done on the ground by local champions. Mitimiti’s story reached over 17,000 people and was shared 160 times.

Key Performance Indicators	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
WEB					
# Visits to the NRC website	22,200	21,600	21,100	24,800	24,500
E-payments made	11	6	2	4	3
# subscription customers (cumulative)	1,154	1,153	1,159	1,167	1,173
SOCIAL MEDIA (cumulative)					
# Twitter followers	1,415	1,413	1,418	1,416	1,428
# Instagram followers	596	615	646	663	689
# NRC Facebook fans	6,910	7,132	7,198	7,611	7,816
# NRC Overall Monthly Facebook Reach	137,800	137,200	70,275	87,800	168,100
# NRC Overall Monthly Engaged users	10,800	8,816	5,950	5889	11,700
# CDEM Facebook fans	No data	16,200	16,400	16,500	16,500
# CDEM Overall Monthly Facebook Reach	No data	47,200	59,299	14,800	43,800
# CDEM Overall Monthly Engaged Users	No data	3,644	6,829	1,051	4,925

* November data is for a 25 day period due to early reporting deadlines.

Enviroschools / Education

First Project Pest Control for 2019

On 20 and 21 February, the first Project Pest Control skills course for 2019 was held at the lake Waikare Event Centre. 31 students and teachers from Dargaville High, Otamatea High and Te Kura Taumata o Panguru took part. The Biosecurity team and Can Train NZ provided tutors.

Enviroschools Reflections

Date	School / Kindergarten	Enviroschools Stage
25 February Celebration with Cr Joce Yeoman	Kerikeri Kindergarten	Silver
28 February Celebration with Chairman Bill Shepherd	Hikurangi School	Bronze

School communities facilitated

25 school communities were visited by Enviroschools facilitators during February.

Marketing and Engagement

Northland Regional Council Environmental Awards

Entries opened for council's inaugural environmental awards. We are busy promoting the opening of the awards and encouraging people to enter the eight categories. The award categories cover environmental action in: the community, pest management, education, water quality improvement, industry, leadership, innovation, kaitiakitanga.

Entrants can include individuals, community groups, schools, tangata whenua, businesses and leaders and projects/activities/contributions must be located within Northland and demonstrate significant benefit to the region's environment. For more information

www.nrc.govt.nz/environmentalawards

Events

Waitangi Day Celebrations (Wednesday 6 February)

Council provided an information display at Waitangi Day Celebrations for the first time this year. We had information on CoastCare, Check, Clean, Dry (protecting our freshwater from pests and weeds), Where's your Wai and Maritime. Council's site was located on the Sports Ground opposite the food vendors, which meant a lot of foot traffic but less engagement than other areas due to the volume of people. The audience staff engaged with was different to other events we attend, so we believe it is worth attending; however, we will be reviewing future attendance in terms of location, topics and staff.

Northland Field Days (Thursday 28 February – 2 March)

Our focus for the 2019 Northland Field Days was partnerships, Our Northland – together we thrive.

The pest control display – covering animals, weeds, freshwater weeds and pests, kauri dieback, and check, clean, dry, was kept very busy over the three days.

Kiwi Coast valued the opportunity to partner for the event which linked into the overall theme of working together to collectively lift pest management and biodiversity outcomes in Northland. Jenny Dymock supported the weed team with her biocontrol knowledge and opportunities for the community to use these methods. Representatives from MPI spoke about the KDB consultation. The weeds team were excited with the Mickey Mouse, Salvinia and other reportable weeds sightings that were obtained and will be followed up. A number of signs up were also received for the Weed Workshops.

In the land management section, information and advice was available on Farm Plans, soils, poplars and willows and Efund. With the work being done by the Afforestation team, a partnership with MPI incorporated advice on the One Billion Trees programme with representatives from Wellington attending. Representatives from the Million Metres programme, IKHMG and Nga Uri O Hau Native Nursery were on site talking about the Northern Waiora Project. Information about the Dune Lakes Project and wetlands was also available.

It was another successful field days with the Thursday surprisingly the busiest with farmers and landowners visiting. In addition to the large number of enquires received over the three days, an additional 100 query forms were taken with enquires that couldn't be answered on the day.

We received positive feedback from the community on our display with 61 attendees completing our feedback survey. A summary of the key feedback:

- 80% of people think the field days display is a good use of ratepayer funds
- 85% of people found the information provided was useful (agree or strongly agree)
- 91% of people found staff competent and knowledgeable (agree or strongly agree)
- 93% of people found staff friendly and helpful (agree or strongly agree)

Māori Engagement

- During February, Te Taitokerau Māori and Council Working Party (TTMAC) member Te Huranga Hohaia sadly passed away. Mr Hohaia had been a member of TTMAC since its inception, representing Ngāti Rehia and wider Māori community.

Te Huranga will be sorely missed by TTMAC as he was an active member of the working party as well as Ngāti Rehia having hosted two regional marae based hui and co-hosted one other.

Council extends its deepest sympathies to his family and Ngāti Rehia.

- Te Oneroa-a-Tōhē Board met during February where support staff presented a project charter, aimed at assisting the Board in its development of a beach management plan. The

Board next meets in March to further progress development of the beach plan and to review a draft request for proposal.

