

# AGENDA

**Council**

**Tuesday 18 June 2019 at 10.30am**

## Northland Regional Council Agenda

Meeting to be held in the Council Chamber  
36 Water Street, Whangārei  
on Tuesday 18 June 2019, commencing at 10.30am

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

Item	Page
Housekeeping	
1.0 APOLOGIES (WHAKAPAHĀ)	
2.0 DECLARATIONS OF CONFLICTS OF INTEREST (WHAKAPUAKANGA O MUA)	
3.0 PRESENTATIONS - GIS CIVIL DEFENCE ALGIM AWARD	5
4.0 HEALTH AND SAFETY REPORT	6
5.0 COUNCIL MINUTES/ACTION SHEET/COUNCIL WORKING PARTY AND WORKING GROUP UPDATES	
5.1 Confirmation of Minutes - 21 May 2019 and 4 June 2019	9
5.2 Receipt of Action Sheet	31
5.3 Working Party Updates and Chairpersons' Briefings	33
6.0 FINANCIAL REPORTS	
6.1 Financial Report to 31 May 2019	35
6.2 Operating Costs Reserve Policy	39
7.0 DECISION MAKING MATTERS	
7.1 Update to Delegations	43
7.2 Project Plan for Implementing the Water Quality Planning Requirements of the National Policy Statement for Freshwater Management	52
7.3 Appoint Councillors to Environmental Leaders' Funding Panel	56
7.4 Alleged Breach of Code of Conduct: Councillor Finlayson	58
7.5 Enterprise IT System Indicative Business Case	86
8.0 OPERATIONAL REPORTS	
8.1 Chair's Report to Council	120
8.2 Chief Executive's Report to Council	123
8.3 Northland Inc. Limited: Reporting Against Statement of Intent - Quarter Three 2018/19	147

<b>9.0</b>	<b>RECEIPT OF COMMITTEE MINUTES</b>	<b>152</b>
<b>10.0</b>	<b>BUSINESS WITH THE PUBLIC EXCLUDED</b>	<b>155</b>
<b>10.1</b>	Confirmation of Confidential Minutes - 21 May 2019	
<b>10.2</b>	Human Resources Report	

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



**TITLE:** Presentations - GIS Civil Defence ALGIM Award

**ID:** A1194774

---

---

**Executive summary/Whakarāpopototanga**

The presentation that will be presented at the meeting is listed below.

---

**Recommendation**

That the presentation:

1. GIS Civil Defence ALGIM Award  
be received.
- 

**Attachments/Ngā tapirihanga**

Nil

---

**Authorised by Group Manager**

**Name:** Dave Tams

**Title:** Group Manager, Corporate Excellence

**Date:** 11 June 2019

**TITLE: Health and Safety Report**

**ID:** A1198631

**From:** Beryl Steele, Human Resources Manager

---

**Executive summary/Whakarāpopototanga**

This report provides an overview of health and safety activity during the month of May 2019. Overall reporting is down considerably on previous months. In addition, it was found that a few vehicle accidents over the last seven months had not been reported to the H&S specialist. Staff have been reminded of the need to report near misses and incidents. In June an online incident/accident form will be put on Express to make reporting easier.

Significant work has been done on updating our risk and hazard register, training matrix, monitoring programme, orientation, policy and traffic management plans. If not already complete they will be in June.

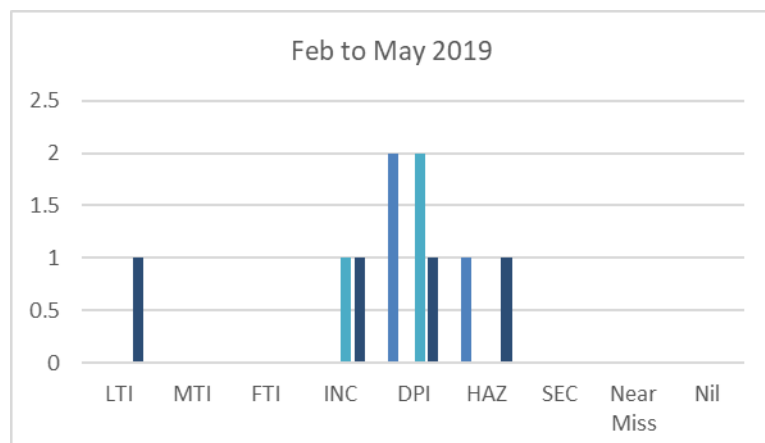
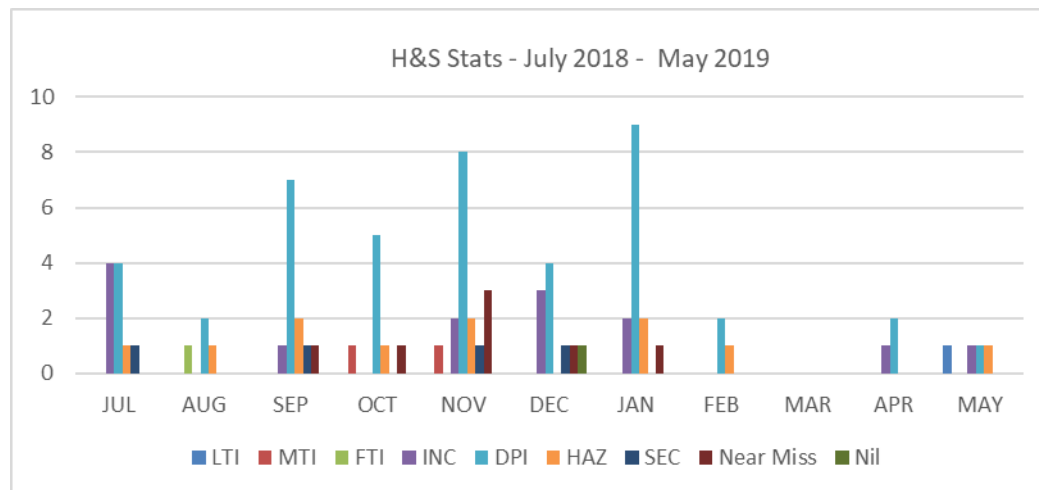
---

**Recommendation**

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 4 June 2019, be received.

---

**Background/Tuhinga**



### YTD results:

#### Legend

LTI – Lost Time Injury	1
MTI – Medical Treatment Injury	2
FTI – First Aid Treatment	1
INC – Incident	14
Nil – No injury (but recorded)	1
DPI – Discomfort, Pain and Injury	44
HAZ – Hazard	11
SEC – Security	4
Near Miss	7

---

YTD Total 85

### Items of Note

- Vehicle Incidents – an audit of insurance claims found that of the 12 vehicle incidents we have had since November, only five had been reported to H&S. Some of these have now been done, but it highlights the issue that staff are not aware what types of incidents need to be reported. A new online form will be going on Express in June with a reminder of the types of incidents that need to be reported (i.e. all incidents and near misses, regardless of whether there was an injury).
- The number of reports coming in has decreased significantly over the past few months. The introduction of the new online reporting form will hopefully make the process easier as it can be done instantly.
- There was one LTI – two days. The staff member tripped on concrete in a car park injuring their arm, side and knee.

### Summary of events for May

8/5/2019	LTI	Low	Walking outside, changed direction mid stride to avoid obstacle and tripped on concrete. Impacted left arm, left side and right knee.
9/5/2019	INC	Low	Employee hit bollard protecting fuel pump at gas station. Driving slowly so no injury - damage to the vehicle trunk
16/5/2019	DPI	Low	Employee rolled ankle going down stairs at training course, elevated and strapped. Rolled again at home.
28/5/2019	HAZ	Medium	High pressure hose at Union East is not restrained and flicks into the air, potential to hit the operator.

### Health and Safety Manual / Policies / Documentation Update

- The Health and Safety Strategy remains a work in progress.
- Policies being reviewed:
  - Drug & Alcohol Policy – in process
  - Incident & Near Miss Reporting Policy – submitted for review
  - Working Alone Policy – submitted for review

- PPE Policy – submitted for review
- Smoking Policy – submitted for review
- Hazards & Risk Management Policy - in process
- External Contractor Management Policy – in process
- Use of Firearms Policy – submitted for review
- Use of Vehicles Policy – in process
- The new organisational H&S Risk Register is about to be implemented replacing the old one. Once implemented, work needs to be done to ensure all risks are reviewed by the relevant department along with significant hazard registers.

## Health and Safety visits, training and other

### Training

- The Telarc Audit undertaken in March identified our training records as an area that needed improving. A full audit is currently underway with a new NRC central training matrix in place. We are currently ensuring that we have certificates or evidence for all recorded training, no evidence means it essentially wasn't done.
- A traffic controller course is booked for 21 June to ensure compliance with the traffic management requirements.
- We are in the process of booking First Aid, 4WD and Water Safety Training.

### Health monitoring

- Flu injections and skin checks took place in May.
- The occupational health monitoring programme is currently up to date – reminders have been sent to staff who are due to have testing or vaccinations done.

### General

- Traffic Management Plans (TMP) - requirements to finalise a traffic management plan for non-evasive maintenance activities is underway. Training is booked.
- The contractor engagement process is currently under review to decrease the amount of paperwork and streamline the process to ensure that it is being done.
- The H&S section in Express is getting an update in order to make it more user friendly and easier to navigate including online reporting form.
- A new starter H&S Orientation module will be going live on Cognise (our e-learning platform) soon with a quiz to ensure the content has been understood.

---

## Attachments/Ngā tapirihanga

Nil

---

## Authorised by Group Manager

**Name:** Dave Tams  
**Title:** Group Manager, Corporate Excellence  
**Date:** 05 June 2019

**TITLE:** Confirmation of Minutes - 21 May 2019 and 4 June 2019

**ID:** A1198166

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

---

### Recommendation

That the minutes of the council meeting held on 21 May 2019, and the extraordinary council meeting held on 4 June 2019 be confirmed as a true and correct record.

---

### Attachments/Ngā tapirihanga

Attachment 1: Council Minutes - 21 May 2019 [↓](#)

Attachment 2: Council Minutes Extraordinary Meeting - 4 June 2019 [↓](#)

---

### Authorised by Group Manager

**Name:** Chris Taylor

**Title:** Governance Support Manager

**Date:** 11 June 2019

Council Meeting  
21 May 2019

## Northland Regional Council Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Tuesday 21 May 2019, commencing at 10.30am

### 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  
Chief Executive Officer  
GM - Environmental Services  
Governance Support Manager

#### Part Meeting

GM – Strategy, Governance and Engagement  
GM – Regulatory Services  
GM – Corporate Excellence  
GM - Customer Service - Community Resilience  
Community Engagement Manager  
Corporate Planning Manager  
Strategy Policy and Planning Manager  
Natural Resources Policy Manager  
Online Services Officer  
Communications and Engagement Specialist  
Finance Manager  
Financial Accountant  
Policy Specialist

The Chair declared the meeting open at 10.30am.

### Apologies (Item 1.0)

There were no apologies.

Council Meeting  
21 May 2019

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

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

### **Receipt of Tabled Report (Item 2.0A)**

ID: A1194776

Report from Chris Taylor, Governance Support Manager

Moved (Shepherd/Smart)

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

- Amendment to Northland Regional Council Delegations Manual

Carried

### **Presentation - Rates Videos (Item 3.0)**

ID: A1192432

Report from Chris Taylor, Governance Support Manager

Communications and Engagement Specialist, Tamara Lee, and Online Services Officer, Jennifer Corbett, were in attendance and presented the three rates videos based on the 'Big Three'; Pest Management, Floods and Land/Water.

### **Health and Safety Report (Item 4.0)**

ID: A1188984

Report from Beryl Steele, Human Resources Manager

Moved (Stolwerk/Dimery)

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 3 May 2019, be received.

Carried

### **Confirmation of Minutes - 16 April 2019 and 7 May 2019 (Item 5.1)**

ID: A1188333

Report from Chris Taylor, Governance Support Manager

Moved (Bain/Finlayson)

That the minutes of the council meeting held on 16 April 2019, and the extraordinary council meeting held on 7 May 2019, be confirmed as a true and correct record.

Carried

Council Meeting  
21 May 2019

### **Receipt of Action Sheet (Item 5.2)**

ID: A1190208

Report from Chris Taylor, Governance Support Manager

Moved (Sinclair/Stolwerk)

That the action sheet be received.

Carried

### **Working Party Updates and Chairpersons' Briefings (Item 5.3)**

ID: A1190488

Report from Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Moved (Dimery/Yeoman)

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

Carried

### **Council Working Group Updates (Item 5.4)**

ID: A1188227

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

Moved (Bain/Blaikie)

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

Carried

### **Financial Report to 30 April 2019 (Item 6.1)**

ID: A1188711

Report from Vincent McColl, Financial Accountant

Moved (Finlayson/Blaikie)

That the report 'Financial Report to 30 April 2019' by Vincent McColl, Financial Accountant and dated 2 May 2019, be received.

Carried

#### *Secretarial Note:*

- *The Financial Manager provided a presentation detailing the actual results of council's externally managed fund portfolio during April 2019 and comparison with budget.*
- *The Independent Financial Advisor provided an update on the current financial situation and the need for council to put in place measures to ensure its work programmes were not at risk due to market volatility.*

---

ID: A1194803

3



Council Meeting  
21 May 2019

### **Regional Rates Collection - Update to 31 March 2019 (Item 6.2)**

ID: A1190502

Report from Simon Crabb, Finance Manager

Moved (Dimery/Stolwerk)

That the report 'Regional Rates Collection - Update to 31 March 2019' by Simon Crabb, Finance Manager and dated 8 May 2019, be received.

Carried

### **Appointment of Northland Inc. Directors (Item 7.1)**

ID: A1189405

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Shepherd/Finlayson)

1. That the report 'Appointment of Northland Inc. Directors' by Dave Tams, Group Manager, Corporate Excellence and dated 6 May 2019, be received.