- Staff from Auckland and Northland Regional Councils met to progress the development of a draft business case which would support discussions between central government, Kaipara Uri and councils seeking financial support for mitigation measures for the Kaipara Harbour. Once completed the draft document will be workshopped with council prior to going to the working party of councils and Kaipara Uri for their consideration.
- During February, staff from Ministry for the Environment (MfE) met with regional and Whangārei District Council staff to discuss options for engaging Māori in RMA resource management processes. MfE discussed their current programme of work, seeking feedback as to its value, and input into future options. They also looked to see how they could add value to council processes.

Governance Support

Local government official information (LGOIMA) requests

Month	LGOIMA requests received 2017/18	LGOIMA requests received 2018/19
July	7	15
August	10	20
September	16	7
October	15	5
November	12	10
December	14	9
January	12	11
February	14	15
March	12	
April	14	
May	15	
June	18	
Total LGOIMA requests received	159	92
Total LGOIMA requests not responded to ≤ 20 working days*	15	0

In February 2019 there were no LGOIMA requests that exceeded 20 working days' response.

7.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

Telephone Inbound Call Statistics

	February 2019	Target
Call volume	2350	
Conversion rate	97.8%	>95%
Average wait time	6 sec	
Calls answered in under 30sec	96.1%	>90%

Call volumes for February were back up to normal levels after the January lull. With the exception of Monday 4 February, when the complete network went down and 36 calls were missed. The ability to answer phones from the regional offices has increased our ability to respond efficiently to customer enquiries including no disruption to service during a trial emergency evacuation in Water Street.

Satisfaction Monitoring

Feedback Cards, Compliments and Complaints

Feedback cards have been included with compliments and complaints, as appropriate.

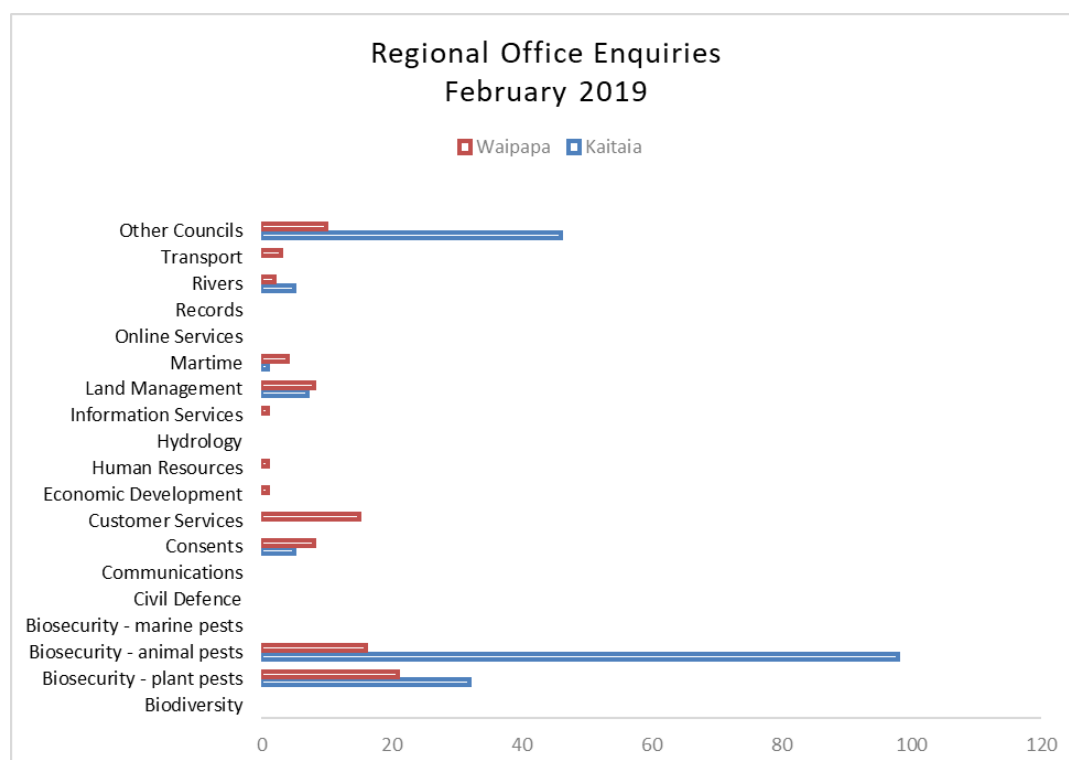
Compliments received February	Total
Overall Service	4
Consents	2
Maritime	1
Monitoring	1
Service provided by a specific person	4
B Edwards & Z Pauling, Monitoring	1
D Watson Lawrence, Consents	1
P Munn, Customer Services	1
S Le Gars, Natural Resources Data	1

Common themes are that staff are responsive and easy to deal with.

Complaints received February	Total
Standard of service provided	4
Public transport related	3
Water quality at Ngunguru	1
Disagree with decision or process	1
Responses and not changing system	1

The bus contractor has been notified of all complaints regarding bus services and the individual customers have been contacted with a response. The two other complaints arrived late in the month and are still open.

Regional Customer Service Centres (CSC)



Waipapa Office

The Long Term Plan has increased council activity in mid-north with more staff working out of our Waipapa office. The demand for workspace has resulted in the Waipapa office being over capacity, which may affect the range of face-to-face services we can offer on some days.

Surveys - Internal

The post-implementation staff survey of the new phone system highlighted a poor overall satisfaction rating. A number of problems were identified, with most of the frustration around the three main areas for improvement – uneven call quality, phones not ringing, and headset issues. Our system providers are working on resolving these issues, and the implementation team are addressing individual set up problems. Additional user training will be offered when the system is fully stabilised and performing satisfactorily.

CIVIL DEFENCE EMERGENCY MANAGEMENT

Warnings and Activations

A weather warning was issued for the Northland region in mid-February, however the forecast rain, did not reach the warning criteria and no issues arose.

The Nelson Tasman Civil Defence Emergency Management (CDEM) Group declared a state of emergency in response to the Pigeon Valley Fire, Nelson which started on 5 February 2019. Multiple agencies were involved in the response including the Nelson Tasman CDEM Group who led the response, supported by Fire and Emergency New Zealand who led the fire management activities, Police, MPI and a number of Non-Governmental Organisations.

Three members of the Northland CDEM professional team, Graeme MacDonald, Claire Nyberg and Shona Morgan were deployed to support the response.

University of Auckland Research

The University of Auckland, together with the Global Network for Disaster Reduction are conducting research in the Onerahi area from 1 to 7 March 2019. The research conducted is aiming to explore

the challenges and opportunities to make emergency response and disaster resilience inclusive to all people, especially the most vulnerable groups in the community.

Several Onerahi community groups and members of the public will be involved in interviews as part of the research. This research is part of a multi-national international research programme.

Youth and Emergency Services

This year the Youth in Emergency Services Programme will be held in Whangārei. The initial meeting was held with stakeholders on 13 February. Agencies involved include, Fire and Emergency New Zealand (Rural and urban fire), NZ Police Search and Rescue (SAR), Surf Lifesaving, St John and NZ Red Cross.

Emergency Management System Reform

The Ministry of Civil Defence & Emergency Management (MCDEM) is continuing to work to implement many of the recommendations made in the Governments response to the Technical Advisory Group Report on the Ministerial Review on better responses to natural disasters and other emergencies.

Work on the design and development of the “Fly in Teams,” (NZFIT) which is effectively surge capacity and capability to support groups at the local and regional level during an emergency is progressing. MCDEM have released a Concept of Operations document which addressed some of the concerns that were raised by in the initial stages of the design of the group.

Nominations for membership close on 11 March and it is anticipated that Northland will make several nominations.

Progress is also being made on the new Response & Recovery Leadership Capability Development Programme with a workshop being held in mid-March in Auckland to review and provide feedback on the initial programme content.

A presentation was also made to the CDEM and CDEG Group meeting on 6 March by a representative from DPMC, who is working on legislative changes to the CDEM Act 2002 that have been recommend out of the review findings.

Northland Controllers

The Northland controller’s development programme for the 2019 year has been developed. A gap analysis to identify professional development opportunities and needs was carried out. A half day training day is scheduled in late March that focuses on the role of the controller during an emergency event. Planning is also underway for a full days training in May to review the Awanui river management scheme and to hold a desk top exercise based upon the Kaitiāia Evacuation plan. The day also includes the opportunity to meet with local key stakeholders.

TRANSPORT

Regional Land Transport Planning

Government Policy Statement 2018/19 – 2027/28 Review

As previously indicated, a second stage of GPS 2018 was considered for release in 2019. Early indications are that any second stage of the 2018 GPS will be limited to matters that need immediate action outside of the regular three-year GPS cycle, such as investment in rail. The Minister of Transport will consider whether this second stage is required in early 2019.

National Road Safety Strategy 2020-2030

The Government has stated that they will be commencing work on the new National Road Safety Strategy 2020-2030. The development of the strategy will be led by the Ministry of Transport and

will outline the steps New Zealand will take to meaningfully reduce deaths and serious injuries over the coming decade.

The development will take until September 2019 and will incorporate multiple opportunities for collaboration and engagement with stakeholders and the broader public.

Passenger Transport Administration

Total Mobility

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

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
January	1440	\$19,572	\$25,000	-\$5,428	\$125,630	\$175,000	-\$49,370

On 12 February 2019, staff attended the Disability Action Group (DAG) meeting in Kerikeri to get a better understanding of their transport needs, and to discuss the content of the report titled “Investigation into the Needs and *Availability of Total Mobility/Disability Services in Northland*” to be tabled at the 13 February 2019 Regional Transport Committee (RTC) meeting. The RTC approved the recommendation of work commencing in the next financial year.

Contracted Bus Services

Due to information for this report being required prior to the receipt of the monthly statistics from the operators, complete statistics are not available. Therefore, the information included below is one month in arrears.

Operational Statistics

<u>January 2019</u> <u>(revenue ex GST)</u>	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	21404	17689	3715	178012	176494
City Link Revenue	*\$30,349*	\$37,090	*- \$6,741	\$288,537	\$352,362
Mid North Link Passengers	162	426	-264	1315	2922
Mid North Link Revenue	\$586	\$2,778	-\$2,191	\$4,808	\$18,491
Hokianga Link Passengers	34	54	-20	192	228
Hokianga Link Revenue	\$458	\$625	-\$167	\$2426	\$2,894
Far North Link Passengers	580	639	-59	4066	4467
Far North Link Revenue	\$1,176	\$1,299	-\$123	\$9,093	\$10,672

February 2019 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	28414	25241	3172	132783	136452
CityLink Revenue	\$37,430	\$49,745	-\$12,314	\$330,519	\$402,107

Southern Express Route promotion

On 21 February 2019, staff visited the local businesses on this route to deliver timetables, and free bus tickets to encourage more workers to use the service. This was also a good opportunity to speak to some staff and their management regarding what would work best for their industry's and to possibly develop a bus timetable that would better suit start and finish times for the workers in this area.