Carried

Moved (Bain/Blaikie)

2. That Kris MacDonald be reappointed as a director of Northland Inc. Limited for a term of three years.
3. That David Crewe be reappointed as a director of Northland Inc. Limited for a term of three years.
4. That council continue to fund the additional two directorships to year ending 2021/22.

Carried

### **User Fees and Charges 2019/20 - Proposed alternative water take charge table (Item 7.2)**

ID: A1191107

Report from Tess Dacre, Compliance Monitoring Manager and Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Finlayson)

1. That the report 'User Fees and Charges 2019/20 - Proposed alternative water take charge table' by Tess Dacre, Compliance Monitoring Manager and Kyla Carlier, Corporate Planning Manager and dated 9 May 2019, be received.

Carried

*Secretarial Note: Additional information was requested regarding the impact of retaining the current methodology for charging water permit holders. Hence the remaining resolutions were left on the table and addressed following Item 9.0; being the last item of business in open meeting. It was advised at this time that the outcome was a reduction in revenue in the order of \$48,000.*

ID: A1194803

4

Council Meeting  
21 May 2019

It was further moved (Stolwerk/Yeoman)

2. That council support original table 3.5.3 'Water Takes Charges Scales', as consulted on and presented to council for its deliberations on 7 May 2019, and as included as **Attachment 2** to Item 7.2 *[pertaining to the 21 May 2019 council meeting agenda]*, for inclusion in the final User Fees and Charges 2019/20 (Option 2).
3. That Jonathan Gibbard, Group Manager – Strategy, Governance and Engagement, be given delegated authority to approve any minor formatting, accuracy and grammatical amendments to the final table.

Carried

### **Te Taitokerau Māori and Council Working Party: Māori Technical Advisory Group - Additional Member (Item 7.3)**

ID: A1191154

Report from Rachel Ropiha, Kaiarahi - Kaupapa Māori

Moved (Dimery/Blaikie)

1. That the report 'Te Taitokerau Māori and Council Working Party: Māori Technical Advisory Group - Additional Member' by Rachel Ropiha, Kaiarahi - Kaupapa Māori and dated 9 May 2019, be received.
2. That council endorse Te Rūnanga o Ngāti Rehia representative, Kipa Munro, as an additional member to the Māori Technical Advisory Group (MTAG)
3. That a further two meetings be confirmed by council as per the Appointed Members Policy.

Carried

### **Amendment to Northland Regional Council Delegations Manual (Tabled Item 7.4)**

ID: A1194489

Report from Michael Day, Natural Resources Policy Manager

Moved (Yeoman/Sinclair)

1. That the report 'Amendment to Northland Regional Council Delegations Manual' by Michael Day, Natural Resources Policy Manager and dated 20 May 2019, be received.
2. That the Northland Regional Council's Delegations Manual is amended as set out in Appendix 1 *[pertaining to Item 7.4 of the 21 May 2019 council meeting agenda]*.

Carried

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

ID: A1188198

Report from Bill Shepherd, Chairman

Moved (Shepherd/Sinclair)

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 1 May 2019, be received *[with deletion of the Chair's attendance at the Extension 350 field day at Phillips dairy farm]*.

Carried

ID: A1194803

5

Council Meeting  
21 May 2019

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

ID: A1189602

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Shepherd/Sinclair)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 6 May 2019, be received.

Carried

*Secretarial Note: Appreciation was extended to the transport team for the road safety initiatives implemented over the Easter period which had contributed to no fatal crashes in Northland.*

### Receipt of Committee Minutes (Item 9.0)

ID: A1188415

Report from Chris Taylor, Governance Support Manager

Moved (Bain/Smart)

That the unconfirmed minutes of the:

- Regional Transport Committee – 3 April 2019
- Property Subcommittee – 8 May 2019

be received.

Carried

*Secretarial Note: Following Item 9.0 council readdressed Item 7.2 'User Fees and Charges 2019/20 – Proposed alternative water take charge table'.*

### Business with Public Excluded (Item 10.0)

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
10.1	Confirmation of Confidential Minutes - 16 April 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 -.
10.2	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 -.

ID: A1194803

6

Council Meeting  
21 May 2019

10.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
10.4	Purchase of Whangārei CBD Properties	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 12.03pm.

Extraordinary Council Meeting  
4 June 2019

## Northland Regional Council Minutes

Extraordinary meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Tuesday 4 June 2019, commencing at 9.30am

### 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**  
GM – Strategy, Governance and Engagement  
GM - Corporate Excellence  
GM - Regulatory Services  
Corporate Planning Manager  
Policy Specialist  
Management Accountant  
Assistant Management Accountant  
Environmental Monitoring Officer – Waste Management  
**Part Meeting**  
Chief Executive Officer

The Chair declared the meeting open at 9.30am.

### 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.

Extraordinary Council Meeting  
4 June 2019

### **Adoption of User Fees and Charges 2019/20 | Kaupapa Here a Utu (Item 3.1)**

ID: A1194707

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

Moved (Yeoman/Stolwerk)

1. That the report 'Adoption of User Fees and Charges 2019/20 | Kaupapa Here a Utu' by Kyla Carlier, Corporate Planning Manager and Robyn Broadhurst, Policy Specialist and dated 20 May 2019, be received.
2. That council adopts the User Fees and Charges 2019/20; included as Attachment 1 pertaining to Item 3.1 of the 4 June 2019 extraordinary council meeting agenda.
3. That council authorises Jonathan Gibbard, Group Manager –Strategy, Governance and Engagement to make any necessary minor drafting, typographical, rounding, or presentation corrections to the User Fees and Charges 2019/20 prior to final publication of the document.

Carried

### **Adoption of the Annual Plan 2019/20 | Mahere-a-Tau 2019/20 (Item 3.2)**

ID: A1163608

Report from Kyla Carlier, Corporate Planning Manager

Moved (Finlayson/Blaikie)

1. That the report 'Adoption of the Annual Plan 2019/20 | Mahere-a-Tau 2019/20 ' by Kyla Carlier, Corporate Planning Manager and dated 15 May 2019, be received.
2. That in accordance with section 95 of the Local Government Act 2002, the council adopts the Annual Plan 2019/20; included as Attachment 1 pertaining to Item 3.2 of the 4 June 2019 extraordinary council meeting agenda.
3. That the council authorises Jonathan Gibbard, Group Manager – Strategy and Governance to make any necessary minor drafting, typographical, rounding, or presentation corrections to the Annual Plan 2019/20 prior to the document going to print.

Carried

### **Rates for the year 1 July 2019 to 30 June 2020 (Item 3.3)**

ID: A1196118

Report from Dave Tams, Group Manager, Corporate Excellence and Casey Mitchell, Assistant Management Accountant

Moved (Stolwerk/Smart)

1. That the report 'Rates for the year 1 July 2019 to 30 June 2020' by Dave Tams, Group Manager, Corporate Excellence and Casey Mitchell, Assistant Management Accountant and dated 24 May 2019, be received.
2. That council notes that it has had regard to section 100T of the Biosecurity Act 1993 and confirms that its analysis of Section 100T of the Biosecurity Act 1993, as included in the Long Term Plan 2018-2028, remains appropriate in relation to setting the Pest Management Rate for 2019/20.

ID: A1198687

2

Extraordinary Council Meeting  
4 June 2019

3. That the Northland Regional Council resolves to set the following rates under the Local Government (Rating) Act 2002 (LGRA) for the financial year commencing 1 July 2019 and ending 30 June 2020:

**a. Targeted council services rate**

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per each rateable separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide funding for the ongoing maintenance of the Hātea River Channel. The rate is differentiated by location in the Northland region and assessed as a fixed amount per each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and on each rateable rating unit (RU) in the Kaipara district. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$82.16 per SUIP
Kaipara District	\$112.05 per RU
Whangārei District	\$104.25 per SUIP

The Whangārei District targeted council services rate amount of \$104.25 (including GST) per SUIP includes funding for the Hātea River Channel amount of \$1.73 (including GST).

**b. Targeted land management rate**

A targeted rate as authorised by the LGRA. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district because the rate is allocated based on projected land value, as provided for in section 131 of the LGRA. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0001168 per dollar of land value
Kaipara District	\$0.0001063 per dollar of land value
Whangārei District	\$0.000991 per dollar of land value

**c. Targeted freshwater management rate**

A targeted rate as authorised by the LGRA. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district because the rate is allocated based on projected land value, as provided for in section 131 of the LGRA. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0002379 per dollar of land value
Kaipara District	\$0.0002166 per dollar of land value
Whangārei District	\$0.0002022 per dollar of land value

**d. Targeted pest management rate**

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is a fixed amount, differentiated by location in the Northland

Extraordinary Council Meeting  
4 June 2019

region. The rate will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$46.78 per SUIP
Kaipara District	\$63.80 per RU
Whangārei District	\$58.37 per SUIP

**e. Targeted flood infrastructure rate**

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$26.02 per SUIP
Kaipara District	\$26.02 per RU
Whangārei District	\$26.02 per SUIP

**f. Targeted civil defence and hazard management rate**

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is a fixed amount, differentiated by location in the Northland region. The rate will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$16.58 per SUIP
Kaipara District	\$22.61 per RU
Whangārei District	\$20.68 per SUIP

**g. Targeted emergency services rate**

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$11.69 per SUIP
Kaipara District	\$11.69 per RU
Whangārei District	\$11.69 per SUIP

**h. Targeted regional sporting facilities rate**



Extraordinary Council Meeting  
4 June 2019

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$16.74 per SUIP
Kaipara District	\$16.74 per RU
Whangārei District	\$16.74 per SUIP

**i. Targeted regional infrastructure rate**

A targeted rate as authorised by the LGRA. This rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district, because the rate is allocated based on projected land value, as provided for in section 131 of the LGRA. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0000297 per dollar of land value
Kaipara District	\$0.0000270 per dollar of land value
Whangārei District	\$0.0000253 per dollar of land value

**j. Targeted Whangārei transport rate**

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part of a rating unit (SUIP) in the Whangārei District. The rate is set as follows:

	<u>Including GST</u>
Whangārei District	\$22.83 per SUIP

**k. Targeted Far North transport rate**

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part of a rating unit (SUIP) in the Far North District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$8.68 per SUIP

**l. Targeted Awanui River management rate**

A targeted rate set under the LGRA, set differentially by location and area of benefit as defined in the Awanui River Flood Management Plan, and as defined in the following table:

The rate is set differentially as follows:

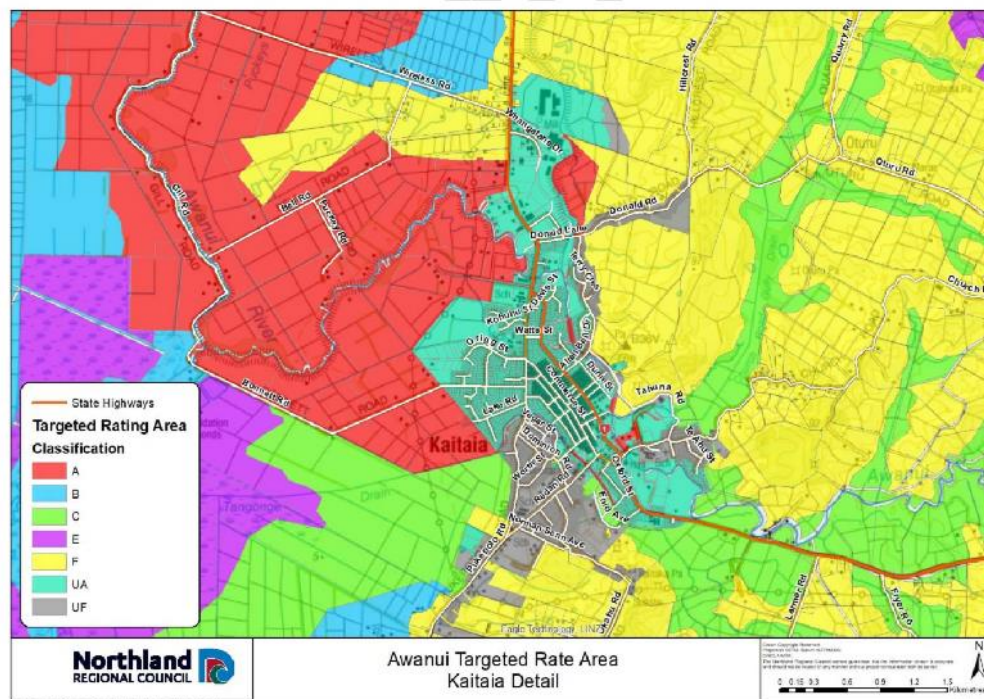
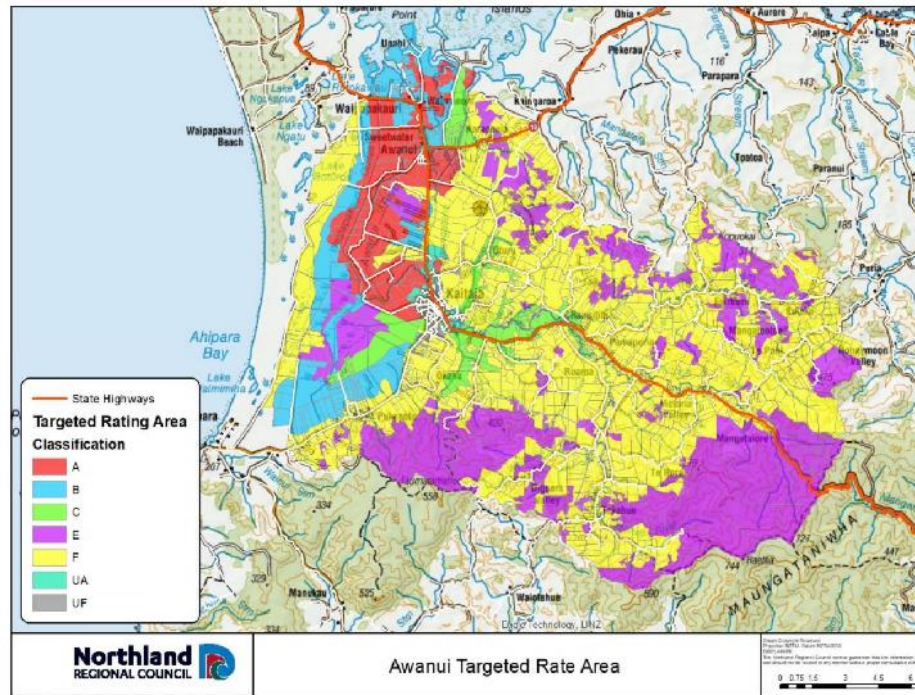
Category	Description	Rate <u>including GST</u>
UA	Urban rate class UA (floodplain location) \$297.95 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit (SUIP).	\$327.96 per SUIP