Road Safety Update

The current Northland road deaths stands at 6, and nationally at 54 deaths.

Failure to wearing seat belts, speed and impairment are again issues involved in the Northland deaths despite high profile campaigns by Police and road safety promotion messaging across all the social media platforms including radio and print.

Key advertising themes by the New Zealand Transport Agency (NZTA) for January & February 2019 centred on 'Speed & Motorcycling, Alcohol and Drugs'.

Regional Road Deaths Statistics – 2019 & 2018 Comparison Year To Date:

<u>Location</u>	<u>YTD 2019</u>	<u>YTD 2018</u>
Far North	3	2
Whangārei	3	6
Kaipara	0	1
Northland	6	9
National	54	63

Road safety partners are currently developing a Northland wide 'Speed Management' response.

Four successful Fatigue Stops have been held in the last two months during the peak holiday periods. Three were held northbound on SH1 at Uretiti and one further north at Waiomio.

32 motorcycle riders from throughout Northland attend the subsidised ACC "Ride Forever" training programmes in January 2019.

The AutoSense Mobile Truck Simulator for evaluating driver competency was in Northland for three days during in February 2019. This Simulator will be returning again in late June 2019 with more trucking companies booking this resource to evaluate their drivers.

MARITIME

The month of February saw 18 cruise ships call to the Bay of Islands without incident. There have been no cancellations due to weather so far this season. Staff have been trialling a new LINZ electronic chart service with promising results so far, the service is looking to go live to the public mid this year.

Over the month of February, 16 incidents were received. Most of the incidents comprised of offences and accidents. The rest of the incidents were made up of mooring incidents and damage

or failure of aids to navigation - most notably, the destruction of the newly replaced K1 beacon in the Whangarei Harbour. This was likely knocked over by a passing vessel, however no specific vessel has been positively identified. Damage to Aids to Navigation in Whangarei harbour is a fairly regular occurrence. No Major Oil spill or environmental incidents were reported.

Signs have been placed at the Waipū Boat club in response to complaints received about jet skis and speeding vessels in the Waipū River. Further discussions are to be had and a plan established regarding continued complaints surrounding dangerous behaviour in Mangawhai Harbour.

At the beginning of the month a possibility was raised that the cement vessel "Buffalo" might visit Portland. Risk assessments were carried out, and pilots, crew and the deputy harbourmaster attended simulator exercises which defined careful environmental parameters for the ship to berth and unberth. Despite being ideal calm conditions unfortunately the vessel did cause some damage to the cement wharf on departure. The harbourmaster and pilot's operations manager are investigating to ensure all lessons learnt are captured. The wharf can still be used but will require some repairs.

The harbourmaster and marine manager met with key stakeholders in Hokianga to explore options to improve safety with the growth in jetski operations. A new ski lane and a dedicated swimming area are planned for at Opononi and will be consulted on.

Work has been ongoing improving communications between stakeholders of the Marsden point incident response plan. A tier 2 oil spill exercise is scheduled for 13th of March and a national response exercise in the first week of April. Both exercises will be held at Marsden point.

The first Harbour Safety Meeting of the year was held on the 4th of February. The annual hydrographic survey of the harbour is currently underway – This follows maintenance dredging work conducted over January at Northport and the refinery.

The Kai Iwi Lakes Navigation Safety Bylaw Infringement Regulation has been drafted to be finally put before the Cabinet Legislation Committee.

The harbourmaster attended a National on scene commander meeting in Auckland and a managing marine emergencies course in Wellington funded by Marine Pollution Response services.

Attachments/Ngā tapirihanga

Nil

TITLE: Northland Inc. Ltd Report Against SOI 2018-21 for Period July to December 2018

ID: A1169973

From: Jon Trewin, Economic Policy Advisor

Executive summary/Whakarāpopototanga

Council has received six monthly reporting from Northland Inc. against the Key Performance Indicators (KPI's) in its Statement of Intent (SOI) 2018–2021. Staff have assessed the information provided. The Northland Inc. financial performance for the six months to 31 December 2018 is tracking ahead of budget, with a favourable operating surplus variance of \$11,095. The forecasted year end operating surplus is \$17,400 which is also favourable compared to the budgeted year-end surplus of \$290.

Northland Inc's cash position at 31 December 2018 was \$556,850 which is largely in-line with its December 2018 forecasted financial position of \$560,983. There are no foreseen cash-flow management issues during the forecasted period to 31 March 2019.

In addition, 13 of the 17 key performance measures set out in NINC's Statement of Intent 2018–2021 are on track, three are slightly behind and one has insufficient data to measure.

Recommendation

That the report 'Northland Inc. Ltd Report Against SOI 2018-21 for Period July to December 2018' by Jon Trewin, Economic Policy Advisor and dated 4 March 2019, be received.