Extraordinary Council Meeting  
4 June 2019

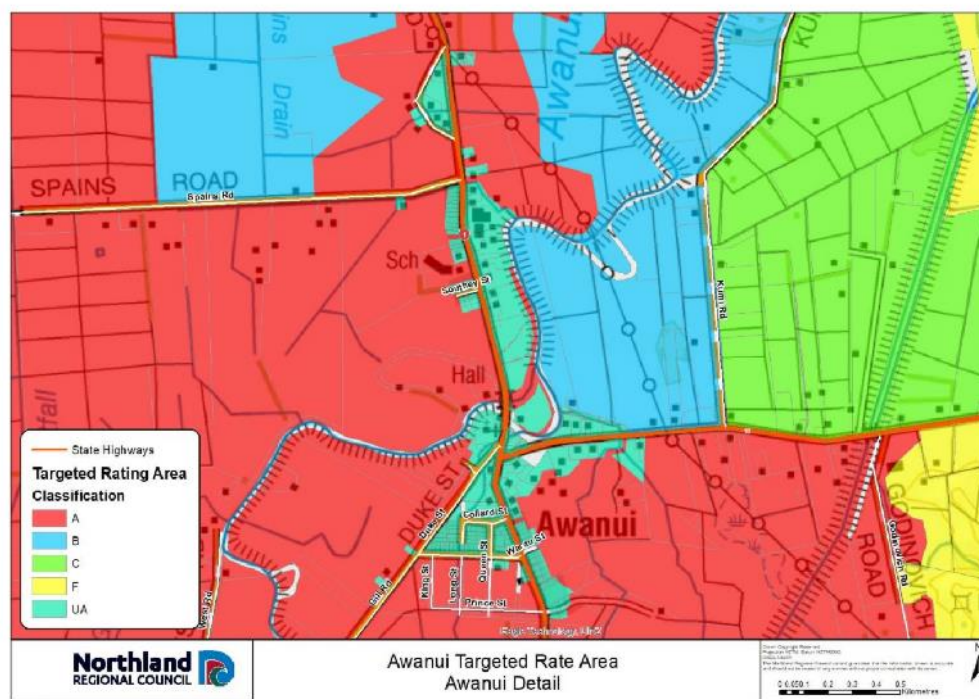
UA	Urban rate class UA – commercial differential.	\$983.87 per SUIP
UF	Urban rate classes UF (higher ground) \$30.00 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$60.01 per SUIP
UF	Urban rate class UF – commercial differential.	\$180.03 per SUIP
Rural	Rural rate differentiated by class, \$13.35 per separately used or inhabited part of a rating unit (SUIP) of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitiāia flood rating district as illustrated in the following maps and table.	\$13.35 per SUIP
<b>Class</b>	<b>Description</b>	<b>Rate including GST</b>
A & B	High benefit; rural land which receives high benefit from the Awanui scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or coastal flooding – all rateable land other than in the commercial differential.	\$24.47 per hectare
A & B commercial differential		\$73.40 per hectare
C	Moderate benefit; land floods less frequently and water clears quickly – all rateable land other than in the commercial differential.	\$11.07 per hectare
C commercial differential		\$33.21 per hectare
F	Contributes runoff waters, and increases the need for flood protection - all rateable land other than in the commercial differential.	\$1.09 per hectare
F commercial differential		\$3.27 per hectare

Extraordinary Council Meeting  
4 June 2019

The rating classifications are illustrated in the following maps:



Extraordinary Council Meeting  
4 June 2019



m. Targeted Kaihū River management rate

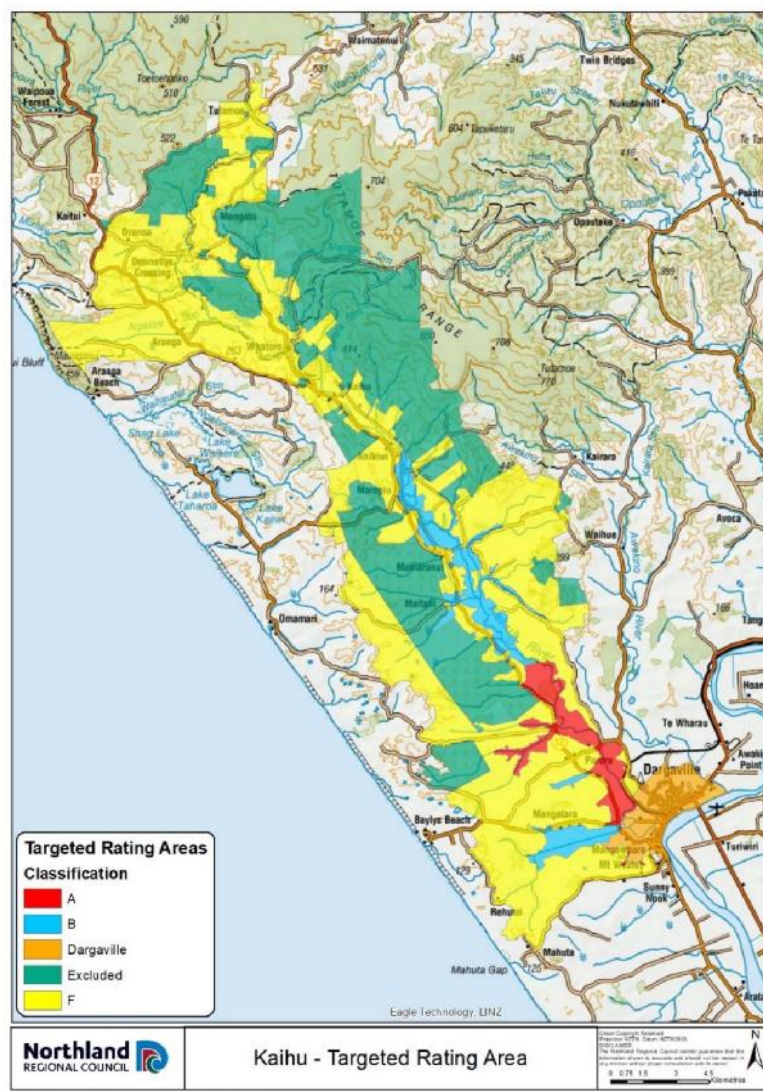
A targeted rate set under the LGRA, and set differentially by location and area of benefit as defined in the following table:

Class	Description	Rate Including GST
A	Land on the floodplain and side valleys downstream of Rotu Bottleneck.	\$23.72 per hectare
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.68 per hectare
F	Land within the Kaihū River rating area not falling within Class A and Class B.	\$1.64 per hectare
Urban Contribution – A contribution from the Kaipara District Council instead of a separate rate per property:		\$5,015 per annum



Extraordinary Council Meeting  
4 June 2019

The rating classifications are illustrated in the following map:



n. Targeted Kaeo-Whangaroa rivers management rate

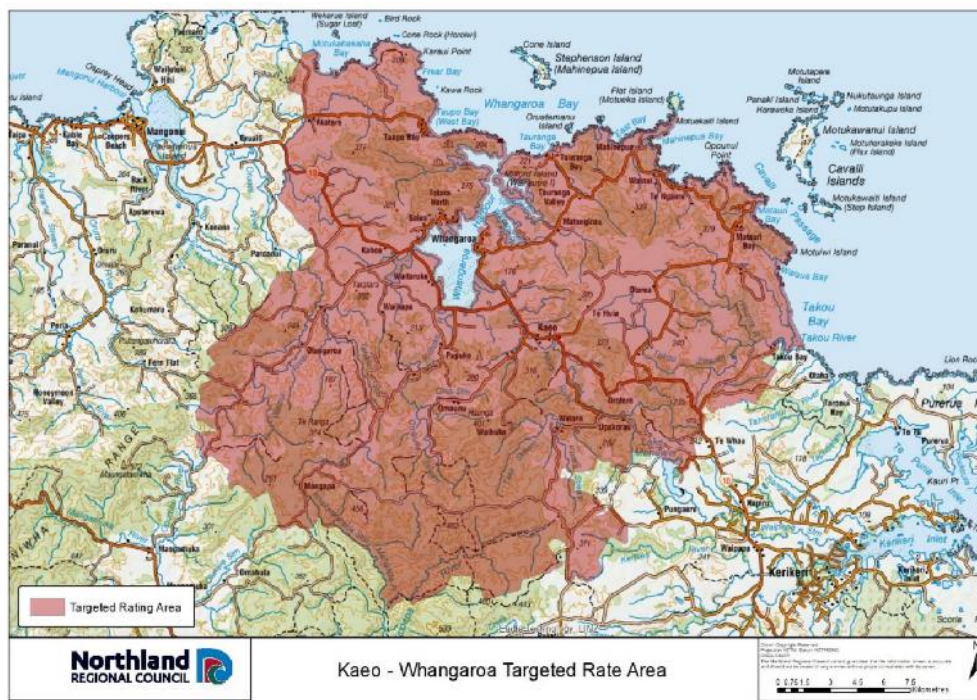
A targeted rate set under the LGRA, set on a uniform basis in respect of each rateable separately used or inhabited part of a rating unit falling within the former Whangaroa Ward rating rolls of 100-199, as illustrated in the map below:

Former Whangaroa Ward

Including GST

\$52.06 per SUIP

Extraordinary Council Meeting  
4 June 2019



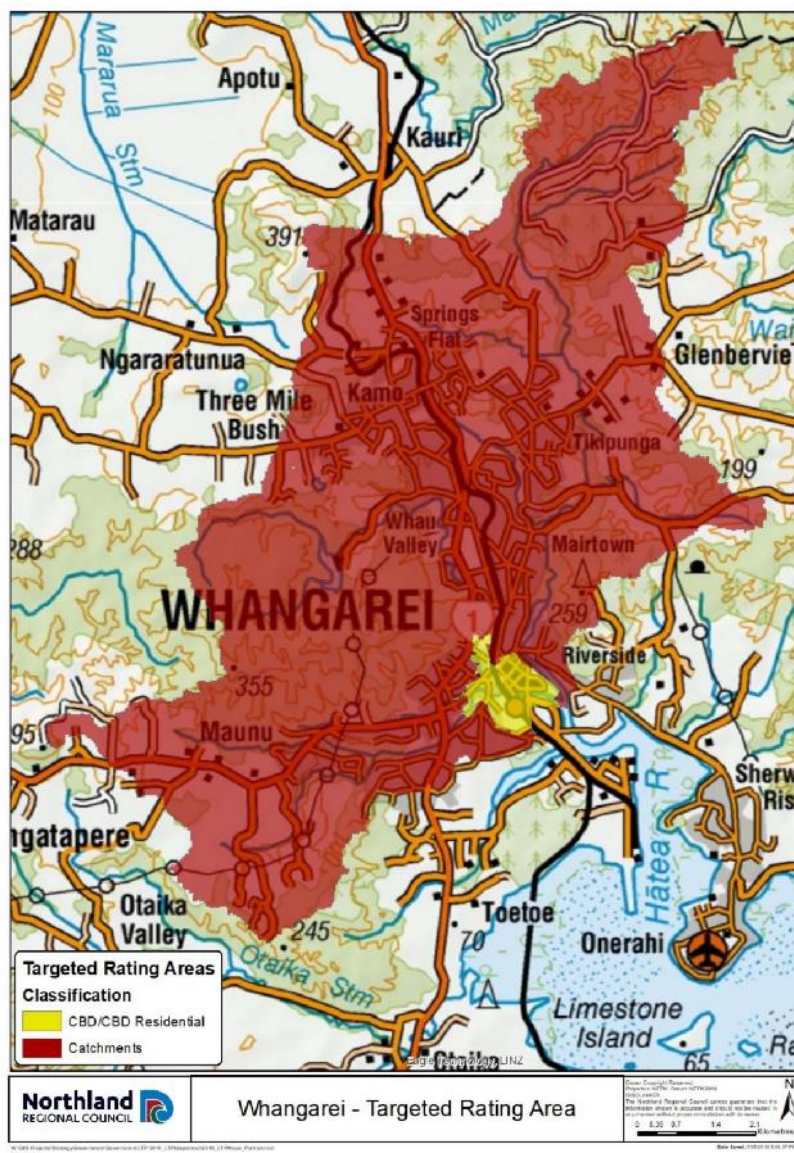
**o. Targeted Whangārei urban rivers management rate**

A targeted rate set under the LGRA, and assessed on all rateable properties defined by reference to the differential categories, and differentiated by location (illustrated in the map below) and, for some categories, land use. It is set as a fixed amount per each rateable separately used or inhabited part (SUIP) of a rating unit, as follows:

Category		<u>Including GST</u>
1	Commercial properties located in the Whangārei Central Business District flood area:	\$352.25 per SUIP
2	Residential properties located in the Whangārei Central Business District flood area:	\$174.16 per SUIP
3	Properties located in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River Catchments):	\$43.34 per SUIP



Extraordinary Council Meeting  
4 June 2019



Differential categories for the Whangārei urban rivers management rate:

<p><b>Residential properties in the Whangārei central business district</b></p>	<p>Residential properties in the Whangārei central business district (CBD) flood area are defined as all rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc.</p> <p>Residential properties also includes multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs and hostels but excluding</p>
---	---

ID: A1198687

11

Extraordinary Council Meeting  
4 June 2019

	any properties that are licensed under the Sale and Supply of Alcohol Act 2012.
<b>Commercial properties in the Whangārei central business district</b>	Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes or zoned for commercial, industrial or related purposes in accordance with the Whangārei district plan. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol 2012; and private hospitals and private medical centres.

#### 4. Payment dates for rates, discounts, and penalty regime

That the Northland Regional Council resolves the following:

##### Far North District constituency:

All rates within the Far North District constituency are payable in four equal instalments, on the following dates:

Instalment	Due date for payment
Instalment 1	20 August 2019
Instalment 2	20 November 2019
Instalment 3	20 February 2020
Instalment 4	20 May 2020

The Northland Regional Council resolves to add the following penalties to unpaid Far North District constituency rates:

- In accordance with section 58(1)(a) of the LGRA, a penalty of ten percent (10%) will be added to any portion of each instalment of Far North District constituency rates assessed in the 2019/20 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	27 August 2019
Instalment 2	27 November 2019
Instalment 3	27 February 2020
Instalment 4	27 May 2020

##### Kaipara District constituency:

All rates within the Kaipara District constituency are payable in four equal instalments, on the following dates:



Extraordinary Council Meeting  
4 June 2019

Instalment	Due date for payment
Instalment 1	20 August 2019
Instalment 2	20 November 2019
Instalment 3	20 February 2020
Instalment 4	20 May 2020

The Northland Regional Council resolves to add the following penalties to unpaid Kaipara District constituency rates:

- In accordance with section 58(1) (a) of the LGRA, a penalty of ten percent (10%) of so much of each instalment of the Kaipara District constituency rates assessed in the 2019/20 financial year that are unpaid after the relevant due date for each instalment will be added on the relevant penalty date for each instalment stated below, except where a ratepayer has entered into an arrangement by way of direct debit authority, or an automatic payment authority, and honours that arrangement. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	21 August 2019
Instalment 2	21 November 2019
Instalment 3	21 February 2020
Instalment 4	21 May 2020

- In accordance with section 58(1)(b) of the LGRA, a penalty of ten per cent (10%) of the amount of all Kaipara District constituency rates (including any penalties) from any previous financial years that are unpaid on 01 July 2019 will be added on 03 July 2019.
- In accordance with section 58(1)(c) of the LGRA, a penalty of ten per cent (10%) of the amount of all Kaipara District constituency rates to which a penalty has been added under the point immediately above and which remain unpaid will be added on 06 January 2020.

**Whangārei District constituency:**

All rates within the Whangārei District constituency are payable in four equal instalments, on the following dates:

Instalment	Due date for payment
Instalment 1	20 August 2019
Instalment 2	20 November 2019
Instalment 3	20 February 2020
Instalment 4	20 May 2020

The Northland Regional Council resolves to add the following penalties to unpaid Whangārei District constituency rates:

- In accordance with section 58(1)(a) of the LGA, a penalty of ten percent (10%) will be added to any portion of each instalment of Whangārei District constituency rates

Extraordinary Council Meeting  
4 June 2019

assessed in the 2019/20 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	23 August 2019
Instalment 2	25 November 2019
Instalment 3	25 February 2020
Instalment 4	25 May 2020

- In accordance with section 58(1)(b) of the LGRA, a penalty of ten per cent (10%) will be added to any Whangārei District constituency rates (including any penalties) from any financial year prior to 1 July 2019 that still remain unpaid as at 4 July 2019. This penalty will be added on 4 September 2019.

The Northland Regional Council resolves to apply the following discount to Whangārei District constituency rates:

- In accordance with section 55(3) of the LGRA, where the total rates assessed for the 2019/20 year and any arrears on a rating unit in the Whangārei District constituency are paid in full on or by the due date of the first instalment, a discount of two percent (2%) of the total rates assessed on that rating unit in the 2019/20 financial year will be applied.

Carried

## Conclusion

The meeting concluded at 9.38am.

**TITLE:** Receipt of Action Sheet  
**ID:** A1199892  
**From:** Chris Taylor, Governance Support Manager

---

### Executive summary/Whakārapopototanga

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: Council Action Sheet - June 2019 [↓](#)

---

### Authorised by Group Manager

**Name:** Chris Taylor  
**Title:** Governance Support Manager  
**Date:** 11 June 2019

**Outstanding Actions as at 6/06/2019**

Id	Meeting	Target Date	Officer Responsible	Description	Request Details	Most Recent Comment
4964	Council 19/03/2019	2/04/19	Taylor, Chris	Health and Safety Group Membership	That further consideration be given to the composition of the Risk and Health and Safety Working Party (governance) versus that of the Health and Safety Strategy Steering Group (operational). The ELT in first instance then a workshop with council.	ELT has discussed the matter. Will be considered as part of the governance review.

**Actions Completed in the Last Month - Finalised from 21/05/2019 to 6/06/2019**

Id	Meeting	Date Completed	Officer Responsible	Description	Request Details	Most Recent Comment
5044	Council 21/05/2019	6/06/19	Taylor, Chris	Amendment to Northland Regional Council Delegations Manual	That the Delegations Register be updated in relation to Clause 16 of Schedule 1 of the RMA (as per council resolution).	Delegations Manual updated accordingly.

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

**ID:** A1197713

---

**Recommendation**

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

---

**Te Taitokerau Māori and Council Working Party (Co-chairs: member Taylor, Cr Dimery)**

The Te Taitokerau Māori and Council Working Party (TTMAC) met on 2 May 2019. The topics for discussion included:

- Presentations from Ministry for the Environment (MfE) and Northland Inc. advising on issues of interest to iwi and hapū.
- A review of TTMAC as part of a wider governance review that will help inform the incoming council elected in October 2019's local body elections.
- The Māori Technical Advisory Group's work programme, including finalising work on Mana Whakahono a Rohe, consent processing, and the review of TTMAC.
- Natural resource planning work programme.
- NRC support for a Māori Representation Symposium in June 2019.
- Reports from other working parties and the April 2019 marae-based hui.
- NRC Environmental Awards.

Following discussion, TTMAC provided advice on the following next steps:

- That MTAG continue their programme of work, and that it be asked to work with staff to further investigate and provide guidance on how council should fulfil its role and responsibilities to support, facilitate and implement a Mātauranga Māori monitoring framework within Te Taitokerau.

**Audit and Finance Working Party (Chair: Cr David Sinclair)**

The Audit and Finance Working Party met on 6 May 2019. The topics for discussion included:

- Deloitte Planning report to working party year end 30 June 2019.
- Finances (deep dive) – March year to date.
- Record of Actions – 19 February 2019.

Peter Gulliver from Deloitte spoke about the report and answered any questions. Reviewed final planning document for year end 30 June 2019. Areas of focus is fraud around credit cards, travel and training. Bribery and corruption. Northland Regional Council to adopt an online training course for staff.

Budget for internal audit - IT audit to be completed by year end. Rate review completed. Tax review before incoming council to confirm tax treatments are compliant before November.

Leadership team create reserve for operational spending equivalent to one year's expenditure.

**Audit and Finance Working Party (Chair: Cr David Sinclair)**

The Audit and Finance Working Party met on 4 June 2019. The topics for discussion included:

- Operating Costs Reserve Policy

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

- All in favour to present to council at next meeting.

---

**Authorised by Group Manager**

**Name:** Jonathan Gibbard

**Title:** Group Manager - Strategy, Governance and Engagement

**Date:** 11 June 2019

**TITLE:** Financial Report to 31 May 2019

**ID:** A1199659

**From:** Vincent McColl, Financial Accountant

---

### Executive summary / Whakarāpopototanga

This report is to inform council of the year to date (YTD) financial result to May 2019. Council has achieved a YTD surplus after transfers to and from reserves of \$3.18M, which is \$1.10M favourable to budget.

---

### Recommendation

That the report 'Financial Report to 31 May 2019' by Vincent McColl, Financial Accountant and dated 5 June 2019, be received.

---

### Report

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 43,163	\$ 43,136	\$ 27
Expenditure	\$ 37,616	\$ 39,236	\$ 1,621
<b>NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES</b>	<b>\$ 5,548</b>	<b>\$ 3,900</b>	<b>\$ 1,648</b>
Transfer From (To) Special Reserves	\$ (2,364)	\$ (1,818)	\$ (546)
<b>NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES</b>	<b>\$ 3,184</b>	<b>\$ 2,082</b>	<b>\$ 1,102</b>

## Revenue

Year to date revenue is \$43.16M, which is \$27K or 0.1% above budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$334,588	1.3%	<ul style="list-style-type: none"> <li>A higher level of rating units / SUIPs were used for the rating strike versus what was in the LTP.</li> </ul>
User Fees and Sundry	\$87,587	2.1%	<ul style="list-style-type: none"> <li>Higher than budgeted consent application fees of \$73K partially offsetting costs incurred (hearings, consultants and legal)</li> <li>Higher than budgeted consent management fees of \$151K</li> <li>Unbudgeted prosecutions of \$23K</li> <li>Partially offset by:</li> <li>Lower than budgeted fare box revenue of \$163K</li> </ul>
Grants and Subsidies	\$154,453	4.5%	<ul style="list-style-type: none"> <li>Unbudgeted subsidies received for the Mycoplasma Bovis response of \$92K offsetting labour costs</li> <li>Unbudgeted stop wild ginger subsidies offsetting costs with this project of \$91K</li> <li>Unbudgeted EECA grants for a electric vehicle charging station of \$59K offsetting by costs associated with this project.</li> <li>Unbudgeted subsidies for Kauri Die Back ground truthing of \$82K</li> <li>Unbudgeted grants for a Feral Deer programme of \$50K</li> <li>Unbudgeted fan worm response subsidies of \$43K offsetting related costs.</li> <li>Partially Offset by:</li> <li>Lower than budgeted NZTA subsidies of \$87K offset by lower than budgeted transport contract costs</li> <li>Lower than budgeted revenue for FIF projects of \$295K offsetting lower expenditure for these projects</li> </ul>
Investment Interest Income	(\$26,776)	(6.2%)	<ul style="list-style-type: none"> <li>This is due to a change in IGR interest attribution where the IGR now resides in the STF.</li> </ul>
Investment Property Income	(\$36,720)	(1.4%)	
Other Income	\$2,611	0.2%	
Dividend Income	(\$110,242)	(3.1%)	<ul style="list-style-type: none"> <li>Lower than budgeted MMH dividends by half a cent (\$0.0050) per share.</li> </ul>
Short Term Fund	\$101,493	168.2%	<ul style="list-style-type: none"> <li>Actual April YTD returns as per Eriksens Global of 4.9% (5.9% annually) are higher than the budgeted 4.0% (4.75% annually). Additionally the STF has a higher fund balance than budgeted.</li> </ul>
Property Reinvestment Fund	(\$322,794)	(28.7%)	<ul style="list-style-type: none"> <li>Actual April YTD returns of 4.7% (5.6% annually) are lower than the budgeted 6.25% (7.5% annually).</li> </ul>
Infrastructure Investment Fund	\$159,711	18.9%	<ul style="list-style-type: none"> <li>Actual April YTD returns of 5.3% (6.4% annually) are higher than the budgeted 4.8% (5.75% annually)</li> </ul>
Community Investment Fund	(\$316,503)	(34.7%)	<ul style="list-style-type: none"> <li>Actual April YTD returns of 3.8% (4.6% annually) are lower than the budgeted 6.25% (7.5% annually).</li> </ul>
<b>Total</b>	<b>\$27,405</b>	<b>0.1%</b>	



### Expenditure

Year to date expenditure is \$37.62M, which is \$1.62M or 4.1% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	(\$120,020)	(2.3%)	<ul style="list-style-type: none"> <li>Higher than budgeted consent application costs of \$228K (consultants and hearing committee costs) partially offset with higher than budgeted consent revenue.</li> <li>Higher than budgeted legal fees relating to environmental incidents of \$73K</li> </ul> Offset by: <ul style="list-style-type: none"> <li>Lower than budgeted lab test costs due to a contract change of \$108K</li> </ul>
Environmental Services	\$435,727	4.4%	<ul style="list-style-type: none"> <li>Lower than budgeted natural hazards consultancy of \$173K. Savings here are expected to be approximately \$200K at year end.</li> <li>Lower than budgeted FIF project expenditure (predominantly consultancy) of \$372K offset by lower than budgeted income and reserve movements</li> <li>Lower than budgeted other river works of \$78K</li> </ul> Offset by: <ul style="list-style-type: none"> <li>Unbudgeted stop wild ginger biocontrol expenditure (consultancy) of \$91K</li> </ul>
Governance and Engagement	\$658,434	9.3%	<ul style="list-style-type: none"> <li>Lower economic development project grants than budgeted YTD of \$335K offset with lower transfers from the IGR (Feasibility studies, Twin Coast cycle trail, and Kawakawa Hundertwasser)</li> <li>Lower than budgeted Northland Inc payments of \$100K offset by lower transfers from the IGR</li> <li>Lower than budgeted TTMAC member costs of \$30K</li> <li>Lower than budgeted promotions expenditure of \$38K</li> </ul> Offset by: <ul style="list-style-type: none"> <li>Unbudgeted expenditure for an electric vehicle charging station project of \$64K offset with EECA subsidy.</li> </ul>
Customer Service and Community Resilience	\$293,787	4.0%	<ul style="list-style-type: none"> <li>Lower transport contract costs of \$275K partially offset by lower than budgeted NZTA subsidies and farebox revenue. This is predominantly due to delays in Whangarei rural bus trials</li> <li>Budget timing differences on the Hatea River channel dredging of \$97K. This is fully offset with lower than budgeted transfers from reserves.</li> </ul>
Corporate Excellence	\$178,845	3.0%	<ul style="list-style-type: none"> <li>Lower than budgeted HR consultancy of \$73K</li> <li>Lower than budgeted net labour charged to HR of \$148K</li> <li>Lower than budgeted IT Consultancy of \$58K</li> </ul> Offset by: <ul style="list-style-type: none"> <li>Higher than budgeted expenditure on council's IaaS outsourced contract and other IT expenditure (e.g. licencing) of \$190K</li> </ul>
CEO Office	\$173,760	4.6%	<ul style="list-style-type: none"> <li>Lower than budgeted labour charged to the CEO Department of \$145K</li> </ul>
<b>Total</b>	<b>\$1,620,533</b>	<b>4.1%</b>	

Note that across council there is a \$475K favourable salaries variance predominantly due to a deferral in the recruitment of positions identified in the LTP and time to fill vacancies.