Background/Tuhinga

Work program area	How we will measure	2017/18 result	2018/19 target	2018/19 Actual as at 31 December	% to target	Comment (by Northland Inc.)	Tracking (by NRC staff)
Investment and infrastructure	Percentage of IGR business case decisions (by the Board) made within 90 days of receiving application	New measure	100%	100%	100%	Applications being processed under new criteria are within timeframes.	On track
	Number of inward delegations hosted	New measure	4	2	50%	Two hosted in this quarter - Plastic Recycling Technology from Germany and a Natural Resources Investment firm from the UK.	On track
	Investment recommendations are accompanied by a robust business case	New measure	100%	0		Not required to date.	On track

Work program area	How we will measure	2017/18 result	2018/19 target	2018/19 Actual as at 31 December	% to target	Comment (by Northland Inc.)	Tracking (by NRC staff)
	Number and value of high impact projects that are implemented	New measure	2	0		None implemented to date but several projects are progressing.	On track
Business innovation and growth	Number of unique businesses assisted (by TA and industry)	225	230	89	38%	Source RBP Dashboard. Slightly behind schedule (target to 31 Dec was 97).	Slightly behind
	Value of NZTE and Callaghan Innovation grant funding facilitated	\$1.5M	\$1.5M	\$567,726	38%	Source RBP Dashboard and Callaghan. We are confident applications in the pipeline will support achievement of the KPI.	Slightly behind
	Client satisfaction (as measured by Net Promoter Score)	New measure	75% (NPS 50)	100 %		Numbers have not changed since the Sept quarter as central govt reporting has not updated.	On track
	Orchard occupancy rate	45%	60%	87.5%		Orchard occupancy remains strong despite the challenges of construction.	On track
Regional promotion and tourism	Visitor spend from target markets	New measure	\$1,052M	\$1,119m	106%	This is a rolling 12-month figure to 30 December 2018. Source MBIE research.	On track
	Value of industry investment in regional promotion activity	\$340,408	\$350,000	\$251,676	71.9%		On track
	Equivalent advertising value achieved from destination marketing	\$15M	\$16.5M	\$3.04m	20.3%	Tourism New Zealand reports on a quarterly basis and results are sometimes delayed and often reported retrospectively. Year to March 2019 EAV is \$15.4 million. We are well on track to achieve \$16.5 million by June 2019.	On track

Work program area	How we will measure	2017/18 result	2018/19 target	2018/19 Actual as at 31 December	% to target	Comment (by Northland Inc.)	Tracking (by NRC staff)
	RTO Net Promoter Score: 6 or less are detractors, 7-8 neutral, 9,10 are promoters. NPS subtracts % detractors from % promoters.	New measure	40	43	108%	Source is AA traveller national visitor monitor. So this is a regional score that reflects travellers' assessment of Northland as a visitor destination against other regions. We are in the top 1/3. There are no regions scoring 75 or above.	On track
Action Plan	Percentage of milestones completed	New measure	100%	61	100%		On track
Māori economic development	Number of unique Māori businesses assisted	New measure	30	16	53%	Source Northland Inc. CRM.	On track
	Number and value of high impact projects that are implemented	New measure	1	0	0	None implemented to date but several projects are progressing.	On track
	Value of NZTE and Callaghan Innovation grant funding facilitated for Māori businesses	New measure	\$50,000	\$18,778	37%		Slightly behind
	Client satisfaction (Net Promoter Score for Māori businesses)	New measure	75% (NPS 50)		TBA	Insufficient data to measure	Unknown at this stage

Attachments/Ngā tapirihanga

Attachment 1: NINC Quarter 2 reporting 2018-19 to December 2018 Part One [↓](#)

Attachment 2: NINC Quarter 2 reporting 2018-19 to December 2018 Part Two [↓](#)

Attachment 3: NINC Quarter 2 reporting 2018-19 to December 2018 Part Three [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 12 March 2019

Accrual Basis

Northland Inc Ltd
Profit & Loss Budget Performance
to 31 December 2018

	YTD Actuals	YTD Budget	Variance	Year End Forecast Est	Annual Budget	Variance	Notes
Ordinary Income/Expense							
NRC Operational Funding	653,560	623,000	30,560	1,307,120	1,246,000	61,120	1
NRC Feasibility Fund	121,700	121,000	700	300,000	300,000	0	
NRC Regional Promotions Fund	0	0	0	200,000	200,000	0	
NRC Extension 350	100,000	100,000	0	200,000	200,000	0	
Grant Income NRC	875,260	844,000	31,260	2,007,120	1,946,000	61,120	
Income							
NIF	65,000	64,000	1,000	65,000	64,000	1,000	
Project & Council Income	802,492	701,963	100,529	1,431,951	1,327,439	104,512	2
Total Income	1,742,752	1,609,963	132,789	3,504,071	3,337,439	166,632	
Expense							
Depreciation	23,925	27,000	3,075	52,000	54,000	2,000	
Wages	885,053	818,858	-66,195	1,756,044	1,628,044	-128,000	3
Overheads	236,419	197,594	-38,825	443,734	403,805	-39,929	4
Director Expenses	77,599	40,702	-36,897	148,900	81,400	-67,500	5
Project Direct Costs	502,014	516,193	14,179	1,138,900	1,169,900	31,000	
Total Expense	1,725,011	1,600,348	-124,663	3,539,578	3,337,149	-202,429	
Net Ordinary Income	17,742	9,616	8,126	-35,507	290	-35,797	
Other Income							
Total Other Income	166,863	0	166,863	900,661	0	900,661	6
Total Other Expenses	163,895	0	-163,895	847,754	0	-847,754	6
Net Income	20,710	9,616	11,095	17,400	290	17,110	