### ***Transfers to reserves***

For the year to date there has been a net transfer to reserves of \$2.36M compared to a budgeted net transfer to reserves of \$1.82M. This is predominantly due to:

- \$431K higher than budgeted transfers to reserves relating to the Whangārei and Far North bus reserves, FIF project funding from the land management reserve, Hātea River reserve, and river reserves.
- \$361K lower than budgeted transfers from reserve relating to IGR funding of Northland Inc. payments.

Offset by:

- \$359K lower than budgeted transfers to reserves relating to the recapitalisation of externally managed fund gains. It should be noted that transfers to the IIF reserve were higher than budgeted due to higher than budgeted gains but this is offset by lower transfers to the CIF and PRF reserves.

### ***Capital Expenditure***

Capital expenditure of \$3.09M (excluding commercial property purchases and commercial developments) is lower than budget by \$902K. This is predominantly due to the timing of flood infrastructure work compared to budget and delays on hydrology capex.

At this stage we anticipate \$377K of capital carry forwards at year end; being \$300K for rating software, \$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, and \$19K of air quality station data loggers that have been delayed until a new and more fit for purpose product version is released.

---

### **Attachments/Ngā tapirihanga**

Nil

---

### **Authorised by Group Manager**

**Name:** Dave Tams  
**Title:** Group Manager, Corporate Excellence  
**Date:** 11 June 2019

**TITLE:** Operating Costs Reserve Policy

**ID:** A1199369

**From:** Simon Crabb, Finance Manager

---

### Executive summary/Whakarāpopototanga

The purpose of this agenda item is to obtain council approval to adopt the proposed Operating Costs Reserve Policy and establish an Operating Costs Reserve.

The purpose of an Operating Costs Reserve is to ensure the delivery of work programmes, employment, and ongoing day to day operations in the event of an unforeseen shortfall in revenue.

The intention of an Operating Costs Reserve Policy is to have sufficient funding set aside in liquid assets should the budgeted revenue stream from council's Managed Fund portfolio not eventuate as anticipated. As an indication, the 2019/20 budgets signal that \$2.1M of general funding is required next year from council's Managed Fund portfolio.

The final amount and the plan of investment for this Reserve in 2019/20 will be the subject of a further paper that will be presented to council for approval in August 2019, following the completion of the Draft Annual Accounts.

The proposed Operating Costs Reserve Policy for council review is presented as **Attachment 1**.

This agenda item and the proposed policy have been presented to, and endorsed by, the Investment Subcommittee and the Audit and Finance Working Party.

---

### Recommendation(s)

1. That the report 'Operating Costs Reserve Policy' by Simon Crabb, Finance Manager and dated 5 June 2019, be received.
2. That the Operating Costs Reserve Policy presented in this agenda item is adopted.
3. That an Operating Costs Special Reserve is established.

---

### Considerations

#### Options

No.	Option	Advantages	Disadvantages
1	Approve and adopt the Operating Costs Reserve Policy as presented to council	An Operating Costs Reserve provides assurance and stability over the delivery of council's mission, work programmes, employment, and day to day operations.	The returns associated with secure liquid assets are typically lower than the returns generated if funding remained in Managed Funds (however this does reflect the fact that secure liquid assets (e.g. term deposits) carry less risk and why they are

			aligned to the proposed policy).
2	Do not pursue this policy any further	None	Remain at risk to a volatile economy and its implications on council's managed fund returns and detrimental impact on a funding source relied upon to fund work programmes.

The staff's recommended option is 1.

**2. Significance and engagement**

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities and is in accordance with the approved Treasury Management Policy.

**3. Policy, risk management and legislative compliance**

The activities detailed in this report are in accordance with council's Treasury Management Policy and the 2018–28 Long Term Plan, both of which were approved in accordance with council's decision-making requirements of sections 76–82 of the Local Government Act 2002.

**4. Financial Implications**

An Operating Costs Reserve that can be called upon if council's Managed Fund portfolio does not generate its budgeted revenue stream provides financial stability by ensuring there is funding available, in liquid and relative risk-free assets, to continue the delivery of the planned work programmes.

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

---

**Attachments/Ngā tapirihanga**

Attachment 1: Proposed Operating Costs Reserve Policy [↓](#)

---

**Authorised by Group Manager**

**Name:** Dave Tams  
**Title:** Group Manager, Corporate Excellence  
**Date:** 11 June 2019

# Operating Costs Reserve Policy

This policy establishes a dedicated unrestricted reserve (“the Operating Costs Reserve”) within the equity of Northland Regional Council. The purpose of the reserve and the cash holdings representing it, is to ensure that portion of annual operating costs in any financial year that are intended to be funded from gains from Northland Regional Council’s managed funds is guaranteed and not exposed to volatility in financial markets or other adverse circumstances.

## Purpose

The purpose of the Operating Costs Reserve Policy is to ensure the stability of work-programs, employment, and ongoing day to day operations of the Northland Regional Council.

The Operating Costs Reserve is intended to provide a source of funds to cover any unanticipated loss in councils funding arising from adverse economic conditions or volatility in financial markets. Specifically, it will provide one year’s cover of the contribution the managed funds provide to operational expenditure.

The Operating Costs Reserve is not intended to replace a permanent loss of funding or eliminate an ongoing budget gap.

The Operating Costs Reserve Policy will be implemented in line with council’s other governance and financial policies and is intended to support council’s strategic goals and operational plans.

## Target amount for the Operating Costs reserve

The Operating Costs Reserve is a designated fund set aside at a target amount equal to the annual budgeted amount of general funding required from councils managed fund portfolio.

The target amount will exclude investment fees. Investment fees will be funded by Managed Fund gains and any shortfall will be funded from the capital balance of the corresponding Managed Fund.

The target amount will be calculated each year after council approval of the annual budgets, and the target will be set on 1 July of each year.

It is the intention of Northland Regional Council that the Operating Costs Reserve is replenished, or increased to its targeted amount using surplus gains in excess of budget in the subsequent years.

## Accounting for the Operating Costs Reserve

The Operating Costs Reserve will be held in segregated fixed rate term deposits or other liquid assets in accordance with council’s treasury management policy.

Interest or gains generated from the assets representing the Operating Costs Reserve will be reinvested back into the Operating Costs Reserve.

When the value of the aggregated cash holding is in excess of the targeted amount, the excess will be repaid to council’s long term managed fund portfolio.

As the costs to be covered by the Operating Costs Reserve are known, the cash holdings which represent the reserve must have the lowest feasible risk setting most likely to be cash and term deposits of appropriate duration. Any fixed vs floating parameters set under council’s Treasury Management Policy therefore do not apply to such cash and term deposits

The Operating Costs Reserve will be established by council resolution and will be recognised in the financial statements as a council designated unrestricted special reserve.

## **Funding of Operating Costs Reserve**

The Operating Costs Reserve will be funded from unrestricted surplus operating funds and historical managed fund investment gains.

Council may from time to time direct that a specific source of revenue be set aside in the Operating Costs Reserve.

## **Use of Operating Costs Reserve (book entry and cash withdrawal)**

Use of the Operating Costs Reserve requires three steps:

### **1. Identification of appropriate use of the Operating Costs Reserve**

The Chief Executive will identify the need for access to the Operating Costs Reserve and confirm that the use is consistent with the purpose of the reserve as described in this Policy.

### **2. Authority to use Operating Costs Reserve**

- a.** Authority for recognising the use of the Operating Costs Reserve (by way of a transfer from reserve in the financial statements) is delegated to the Chief Executive.
- b.** Authority to physically withdraw funding from the assets representing the Operating Costs Reserve is delegated to the Chief Executive in consultation with the Chair of the Audit and Finance Working party.

### **3. Reporting and monitoring.**

The Chief Executive is responsible for ensuring that the Operating Costs Reserve is maintained and used as described in this Policy.

The Chief Executive will report any exercising the authority under clauses 2a and or 2b to council at their next scheduled meeting, accompanied by a plan to respond to market volatility and restoration of the Operating Costs Reserve to its target amount.

## **Review of Policy**

This Policy will be reviewed by the Audit and Finance working party when warranted by internal or external events or changes.

Changes to the Policy will be recommended by the Audit and Finance working party for resolution by Council

**TITLE:** Update to Delegations

**ID:** A1197578

**From:** Vincent McColl, Financial Accountant and Kyla Carlier, Corporate Planning Manager

---

### Executive summary/Whakarāpopototanga

This report seeks council approval for amendments to the delegations manual, which have not been sub-delegated and may only be approved by a council resolution.

These amendments include an update to the bank and cheque signatory delegations and clarification to the delegation for remission of administrative fees and charges.

---

### Recommendation(s)

1. That the report 'Update to Delegations' by Vincent McColl, Financial Accountant and Kyla Carlier, Corporate Planning Manager and dated 29 May 2019, be received.
2. That council approve the updated bank and cheque signatory delegations, as outlined in Attachment 1 pertaining to Item 7.1 of the 18 June 2019 council agenda.
3. That council approve the updated delegation for the remission of administrative charges, as outlined in Attachment 2 pertaining to Item 7.1 of the 18 June 2019 council agenda.<sup>1</sup>

---

### Background/Tuhinga

For administrative efficiency and expediency when conducting day-to-day business, the council and its Chief Executive delegates certain statutory duties, responsibility and powers to committees, members or staff.

Council's delegation manual records delegations given to council officers in relation to administrative and financial matters, and in relation to statutory duties, responsibilities and powers. This is a living document that is reviewed periodically and is updated as necessary in response to legislative or staff changes.

The Chief Executive may authorise changes and updates to any delegations or matters to which he has been sub-delegated, however delegations made under the Resource Management Act 1991 and the Local Government (Ratings) Act 2002 are not able to be sub-delegated and may only be approved by a council resolution.

### Bank and cheque signatory delegations

The delegation for authorising payment vouchers, signing cheques and authorising electronic payments on the council's ASB Bank, Bank of New Zealand and investment accounts was last amended in December 2016. Updates are now proposed in response to staff changes.

The amendments proposed by this report are:

---

<sup>1</sup> As a result of this recommendation, staff will need to review the process of issuing remissions to ensure that a clear statement is made about the three year review period.

1. Add the Group Manager – Environmental Services as an approved signatory being able to authorise transactions and operate council's bank accounts.
2. Remove the Group Manager – Customer Services and Community Resilience as an approved signatory.
3. Amend the job titles of staff being able to prepare and upload electronic transactions to Assistant Accountant and Finance Systems Administrator.
4. A change in process to completely separate the person who enters or uploads an electronic transaction from the people who authorise them.
5. Some minor wording changes to improve clarity.

An excerpt from the delegations manual for creating and authorising payments, including changes, is provided in **Attachment 1**.

### Remission of administrative charges

Council fixes charges under various pieces of legislation, and maintains a policy on the remission of these charges (section 1.3 of User Fees and Charges 2019/20).

A recent decision of the Environment Court (*Schwartfeger v Northland Regional Council*) highlighted the risk of not specifying a timeframe for remissions issued by council. Council's current policy on the remission charges is silent on how long the remission is valid for.

It is intended that council's position on this be discussed during the annual review of the policy as part of the process of developing the User Fees and Charges, which will be finalised in 12 months' time. It is important that council retains the right to review any new remissions granted in the interim, and that this position is made clear on any such remission.

The power to exercise discretion in respect of the fixing and remission of administrative charges is currently delegated to the relevant Group Managers unless the Chief Executive Officer is particularly stated. It is not proposed to amend the delegates, but to add a qualifying statement that any delegation to remit a charge is for a period of up to three years. This would only apply to new remissions granted following council resolution.

The proposed alterations are outlined in **Attachment 2** pertaining to this report.

---

## Considerations

### Options

No.	Option	Advantages	Disadvantages
1	Approve updates to delegations as recommended for accuracy and clarity, as included as Attachments 1 and 2 to this report.	Delegations will accurately reflect staff setup and will provide certainty around timeframes for review of remissions.	None
2	Do not approve updates to delegations.	None	Policy mismatch between delegated job titles and current job titles, lack of certainty around



			timeframes for review of remissions.
--	--	--	--------------------------------------

The staff's recommended option is Option 1.

## 2. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. This policy assists council in determining how to achieve compliance with the LGA requirements in relation to decisions.

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. Council is able to make decisions relating to this matter without undertaking further consultation or engagement.

## 3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with the council's Treasury Management Policy which was adopted in compliance with the decision making requirements of sections 76–82 of the Local Government Act 2002.