Notes

- 1 increase in funding to offset increase in director fees
- 2 increase in funding for action plan resource
- 3 new resource for Action Plan & Ext 350
- 4 allowances for increase OH costs - during construction, new staff etc
- 5 increase in directors & travel exp offset by increase in NRC ops funding
- 6 matches income/expenses moved to reserves from last next financial year & Other feasibility projects

Northland Inc Ltd
Balance Sheet
As of December 31, 2018

	as at 31 December 18	Closing Balance Jun 30,18	Movement	notes
ASSETS				
Total Current Assets	1,036,517	1,263,652	-127,135	1
Total Fixed Assets	172,179	187,664	-15,485	
TOTAL ASSETS	1,208,697	1,451,316	-242,620	
LIABILITIES & EQUITY				
Total Other Current Liabilities	985,541	1,058,933	-73,392	2
Total Liabilities	1,065,517	1,328,847	-263,330	
Equity				
Contributed Capital	100	100	0	
Prior Year Adjustment	0	0	0	
Equity	122,370	112,878	9,492	
Net Income	20,710	9,492	11,218	
Total Equity	143,180	122,470	20,710	
TOTAL LIABILITIES & EQUITY	1,208,697	1,451,316	-242,620	

notes

- Current assets are made up of \$556.8k held in current/savings accounts, Receivables \$479.6k are mainly NZTE - BIGT partnership \$236.7k
- 1 (whole year invoice), MPI \$107.8k, NRC \$57.5k, Ecenter \$13.8k, the balance is IMG, Orchard & sundry
- Payables - just normal monthly invoices. Balance
- 2 of reserves 2018 \$733.7k. Project accruals \$162.7k admin accruals \$14.7k

PROFIT AND LOSS BUDGET PERFORMANCE YEAR TO DATE (30 December 2018) AND FORECAST (30 June 2019)

Conclusion:

Revenue is tracking ahead of budget. The Tenant (Orchard) income is tracking well and doesn't include \$15k debtors for the period.

Extra funding for Director fees, Action Plan, International Education are in actuals and forecast.

Expenditure is above budget in overheads due to costs around the construction and recruitment of new staff this has been allowed for in the forecast. Wages will be higher at year end in Extension 350 (the project will cover those costs) & Action Plan (extra resource again fully funded), where vacancies have occurred some work has been contracted but it is expected those budget areas to come in under budget at year end. Director fees and travel will be offset by increased funding from NRC. Project expenditure is tracking against budget.

- **Balance Sheet**

We have \$556k in current accounts (spread out in project and interest accounts). Receivables are high mainly due to the year invoice to NZTE \$236.7k that is paid out monthly and the MPI Ext 350 funding \$107k along with other project funding, refer to notes for further breakdown.

The Balance Sheet is still carrying \$733.7k of reserve income from previous year, majority of this sits with the Extension 350 project \$306.4k and Feasibility \$204k.

- **Cash Flow 2018**

Cashflow continues to be fluid due to the significant amount in reserves. This looks to continue through the 2018/19 year.

Refer to the following appendices for further information

- Profit and Loss to 31 December 2018
- Balance Sheet to 31 December 2018
- Cashflow to June 2019

TITLE: Receipt of Committee Minutes
ID: A1167594
From: Chris Taylor, Governance Support Manager

Recommendation

That the unconfirmed minutes of the:

- Regional Transport Committee – 13 February 2019
 - Property Subcommittee – 13 February 2019
 - Investment Subcommittee – 26 February 2019
- be received.

Attachments/Ngā tapirihanga

Attachment 1: Unconfirmed Regional Transport Committee Minutes - 13 February 2019 [↓](#)

Attachment 2: Unconfirmed Property Subcommittee Minutes - 13 February 2019 [↓](#)

Attachment 3: Unconfirmed Investment Subcommittee Minutes - 26 February 2019 [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 12 March 2019

Regional Transport Committee
13 February 2019

Regional Transport Committee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 13 February 2019, commencing at 10.00am

Present:

Chairman, Councillor John Bain
Deputy Chairman, Councillor Paul Dimery
FNDC Councillor Ann Court
WDC Councillor Greg Martin
KDC Councillor Victoria del Lar Varis-Woodcock
NZTA Representative Mr Steve Mutton

In Attendance:

Full Meeting

NRC GM - Customer Service/Community Resilience – Tony Phipps
NRC Minute Taker – Evania Arani
NRST – Gillian Archer
KDC – Bernard Petersen
KDC – Mayor Dr. Jason Smith
WDC – Jeff Devine
FNDC – Glen Rainham (Manager – Alliances)
NRC/NTA – Chris Powell
NRC/NTA – Ian Crayton Brown
NRC/NTA – Sharlene Selkirk
NRC/NTA – Anita Child
WDC – Cr. Phil Halse
NRC – Michael Payne
Police – Senior Sergeant Ian Row

Part Meeting

NRC Chief Executive – Malcolm Nicolson (arrived at 10.08am)
NZTA – Jacqui Hori-Hoult (left meeting at 10.35am)

The Chair declared the meeting open at 10.00am

Apologies (Item 1.0)

Moved (Martin /Dimery)

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

Carried

Declarations of Conflicts of Interest (Item 2.0)

Regional Transport Committee
13 February 2019

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

Confirmation of Minutes - Regional Transport Committee Meeting - 05 December 2018 (Item 3.1)

ID: A1154080

Report from Evania Arani, Executive Assistant Customer Services - Community Resilience

Moved (Martin/Dimery)

Recommendation

That the minutes of the Regional Transport Committee meeting held on 05 December 2018, be confirmed as a true and correct record.