## Further considerations

### 4. Other considerations

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

---

## Attachments/Ngā tapirihanga

Attachment 1: Updates to financial delegations [↓](#)

Attachment 2: Updates to the delegation for the remission of administration charges [↓](#)

---

## Authorised by Group Manager

**Name:** Dave Tams  
**Title:** Group Manager, Corporate Excellence  
**Date:** 11 June 2019

## Attachment 1 - updates to financial delegations

### Financial Delegations from the Council to Officers

Description	Delegated to
<b>Overall responsibility</b> for day to day treasury management activities including establishing appropriate structures, procedures, and controls.	Group Manager – Corporate Excellence
<b>Borrowing and investment</b> Undertaking new borrowing or re-financing of existing debt in accordance with LTP / AP, requirements of the LGA 2002, approved policies, including investment, Liability Management and Treasury Management Policies, counterparties, approved expenditure limits and any relevant council resolutions.	Chief Executive
<b>Investments</b> – in accordance with Investment Policy, Treasury Management Policy, Statement of Investment Policy and Objectives (SIPO) and relevant sub-committee or working party Terms of Reference.	Group Manager – Corporate Excellence
<b>Compliance with legislation</b> Ensuring the financial policies included in Part 6 subpart 3 of LGA 2002 comply with existing and new legislation.	Group Manager – Corporate Excellence.
<b>Bank accounts</b> Opening/closing bank accounts and authorising signatories to be ratified by the council.  Overseeing the Council's cash requirements.	Group Manager – Corporate Excellence Finance Manager  Group Manager – Corporate Excellence Finance Manager Financial Systems Administrator Accounting Assistant – Treasury and Projects
<b>Day to day treasury functions – Internally Managed Funds</b> Maintaining a register of all balance sheet items and reconciliations, reviewing and	Group Manager – Corporate Excellence Finance Manager Financial Accountant

<p>approving all reconciliations and overseeing maintenance and integrity of general ledger recording.</p> <p>Maintaining a register of all daily cashflow requirements, bank, investment and reconciliations.</p>	<p>Management Accountant</p> <p>Finance Manager Financial Accountant <del>Financial Systems Administrator</del> Accounting Assistant – Treasury and Projects</p>
<p><b>Bank authorities including operation of bank accounts, cheque signing and bank authorities</b></p> <p><u>All Accounts</u> All Banks</p>	<p>Any two of the following positions: (signing and counter-signing) Chief Executive Group Manager – Corporate Excellence Group Manager – Strategy, Governance and Engagement <del>Group Manager – Customer Service/Community Resilience</del> <del>Group Manager – Environmental Services</del> Finance Manager Management Accountant Financial Accountant</p>
<p><b>Issue and operation of council credit cards</b></p> <p>All banks</p>	<p>Any of the signatories in Schedule 4 “Approved credit card holders” are authorised to operate corporate credit cards subject to approved expenditure limits, LTP / AP budgets and any relevant council policy. The CEO approves the issuing and limits on all staff credit cards.</p> <p>The CEO approves all Group Manager credit card expenditure. Group Manager’s approve other staff credit card expenditure.</p> <p>The Chairperson approves the CEO expenditure and the Deputy Chairperson approves the Chairperson’s expenditure.</p>
<p><b>Day to day functions – Externally Managed Funds</b></p> <p><u>Working Capital Fund</u> Invest and withdraw funds within SIPO limits</p> <p>Initiator</p>	<p>Finance Manager Accounting Assistant – Treasury and Projects Financial Accountant</p>

Authoriser	<p>Chief Executive plus any one of the following positions (signing and counter-signing):</p> <p>Group Manager – Corporate Excellence Finance Manager Management Accountant Financial Accountant</p>
<p><u>Other Externally Managed Funds:</u></p> <ul style="list-style-type: none"> <li>Property Reinvestment Fund</li> <li>Infrastructure Investment Fund</li> <li>Community Investment Fund</li> </ul> <p>Invest and withdraw funds between fund managers as approved by Council and/or Investment Sub-Committee within the SIPO limits.</p> <p>Withdraw funds as approved by Council within SIPO limits</p>	
Initiator	<p>Finance Manager Accounting Assistant – Treasury and Projects Financial Accountant</p>
Authoriser	<p>Chief Executive Officer plus any one of the following positions (signing and counter-signing):</p> <p>Group Manager – Corporate Excellence Finance Manager Management Accountant Financial Accountant</p>
<p><b>Operation of the Electronic Banking ASB Fastnet System</b></p> <p>System used to download bank statement transactions.</p>	<p>Group Manager – Corporate Excellence Finance Manager Financial Accountant Management Accountant Financial Systems Administrator Accounting Assistant – Treasury and Projects Accounting Assistant</p>

Delegations Manual  
ID: zA34709

<b>Write-off outstanding accounts receivable of amounts:</b> <ul style="list-style-type: none"> <li>• less than \$1,000</li> <li>• Between \$1,000 and \$5,000</li> <li>• Greater than \$5,000</li> </ul>	All Group Manager and Managers  Chief Executive  Council (For the avoidance of doubt)
<b>Refund of unused portion of Application Deposit.</b>	Group Manager – Regulatory Services Consents Manager Coastal and Works Consents Manager
<b>Remit fees and charges of amounts:</b> <ul style="list-style-type: none"> <li>• less than \$1,000</li> <li>• Between \$1,000 and \$5,000</li> <li>• Greater than \$5,000</li> </ul>	All Group Managers and Managers  Chief Executive  Council
<b>Persons with bad debts Withholding of goods or services</b> Consideration of the provision of services to the council, or tenancy or occupation of any council property or asset by any persons who have had a bad debt owing to the council written off, is subject to the Chief Executive Officers discretion.	Chief Executive

**Attachment 2** – proposed amendments to the delegations manual, Part E: Resource Management Act Delegations.

Section	Summary of function delegated	Delegate	Notes
<b>Administration Charges</b>			
Section 36	To exercise discretion in respect of the fixing <u>of administrative charges</u> , and remission of administrative charges <u>for a period of up to three years</u> .	Chief Executive Officer where particularly stated, otherwise Group Managers and, in relation to processing of consents applications, the Consents Manager and Coastal and Works Consents Manager	Council charges are fixed by special order and reviewed annually. These charges, and council policies in respect of them, are recorded in the annual schedule of user fees and charges document. The applicant, or consent holder as the case may be, shall be advised in writing of any charges that are fixed differently to the standard charges fixed in the current schedule of user fees and charges. Any remission of standard charges shall similarly be advised in writing, <u>and shall be reviewed every three years or such shorter period as applied to the remission</u> . The general provisions of the current user fees and charges policies and principle shall be applied wherever applicable, in the fixing of non-standard charges and in the remission of charges.
Section 36	Remittance/writing off of fixed charge or fee; or part thereof.	Chief Executive Officer Group Managers.	Refer to council's User Fees and Charges for procedure.

**TITLE: Project Plan for Implementing the Water Quality Planning Requirements of the National Policy Statement for Freshwater Management**

**ID:** A1198403

**From:** Ben Tait, Policy Specialist

---

**Executive summary/Whakarāpopototanga**

The purpose of this report is to present and seek council's approval for a timetable for preparing a plan change to implement the freshwater quality planning requirements of the National Policy Statement for Freshwater Management 2017 (NPS-FM).

---

**Recommendation(s)**

1. That the report 'Project Plan for Implementing the Water Quality Planning Requirements of the National Policy Statement for Freshwater Management' by Ben Tait, Policy Specialist and dated 31 May 2019, be received.
2. That council approves the following timetable for preparing a plan change to give effect to the freshwater quality planning requirements of the National Policy Statement for Freshwater Management:
  - a. Define freshwater management units (May – June 2019).
  - b. Assess and decide on an appropriate modelling tool(s) for:
    - a) predicting water quality in the freshwater management units; and
    - b) determining what catchment interventions (and costs) are needed to achieve aspirational water quality objectives (June – October 2019).
  - c. Provide the evidence base to underpin the plan change and any accompanying new non-regulatory initiatives (November 2019 – March 2021).
  - d. Engage with iwi and hapū, key stakeholders, and the wider community (July 2020 – April 2021).
  - e. Draft the plan change and a RMA section 32 evaluation report (July 2020 – July 2021).
  - f. Notify the Proposed Water Quality Plan Change (by 31 December 2021).

---

**Background/Tuhinga**

Northland Regional Council committed to notifying a plan change in 2021 to implement the freshwater quality planning requirements of the NPS-FM. The commitment is set out in the council's Progressive Implementation Programme<sup>2</sup>. Where regional councils could not implement the NPS-FM by the end of 2015, they were required to develop and publicly notify a programme of time-limited stages for implementation by 31 December 2025 (a Progressive Implementation Programme).

---

<sup>2</sup><https://www.nrc.govt.nz/media/9590/northlandregionalcouncilsprogrammeforimplementingthenationalpolicystatementforfreshwatermanagementmarch2018.pdf>



Council staff have prepared a project plan for delivering the plan change, which was presented to council at a workshop on 28 May 2019. The project plan covers the following key areas of work:

1. Define freshwater management units (May – June 2019).
2. Assess and decide on an appropriate modelling tool(s) for:
  - a) predicting water quality in the freshwater management units; and
  - b) determining what catchment interventions (and costs) are needed to achieve aspirational water quality objectives (June – October 2019).
3. Provide the evidence base to underpin the plan change and any accompanying new non-regulatory initiatives (November 2019 – March 2021).
4. Engage with iwi and hapū, key stakeholders, and the wider community (July 2020 – April 2021).
5. Draft the plan change and a RMA section 32 evaluation report (July 2020 – July 2021).
6. Notify the Proposed Water Quality Plan Change (by 31 December 2021).

Please note that the information required to provide the evidence base and tool(s) to identify and assess different management options is likely to require additional resourcing. Staff are currently working to quantify what additional resourcing will be required and will be present it to council for consideration for inclusion in the 2021/22 Annual Plan.

It is also important to note that the Government announced that it intends to issue an amended NPS-FM and a National Environmental Standard for Freshwater Management (NES-FW). Consultation on both documents is scheduled for August – September 2019, and an amended NPS-FM and new NES-FM are expected to be in force by May 2020. It is likely that the project plan and plan change notification date will need to be revised because of the amendments.

Staff will report back to Council in August/September on the content and implications of a proposed amended NPS-FM and new NES-FM and provide advice as to whether council should lodge a submission, and if so, on what aspects.

---

## Considerations

### Options

No.	Option	Advantages	Disadvantages
1	To approve the timetable for preparing a plan change to give effect to the freshwater quality planning requirements in the NPS-FM.	<p>Provides certainty to:</p> <ul style="list-style-type: none"><li>determine important information and research gaps and any associated funding shortfalls before the 2021/22 Annual Plan process; and</li><li>start preparing the plan change, including developing and undertaking an iwi, hapū, key stakeholder</li></ul>	There are no obvious disadvantages.

		and wider community engagement plan and addressing important information and research gaps.	
2	To not approve the timetable.	There are no obvious advantages.	There is a potential that the plan preparation will be delayed and not meet council obligations under the NPS Freshwater.

Staff recommend Option 1.

## 2. Significance and engagement

While the decision covers operational matters, it is likely to be significant with respect to the council's Significance and Engagement Policy because of the high level of public interest in the planning and management of the region's freshwater resources.

## 3. Policy, risk management and legislative compliance

The decisions documented in this report are consistent with the requirements of the current NPS-FM. However, as noted elsewhere in this report, a significant risk to meeting the proposed timetable to progress this plan change is the ever-changing Government direction provided through the NPS-FM.

### Further considerations

## 4. Community views

The council will engage with the community, including iwi and hapū and key stakeholders, to ensure that their values and interests in the region's water quality are identified and reflected in the development of the plan change. An engagement approach will be developed later this year.

## 5. Māori impact statement

The development of a plan change to implement the freshwater quality planning requirement in the NPS-FM will involve and reflect the values and interests of local communities, including Māori. As mentioned above, an engagement approach will be developed later this year.

## 6. Financial implications

Staff will report back to council on the need for additional resources to prepare the plan change as part of the Annual Plan 2020/21 preparation process.

## 7. Implementation issues

This will be a challenging project given the competing stakeholder expectations and perspectives on how council should manage water quality. To ensure these issues are given the necessary priority within council, a dedicated project steering group has been established, consisting of senior council staff from across the organisation. Progress will be reported to full council workshops and formal council meetings, as a means of ensuring council is kept well informed and aligned as the project progresses.

---

### Attachments/Ngā tapirihanga

Nil

---

**Authorised by Group Manager**

**Name:** Jonathan Gibbard

**Title:** Group Manager - Strategy, Governance and Engagement

**Date:** 07 June 2019

**TITLE:** Appoint Councillors to Environmental Leaders' Funding Panel

**ID:** A1199331

**From:** Kim Wall, Events and Engagement Coordinator

---

### Executive summary/Whakarāpopototanga

The purpose of this report is to update councillors on the 2019 Environmental Leaders' Fund application process and to request two councillors, who are available at 8.00am Tuesday, 2 July 2019, be appointed to the panel to consider applications and confirm the allocation of funding.

---

### Recommendation(s)

1. That the report 'Appoint Councillors to Environmental Leaders' Funding Panel' by Kim Wall, Events and Engagement Coordinator, and dated 5 June 2019, be received.
2. That council appoint councillors \_\_\_\_\_ and \_\_\_\_\_ to participate on the Environmental Leaders Funding judging panel.

---

### Background/Tuhinga

Council provides a total of \$30,000 annually for the Environmental Leaders' Fund (ELF). This includes \$20,000 that supports practical, hands-on projects or initiatives by Northland schools and students which increases their environmental knowledge and practice and has a positive impact on Northland's environment.