Carried

Secretarial note:

Action: Chris Powell to circulate to the committee a list of the bridges and roads that sit behind the request to vary the Regional Land Transport Plan.

Northland Regional Land Transport Plan 2018 - 2021 Funding Uptake (Item 4.1)

ID: A1156264

Report from Chris Powell, Transport Manager

Moved (Martin/Court)

Recommendation

1. That the report 'Northland Regional Land Transport Plan 2018 - 2021 Funding Uptake' by Chris Powell, Transport Manager and dated 24 January 2019, be received.

Carried

New Zealand Transport Agency Report to Regional Transport Committee (Item 5.1)

ID: A1157877

Report from Chris Powell, Transport Manager

Moved (Dimery/Martin)

Recommendation

1. That the report 'New Zealand Transport Agency Report to Regional Transport Committee' by Chris Powell, Transport Manager and dated 31 January 2019, be received.

Carried

Secretarial note:

The chairman congratulated Cr. Ann Court for all her work and effort on the Waipapa system improvements project over the years. It's been a successful project and Ann has done a fantastic job for the people of the area.

ID: A1163034

2

Regional Transport Committee
13 February 2019

The Committee requested that a workshop be organised with NZTA on the Road Safety Strategy. Cr Bain will circulate a series of dates around to see what suits the majority..

Northland Regional Road Safety Update (Item 5.2)

ID: A1158016

Report from Ian Crayton-Brown, Transport Projects Officer

Moved (Martin/ Dimery)

Recommendation

That the report 'Northland Regional Road Safety Update' by Ian Crayton-Brown, Transport Projects Officer and dated 31 January 2019, be received.

Carried

Secretarial note:

The committee expressed their thanks to Northland Police for all their hard work over the holiday period.

Waikato Regional Transport Committee and Regional Road Safety Forum - New National Road Safety Strategy 2020 - 2030. (Item 6.1)

ID: A1156613

Report from Chris Powell, Transport Manager

Moved (Dimery/Court)

Recommendation(s)

1. That the report 'Waikato Regional Transport Committee and Regional Road Safety Forum - New National Road Safety Strategy 2020 - 2030.' by Chris Powell, Transport Manager and dated 25 January 2019, be received.
2. That the Regional Transport Committee support the proposals as contained in the letter to the Road Controlling Authorities Forum (NZ) INC. by the Waikato Regional Transport Committee and Regional Road Safety Forum.
3. That the Chairman of the Regional Transport Committee write to the Waikato Regional Transport Committee and Regional Road Safety Forum advising them of this support.

Carried

Investigation into the Needs and Availability of Total Mobility/Disability Transport Services in Northland (Item 6.2)

ID: A1157012

Report from Anita Child, Transport Project Officer

Moved (Court/Dimery)

ID: A1163034

3

Regional Transport Committee
13 February 2019

Recommendation(s)

1. That the report 'Investigation into the Needs and Availability of Total Mobility/Disability Transport Services in Northland' by Anita Child, Transport Project Officer and dated 29 January 2019, be received.
2. That the Regional Transport Committee approve the investigation into what transport options are currently available to people who would be eligible for subsidised transport under the Total Mobility Scheme in the Far North and Kaipara.

Carried

It was further Moved (Court/Dimery)

That Cr. Dimery write to the Minister for Disability Issues, Hon. Carmel Sepuloni requesting an update on the outcomes/progress from the disability sector meeting that was held on 30 May 2018.

Carried

Request to Vary the Regional Land Transport Plan 2015/21 - Northland Transport Alliance Provincial Growth Fund (PGF) Projects (Item 6.3)

ID: A1159362

Report from Neil Cook, Northland Transport Alliance - Acting Manager

Moved (Court/Martin)

Recommendation(s)

1. That the report 'Request to Vary the Regional Land Transport Plan 2015/21 - Northland Transport Alliance Provincial Growth Fund (PGF) Projects' by Evania Arani – Planning and Policy Team Admin/PA on behalf of Neil Cook – Acting Northland Transport Alliance Manager be received.
2. That the Regional Transport Committee approves the request to vary the Regional Land Transport Plan 2015/21 – Three Year Review to include the following projects:

Far North District Council

- Pou Herenga Tai (Twin Coast Cycle Trail) – Scenic Coastal Route from Taumarere to Opua

Kaipara District Council

- Kaihu Valley Rail Trail
- Kick Start for Kaipara (Package of Numerous Roothing Upgrades)

Whangarei District Council

- Riverside Drive Four-Laning
- Port Road/Kioreroa Road Intersection Upgrade and Bridge Four-Laning
- SH1 to SH14 Hospital Connection

Carried

Conclusion

The meeting concluded at 11.25pm.

Property Subcommittee
13 February 2019

Property Subcommittee Minutes

Meeting held in the Committee Room
36 Water Street, Whangārei
on Wednesday 13 February 2019, commencing at 2pm

Present:

Chair, Councillor Penny Smart
Councillor John Bain
Councillor Bill Shepherd (Ex-Officio)
Councillor David Sinclair
Councillor Rick Stolwerk (Alternate)

In Attendance:

Full Meeting

NRC Chief Executive
Strategic Projects Manager
Property Officer

Part Meeting

Ian Jenkins – Jenksmax Consulting Limited

The Chair declared the meeting open at 2.05pm.