As initiated in 2018, another \$10,000 from the 2019/2020 Biosecurity Environmental Fund is available for pest control projects. This support and funding is specifically for schools undertaking pest control projects and includes providing equipment such as traps or monitoring equipment; or other materials directly related to the control or eradication of pest plants and animals.

### Application process

The applications are judged by a panel of four, being two councillors and two officers, based on a set of agreed criteria. In 2018 councillors Rick Stolwerk and Justin Blaikie contributed to this process.

Schools can apply for a maximum of \$2,000 per project. In previous years, the fund has been oversubscribed and not all applications have received funding, others have been part-funded.

Applications for the 2019 funding round opened on 20 May and will close on 23 June 2019. To accommodate councillor availability, we propose the funding panel session be held at 8.00am on Tuesday 2 July 2019.

### Pest control

Successful projects will be identified by the panel; however, the exact level of support and funding will be arranged by biosecurity staff directly with schools who successfully complete the application and allocation process.

Biosecurity staff will also provide advice and support where required, to ensure the safe and effective use of the materials provided.

---

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Appoint two councillors to the 2019 ELF panel.	Status quo. Governance input into council funding.	Time required by councillors to take part in this process.
2	Appoint no councillors to the panel.	Less time required by councillors to take part in the process.	Less input from governance into council funding.

Staff recommend Option 1: Retain the status quo and appoint two councillors to the judging panel.

### 2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this matter is part of the normal day-to-day operations of council and hence deemed to be of low significance under council policy.

### 3. Policy and legislative compliance

There are no policy or legislative requirements relevant to this decision.

## 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:** Jonathan Gibbard  
**Title:** Group Manager - Strategy, Governance and Engagement  
**Date:** 07 June 2019

**TITLE:**       **Alleged Breach of Code of Conduct: Councillor Finlayson**

**ID:**           A1201342

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

---

### **Executive summary/Whakarāpopototanga**

The purpose of this report is to update council on the outcome of an investigation by an independent investigator into complaints received from seven individuals alleging breaches of the council's Code of Conduct by Councillor Finlayson.

The report provides an overview of the procedure followed in the investigation, the findings that have come out of the investigation, and the recommendations that need to be put in place as a result of the investigation.

---

### **Recommendation(s)**

1. That the report 'Alleged Breach of Code of Conduct: Councillor Finlayson' by Malcolm Nicolson, Chief Executive Officer and dated 11 June 2019, be received.
2. That the council undertake a workshop to collate advice to the incoming council and recommend that the Code of Conduct be reviewed.
3. That council dismiss the complaint against Councillor Finlayson as it relates to the alleged breach of health and safety legislation.
4. That council request the development of a policy on the use of sodium fluoroacetate as a pest management tool for its consideration.
5. That council agree to workshopping the setting of rules around the use of council resource and staff at councillor-initiated events.
6. That council consider the further recommendations of the independent investigator.

---

### **Background/Tuhinga**

Over the period between 18–24 October 2018, council received four complaints from seven individuals alleging breaches of the council's Code of Conduct (CoC) by Councillor Finlayson.

The complainants against Councillor Finlayson can be summarised as follows:

- The drinking of water from the Russell State Forest being in breach of health and safety legislation;
- The drinking of the water was a 'publicity stunt'. This being an inappropriate action to have undertaken;
- The public comments by Councillor Finlayson contained in his newspaper articles are not appropriate for an elected official;
- The complainants consider comments made by Cr Finlayson were aimed at them personally.

In compliance with the process of the CoC as adopted by council on 20 March 2017, I undertook the following actions:

- I advised Councillor Finlayson and the Chair of the complaints.
- I acknowledged receipt of the complaints and advised the complainants that an independent investigator was to be appointed.
- I subsequently, on 12 November 2018, appointed Barrister Paul Sills as the independent investigator.

- I simultaneously advised all the parties of his appointment.

On 26 November 2018 I received the independent investigator's preliminary assessment which concluded:

*'In my opinion, the allegations against Councillor Finlayson are material – as that test is set out in section 12.4 of the Code. That is, if the alleged breaches are proven they would bring the council into disrepute and/or reflect adversely on the council if not addressed.'*

On 28 November 2018 I advised all parties of this finding.

On 3 December 2018 I confirmed to the independent investigator that he was to undertake a formal investigation as set out in Appendix B of the CoC.

On 19 March 2019 I received from the independent investigator the Investigation Report. Having read the report, I conclude that it was incomplete (alleged breaches of the Health and Safety Act had not been addressed) and raised my concerns with the independent investigator. While there was not agreement on the scope of the original brief, it was agreed that he would undertake a separate report as 'an addendum to my (independent investigator's) investigation' to address the concerns I had raised.

On 17 May 2019, council received a LGOIMA request from one of the complaints for 'all information held by NRC concerning my complaint'.

On 20 May 2019 I received Councillor Finlayson's written response to the investigation report.

On 9 June 2019 I received the addendum report from the independent investigator.

### **Independent Investigator's Report**

The full text of the Investigation Report is attached as **Appendix 1**, supplementary information containing copies of social media and other correspondence is withheld to preserve the privacy of the individuals concerned.

The recommendations as set out on pages 5 and 6 are as follows:

*'I refer to Section 13 of the Code.*

*Given the findings above of materiality and seriousness, I make the following recommendations for council consideration:*

- (a) A letter to Councillor Finlayson reminding him of his obligations to separate out his official duties with his personal opinion. Perhaps the opportunity should be taken to remind all members of their obligations in this respect under section 6.2 and 6.3 of the Code.*
- (b) A request for an apology. This apology could be private and could be made direct to the complainants if the council thought that most appropriate. Conversely, if the council has any concerns about its position – particularly in relation to the drinking of water – the members may need to consider the benefits of a public apology.*

*I did not consider any other censure to be necessary. I did consider whether Councillor Finlayson should step down from his pest control role, but think that the council is better served making use of his extensive knowledge to continue his work in the area.*

*The principle point I would like to make regarding the council's consideration of any appropriate censure is the need to separate public from personal opinion and the consequences that can arise when the lines are blurred.'*

### **Councillor Finlayson's response**

The full text of Councillor Finlayson's response is attached as **Appendix 2**.

Councillor Finlayson disputes the allegations as well as the findings of the independent investigator. He also raises a number of concerns about the process followed.

### **Chief Executive's advice**

Given that this is the first time that a CoC investigation has occurred since the major reset of the CoC adopted in 2017, the process has identified a number of potential flaws or at least areas of improvement

that could be considered. It is, however, my view that none of these were fatal to the process in as much as they would not result in council being unable to come to a considered decision. I recommend that council set these aside for the purposes of determining an outcome of the investigation but consider leaving the incoming council with recommendations on potential changes to the CoC.

While it would be inappropriate for me to make direct comment on the veracity of the allegations or the findings of the independent investigator, there are a number of factors which the council should take into consideration in determining the substantive matter of the complaints.

#### Water quality

The allegation that the ingestion of water from the Russell State Forest post the application of 1080 was a breach of Councillor Finlayson's health and safety obligations, remains in my mind an important part of the allegations made. The findings of the Investigation Report that 'in relation to health and safety - is outside the scope of this investigation' is unhelpful to council in terms of its deliberations on this matter.

At this time the only evidence I have as to the water quality on the day that Councillor Finlayson ingested the water is contained in a letter from the Department of Conservation dated 18 April 2019, **Appendix 3** and reports:

*'Samples were taken at known drinking water intakes in the Waikare catchment on 29 September, the day after the completion of the operation (the '15-hour' sampling). The testing was carried out by Landcare Research Ltd and were all negative for the presence of 1080. Another sample, taken at the same time from a disconnected water intake point within the treatment area had a positive sample of 1ppb (parts per billion).'*

Further interpretation of the results is contained within the letter but note that the results were below the required human water drinking standards.

The independent investigator's addendum report, **Appendix 4**, concludes:

*"Given the water results provided by DOC, there does not appear to have been any such risk because the samples tested negative for 1080 by 30 September 2018 (four days before the Councillor consumed the water). In my view, this is sufficient to conclude that there has not been a breach."*

and

*"It is my view that there has not been a breach of the health and safety legislation. It follows that the council is not required to notify WorkSafe of any such breach."*

I therefore recommend that the complaint against Councillor Finlayson as it relates to the alleged breach of health and safety legislation be dismissed.

#### Organisational values

Throughout the term of the council, governance has clearly articulated its expectation that the organisation live its values statement of:

Strong, decisive leadership

One high-performing team

Customer focussed

Integrity – honest and open

Transparent and accountable.

A high bar has been set and councillors, management and staff have been held to account for meeting it. It is therefore my view the Councillor Finlayson has an obligation to demonstrate the leadership he did, at the same time clearly articulating his beliefs in the full knowledge that there were members of the community that held an opposing view. In this respect he was living the values of this organisation and this should be held to his credit.



As the independent investigator did not have this context, it appears that it has not been taken into account in coming to his findings.

#### Council policy

A key finding during the investigation was that while the organisational practice when using toxins was clearly understood by staff, the council had no policy position on the use of sodium fluoroacetate (1080).

The lack of a clear policy position left Councillor Finlayson having to articulate his views instead of being able to present the council's position. The development of a policy was my responsibility and I failed to identify that this had not occurred. This failure resulted in me not being able to adequately support Councillor Finlayson in his engagement with the community on this matter and I offer my sincere apologies to Councillor Finlayson for not providing the expected level of support.

The visit to the Russell State Forest by Councillor Finlayson was not an officially sanctioned event and was a personal engagement between a councillor and his constituency members, the provision of staff support at the event could have created the perception that it had been sanctioned by the council. Again, I accept full responsibility for this uncertainty created.

I therefore recommend that council consider adopting a policy on the use of sodium fluoroacetate.

I further recommend that a workshop be held to set and/or clarify the use of council resources, in particular the attendance of staff at councillor-initiated community engagement events.

#### Section 6.2 and 6.3

I note for completeness that I have accepted the recommendation of the independent investigator and on 29 May 2019 held a workshop with councillors which covered LGOIMA, CoC and Communications Policy responsibilities.

---

### Considerations

#### 1. Options

The key decision at hand is whether council makes a determination to impose a penalty or not, or some other form of action. The following options table reflects this.

No.	Option	Advantages	Disadvantages
1	Make a determination immediately.	The appropriate, if any, measures can be put in place and all parties have 'closure' on the matter.	No identified disadvantage.
2	Let the matter lie on the table.	Council could request any further information it deems necessary to make a decision.	Further extends the timeframes before a resolution is found.  Reputational damage as the council would not be acting in terms of its own Code of Conduct.

The recommended option is Option One.

## 2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision does not trigger council's Significance Policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities (or dismisses the fact there has been prior public interest) 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 report is in accordance with council's Code of Conduct which states that 'On receipt of the investigator's report the Chief Executive will prepare a report for the council, who will meet to consider the findings and determine whether or not a penalty, or some form of action, will be imposed.' 'The council will consider the Chief Executive's report in open meeting, except where the alleged breach concerns matters that justify the exclusion of the public'.

The recommendations included in the report are of an administrative matter; hence Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable at this time.

---

### Attachments/Ngā tapirihanga

Attachment 1: Letter from independent investigator [↓](#)

Attachment 2: Councillor Finlayson's response [↓](#)

Attachment 3: Letter from Department of Conservation [↓](#)

Attachment 4: Addendum report from the independent investigator [↓](#)

---

### Authorised by Group Manager

**Name:** Malcolm Nicolson  
**Title:** Chief Executive Officer  
**Date:** 11 June 2019

## Paul Sills

Barrister & Mediator  
More Light Less Heat

19 March 2019

Malcolm Nicolson  
Chief Executive Officer  
Northland Regional Council  
Private Bag 9021  
Whangarei 0148

c.c. Denise Phillips  
Personal Assistant to CEO  
  
Email: [denisep@nrc.govt.nz](mailto:denisep@nrc.govt.nz)

Email: [malcolmn@nrc.govt.nz](mailto:malcolmn@nrc.govt.nz)

Dear Malcolm,

**Re: REPORT ON INVESTIGATION INTO FORMAL COMPLAINT AGAINST COUNCILLOR  
FINLAYSON**

### Introduction

Further to my letter dated 26 November 2018, I have now conducted a full investigation into this complaint in accordance with the Code of Conduct adopted by the Northern Regional Council on 20 March 2017 (**Code**).

### Summary of process

Subsequent to my preliminary assessment, I have been in contact with Councillor Finlayson and each of the complainants to invite any further information in relation to this matter.

### Councillor Finlayson

I received a written summary from Councillor Finlayson following his receipt of my preliminary assessment.

I then met with Councillor Finlayson on 12 February 2019 to discuss his view on the complaints.

I was then provided with a copy of certain social media pages by Councillor Finlayson.

### Complainants

I obtained the contact details of the four complainants and invited them to provide any further information they wished or to discuss the investigation with me.

This invitation resulted in three of the four complainants providing further information. One complainant I interviewed by telephone. Two other complainants provided me with further written material setting out their concerns.

I have attached to this report all the written material I received.

---

Ground Floor, 33 Shortland Street, Auckland – PO Box 1990, Shortland Street, Auckland 1140  
*p:* 09 302 3040 *m:* 021 880 007 *e:* [paul.sills@paulsills.co.nz](mailto:paul.sills@paulsills.co.nz) *w:* [www.paulsills.co.nz](http://www.paulsills.co.nz)

### Summary of complaints

The complainants against Councillor Finlayson can be summarised as follows:

- (a) The drinking of water from the Russell State Forest being in breach of health and safety legislation;
- (b) The drinking of the water was a "publicity stunt". This being an inappropriate action to have undertaken;
- (c) The public comments by Councillor Finlayson contained in his newspaper articles are not appropriate for an elected official;
- (d) The complainants consider – given the ongoing public debate they have had with Councillor Finlayson via social media – that the comments regarding "*antis*", "*emotive propaganda*", "*to let the historic few dominate the headlines*" are aimed at them personally.