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

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

Confirmation of Minutes - 5 December 2018 (Item 3.1)

ID: A1160169

Report from Nicole Inger, Property Officer

Moved (Bain/Shepherd)

That the minutes of the Property Subcommittee meeting held on 5 December 2018 be confirmed as a true and correct record.

Carried

Property Subcommittee
13 February 2019

Mount Tiger Forest Quarterly Report October - December 2018 (Item 4.1)

ID: A1160243

Report from Nicole Inger, Property Officer

Moved (Bain/Shepherd)

That the report 'Mount Tiger Forest Quarterly Report October - December 2018' by Nicole Inger, Property Officer and dated 5 February 2019, be received.

Carried

Discussion Note: Ian Jenkins reported on the Health and Safety of the Harvest operation and this was discussed by the Property Subcommittee. Members were satisfied with arrangements.

Ian Jenkins also reported on the Harvest Plan update, as per Northland Forest Managers report.

Discussion Note: The Chief Executive has made the decision to commence harvest of the 1991 Mount Tiger Forestry Block.

Business with Public Excluded (Item 5.0)

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	Reasons/Grounds
5.1	Confirmation of Confidential Minutes - 5 December 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
5.2	Property Reinvestment Fund and Property Investments for 2019	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
5.3	Properties for Potential Sale	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.4	Sale of Council's Lessor's Interest in a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

ID: A1168389

2

Property Subcommittee
13 February 2019

5.5	Purchase of a Hihiaua Precinct Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.6	Property Demolition Option	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
5.7	Receipt of Action Sheet	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

Carried

Conclusion

The meeting concluded at 3.20pm.

Investment Subcommittee
26 February 2019

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room
36 Water Street, Whangārei
on Tuesday 26 February 2019, commencing at 8.30am

Present:
Cr John Bain (Chair)
Cr Bill Shepherd (Ex-Officio)
Cr Penny Smart
Mr Geoff Copstick

In Attendance:
Full Meeting
GM, Corporate Excellence
Finance Manager
Accounting Assistant, Treasury & Projects
PA, Corporate Excellence (minutes)
Part Meeting
Cr Rick Stolwerk
Jonathan Eriksen, EriksensGlobal (via phone)

The Chair declared the meeting open at 8.30am

1.0 APOLOGIES

The apologies from the NRC Chief Executive for non-attendance were received.

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

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

3.0 CONFIRMATION OF MINUTES

3.1 Confirmation of Minutes

ID: A1154435

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Smart / Shepherd)

That the minutes of the Investment Subcommittee meeting held on 28 November 2018 be confirmed as a true and correct record.

Carried

8.34am - Geoff Copstick joined the meeting

Investment Subcommittee
26 February 2019

4.0 REPORTS

4.1 Performance of council's externally managed funds to 31 January 2019

ID: A1166166

Report from Simon Crabb, Finance Manager

Moved (Bain / Smart)

That the report 'Performance of council's externally managed funds to 31 January 2019' by Simon Crabb, Finance Manager and dated 21 February 2019, be received.

Carried

8.40am - GM, Corporate Excellence joined the meeting

Summary of Discussion

- Council's managed funds made \$916k worth of gains in January, therefore, managed capital fund losses at the end of January 2019 equal \$226k compared to \$1.1m at the end of December 2018
- It was requested that YTD figures be provided as dollar amounts, not just percentages
- It was noted that globally, fund managers allocation to cash is higher than it has been since the 1970s
- The proposal is to use some of the historical gains to balance the books

8.45am - Cr Rick Stolwerk left the meeting

8.45am - Jonathan Eriksen joined the meeting

- Changes in investment behaviour are possible if the capital gains tax is implemented
- EriksensGlobal are anticipating a 20 – 40% chance of another correction, the same or worse than the last quarter of last year, within the next twelve months
- Council's portfolio is positioned very defensively within multi-asset funds
- Discussion took place regarding continued investment in SALT – the committee advised they would like to see the basis on which EriksensGlobal have continued confidence in the long term
- Jonathan Eriksen advised that they are actively reviewing AMP in light of the recent publicity
- EriksensGlobal do not expect that the Reserve Bank of Australia or New Zealand will raise the cash rate this year

9.15am - Jonathan Eriksen left the meeting

- The Finance Manager advised that the budget for the IIF, PRF and CIF this year (2018/19) is based upon SIPO targets plus 1%
- The draft budgets for next year (2019/20) have been compiled based on the (conservative) fund manager return expectations supplied by EriksensGlobal in November 2018
- Discussion took place regarding various ways in which to look at de-risking operational expenditure through different methods of funding – this is to be subject to a subcommittee workshop
- Council needs to uphold its promises made around spending and project delivery

ID: A1168087

2

Investment Subcommittee
26 February 2019

Agreed Actions

- | | |
|---|-------------|
| 1. Calculate and provide YTD figures as dollar values as opposed to percentages | Finance Mgr |
| 2. Schedule an Investment Workshop for the end of March | PA, CorpEx |

The meeting concluded at 9.28am

UNCONFIRMED

TITLE: Business with the Public Excluded

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	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 19 February 2019	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.3	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 s7(2)(a).
9.4	Purchase of a Whangārei CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
9.5	Whangārei CBD Property Demolition	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

3. That the Independent Financial Advisor 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.