The first issue – in relation to health and safety – is outside the scope of this investigation.

### Identifying the role of Councillor Finlayson

On discussing the complaints with Councillor Finlayson it is clear that he is a passionate advocate for conservation and the preservation of native flora, fauna and animals.

It is equally clear that Councillor Finlayson is well read on the use of 1080 and its effects – both positive and negative. Councillor Finlayson has also made himself a focal point for people opposed to 1080 use because he has been outspoken about the issue and has engaged with a number of people on social media in an ongoing online debate.

One point for consideration in this investigation is whether Councillor Finlayson has blurred the lines between his personal support for conservation and our forests with his duties and obligations as a publically elected official in the Northern Regional Council (**Council**).

Part of this issue is the fact that the Council has no direct function with respect to the use of 1080. The Environmental Protection Authority and Department of Conservation governs the use of 1080.

Councillor Finlayson sees it as his role to speak up given his management of the Pest Management Working Party.

### Were there personal attacks on complainants?

A number of the complainants discussed with me that they felt that Councillor Finlayson's comments were personal attacks on them. Although they accept they are not named, they believe that because they are known to Councillor Finlayson due to matters such as the online social media debate, that his comments were directed at them.

Included in this is the fact that two of the complainants are known to Councillor Finlayson personally and have been for some time. Prior to the articles being written they had engaged in a private discussion with Councillor Finlayson regarding the use of 1080.

These feelings of personal attack have caused significant concern and anxiety and all raised this with me in the further evidence they provided.

However, none of the complainants are identified in the articles and I consider the commentary by Councillor Finlayson in the articles to be generic – dealing in general with the opponents to the use of 1080.

While it is possible to identify some of the people who have opposing views from Councillor Finlayson via the social media history, I consider that it is insufficient to form a conclusion that any of the comments are directed at any members of the public in particular.

**Was Mr Finlayson acting as a councillor as an individual member of the public?**

If Councillor Finlayson was a private individual the only issue that may require investigation is whether there has been a breach of any health and safety legislation in the consumption of the water from the Russell State Forest. As I have said earlier, that is not an issue for consideration in this investigation. However, it is a fact that Mr Finlayson is a councillor and that there are constant references to him being a councillor in the media commentary.

Councillor Finlayson is an elected official who has obligations under the Code. In addition, he is a member of the Pest Management Working Party. These facts may require his conduct to be considered against the Code and not simply as a member of the public.

Constituents look to their elected officials for governance, guidance and fair representation. These matters are reflected in the requirements of the Code which states at clause 1 that the purpose of the Code is to set the standard of behaviour expected from elected members in the exercise of their duties.

The newspaper articles and the discussion about the visit to the Russell State Forest were predicated on Mike Finlayson being a regional councillor and a member of the Council's biosecurity team. It is difficult therefore to say that the commentary or the visit to the Russell State Forest are actions that were carried out by Councillor Finlayson as a member of the public and not as a regional councillor. I understand that the regular column he writes is done because he is a regional councillor.

I conclude that both the Russell State Forest visit and the newspaper commentary should be considered under the Code.

**Findings on materiality**

Clause 12.4 of the Code sets out the test of materiality as:

*"An alleged breach under this Code is material if, in the opinion of the independent investigator, it would, if proven, bring a member of the Council into disrepute or, if not addressed, reflect adversely on another member of the Council."*

In my letter of 26 November 2018 I set out the areas of the Code that may have been breached by the actions of Councillor Finlayson.

As a councillor Mr Finlayson has stepped into a public debate that he did not need to engage with in order to fulfil his duties as a regional councillor or his role on the Pest Management Working Party. He could have avoided the 1080 debate and left that issue to the Department of Conservation and the Environmental Protection Authority.

Having engaged in the debate with his online comments, newspaper articles and by the drinking of the water from the forest, Councillor Finlayson, in my opinion, needed to consider his actions in light of the requirements of the Code. My conclusion is that he has not adequately done so.

I therefore consider that the test of materiality has been met.

### **Breaches of the Code**

I consider that the actions of Councillor Finlayson are in breach of the following aspects of the Code.

#### **Section 3 – Values**

Point 5 concerns respect for others and requires the treatment of *"people, including other members, with respect and courtesy"*.

I do not consider that the comments in the newspaper articles meet the requirements of this part of the Code. While it is true that the articles did not identify any of the particular opponents to the use of 1080 – in a generic sense Councillor Finlayson is very dismissive of the opinions of those who are opposed to its use. The commentary in the newspaper articles appears to be an extension of the types of comments that were being exchanged in social media.

#### **Section 5.3 – Relationship with the public**

Each of the bullet points set out at section 5.3 are relevant to this investigation.

The first four bullet points need to be considered in relation to the comments made by Councillor Finlayson in both the online debate and the newspaper articles. Again while no individuals are mentioned in the newspaper articles, in my opinion there is a general undercurrent of frustration or contempt for the views that Councillor Finlayson sees as being extreme.

The final bullet point relates to the consumption of water taken from the stream in the forest. As an individual Councillor Finlayson would be entitled to undertake this activity if he felt that the water was safe – perhaps only raising questions under health and safety legislation. However, I do not consider his actions to have been sensible as an elected official and they run the risk of causing damage to the reputation of the local authority.

The main reason I reach this conclusion is because his actions run the risk of being seen as being an endorsement of policy by the Council or indicative of any approach taken by the Council in relation to either the consumption of 1080 or its traits as a pesticide. I have seen nothing in the information provided to me by the Council that would suggest such a position being taken – nor would I expect to find one. One thing that all in this investigation could agree on is that the use of 1080 is very polarising, with strong opinions and feelings evident on both sides. Given that the Council will have constituents who sit all across the spectrum of views on 1080, I doubt there would be any endorsement of the actions undertaken by Councillor Finlayson in drinking the water. That would be the case regardless of whether the consumption was benign or not.

#### **Section 6.2 – Personal view on Council business**

The third bullet point requires any comments of a personal nature to be identified as such.

### **Section 6.3 – Non-Council communications**

Section 6.3 sets out the way to address non-council communications when dealing with personal opinion. Councillor Finlayson has failed to do this and the news articles all cite the fact that he is a councillor. The impression that the public can gain therefore is that his views and conduct are sanctioned or endorsed by the Council.

#### **Seriousness of the breach**

Having interviewed Councillor Finlayson, I accept that his intentions in his actions and his public comments on the 1080 debate are well meaning. He is passionate and articulate about the issues and recognises the balance between the protection of our indigenous environment versus any potential harm to wildlife or domesticated animals as a consequence. He is not insensitive or immune to the potential risks associated with 1080. As a conservationist, he sees it as a balancing exercise and as a necessary part of the process at this time.

Councillor Finlayson has expressed his frustration at the attacks that he has been subjected to which he considers pray on emotions versus deal with facts. All of his actions and comments really address that issue – what he I think would consider extreme opinions, based on misinformation and emotion that do not add to an open and honest debate around the use of 1080.

While I can understand that sense of frustration in this instance, Councillor Finlayson does not have the benefit of being able to do and say as he likes as a private citizen, he needs to either:

- (a) Address the issue as a councillor and do so in a way that is consistent with the Code; or
- (b) When speaking on the subject, make it clear in the manner set out in the Code that he is providing his personal opinion and not his opinion as an elected official.

Councillor Finlayson's actions and words have had an impact upon members of the public who are strongly opposed to the use of 1080. They have associated his actions and comments with the Council.

I do not consider that the breaches I have identified above sit at the extreme end of the continuum of seriousness. I consider that the biggest issue in this matter is that Councillor Finlayson has not stopped to think of the impact his actions would have on his position as a Councillor and in turn on the reputation of the Council. He, like the opponents of the use of 1080, have been caught up in the debate and in their own strongly held opinions of whether 1080 should be used or not. That is understandable on such an important topic – both from Councillor Finlayson's position and from the opponents who have complained.

In balancing out the interests of both of those parties, I think in this instance the seriousness of the breaches sits below what I would call the mid-level of conduct that needs to be addressed.

#### **Recommended actions or penalties for Council consideration**

I refer to section 13 of the Code.

Given the findings above of materiality and seriousness, I make the following recommendations for the Council to consider:

- (a) A letter to Councillor Finlayson reminding him of his obligations to separate out his official duties with his personal opinion. Perhaps the opportunity should be taken to remind all members of their obligations in this respect under section 6.2 and 6.3 of the Code;
- (b) A request for an apology. This apology could be private and could be made direct to the complainants if the Council thought that most appropriate. Conversely, if the Council has any concerns about its position – particularly in relation to the drinking of the water – the members may need to consider the benefits of a public apology.

I do not consider any other censure to be necessary. I did consider whether Councillor Finlayson should step down from his pest control role but think that the Council is better served making use of his extensive knowledge to continue his work in this area.

The principle point I would like to make regarding the Council's consideration of any appropriate censure is the need to separate public from personal opinion and the consequences that can arise when those lines are blurred.

Yours faithfully,



**Paul Sills**  
Barrister & Mediator (AAMINZ)



#### COUNCILLOR FINLAYSON'S RESPONSE

Re Code of Conduct complaint findings.

I take issue with the findings and contend I was not in breach of our COC. I also take issue with the process and what I see as bias in the findings.

Background: These complaints did not occur in isolation. They are part of a concerted political campaign to silence an elected official that is contesting their position that "1080 poisons the waterways and is a public health danger". If left uncontested the public may start to believe these extreme claims thus eroding our public licence to continue using this vital pest control tool. If this were to happen the results would be disastrous for our native fauna and the Council's reputation (for letting this happen).

Process: There are a few issues here. Firstly, no opportunity was given to me to respond to further information / complaints raised after my meeting with the mediator. I consider this an unfair omission. Secondly the mediator omitted to recognise in his findings both the political context and nature of these complaints, and the collaboration between the complainants. I discussed this with him at my meeting with him where he seemingly understood the implications and we discussed the proof and raised no issues with me as to his doubting this. He has ample hard evidence before him but chose to omit it. Lastly the mediator has made several errors in fact. What he is stating as fact is simply not true. I will expand on these as they occur.

Summary of complaints.

*The complainants against Councillor Finlayson can be summarised as follows:*

- (a) The drinking of water from the Russell State Forest being in breach of health and safety legislation;*
- (b) The drinking of the water was a "publicity stunt". This being an inappropriate action to have undertaken;*
- (c) The public comments by Councillor Finlayson contained in his newspaper articles are not appropriate for an elected official;*
- (d) The complainants consider – given the ongoing public debate they have had with Councillor Finlayson via social media – that the comments regarding "antis", "emotive propaganda", "to let the historic few dominate the headlines" are aimed at them personally.*

Regarding (a) – Although the mediator found it to be outside the scope of his investigation it is worth noting that prior to entering the forest we (the group that entered the forest) received notification that the water testing showed no contamination at detectable levels in the 5 and 12 hour tests. This was relayed via Niki Wakefield, the DOC hapu liaison officer for the project. These tests are endorsed by the Ministry of Health and the NDHB. I don't see the point in arguing with the science around this. I contend that there was absolutely no Health and Safety issues. We were all briefed by Niki Wakefield before entering the forest as to relevant H&S issues and had a member of staff with us who would be well qualified to alert his seniors if he considered any of the group to be in danger. Further results showed not detectable levels of 1080 in the 15 & 39 hour tests. There is no actual

evidence in the complainant's accusations to back them up. They are merely what they imagine to be issues.

#### Identifying the role of Councillor Finlayson

*" Councillor Finlayson has also made himself a focal point for people opposed to 1080 use because he has been outspoken about the issue and has engaged with a number of people on social media in an ongoing online debate.*

*One point for consideration in this investigation is whether Councillor Finlayson has blurred the lines between his personal support for conservation and our forests with his duties and obligations as a publically elected official in the Northern Regional Council (Council).*

*Part of this issue is the fact that the Council has no direct function with respect to the use of 1080. The Environmental Protection Authority and Department of Conservation governs the use of 1080.*

*Councillor Finlayson sees it as his role to speak up given his management of the Pest Management Working Party".*

The mediator has made a fundamental error of fact here. Although we do not govern the use of 1080 the NRC does have direct functions in respect to the use of 1080. At a staff level we advocate for its judicious use and supply it to Landcare groups. Though this is not widely publicised (possibly to avoid contention) it is a fact.

As Chair of the Pest Management Working Party I have particular responsibilities in supporting both the work of our staff and generally the overall work done by community groups, DOC and others in the field of Integrated Pest Management (IPM).

Everyone involved in this realises the need for continued social licence to use 1080. When extreme viewpoints are advocated publicly by anti-1080 groups it should not be left up to staff to advocate for its continued use. This is essentially a political role and especially mine given my position. While I received continued support from staff at all levels for my advocacy I did not realise we did not have a formal policy on its use and safety.

I do not feel I have *"blurred the line" between his personal support for conservation and our forests with his duties and obligations as a publically (sp) elected official in the Northland Regional Council"*. It happens that they coincide as I take my viewpoint largely from the work and direction of staff involved with IPM. Everything I have advocated for is supported by a large body of evidence from with our own Council, DOC, OSPRI, EPA, NDHB and MOH.

I believe I have honestly and earnestly expressed mainstream views contesting extreme scaremongering designed to alarm the general public. Is not this my role?

If I were expressing a position contrary to Council, DOC etc then there may be a basis for his conclusion, but as I was supporting the 'status quo' I feel he is wrong and fails to distinguish this important fact.

**Were there personal attacks on the complainants?**

I never attacked anyone, either as an individual or group. I contested ideas that were being bandied around that I considered untrue, alarmist and extreme. The mediator considered **“that it is insufficient to form a conclusion that any of the comments are directed at any members of the public in particular”**. This is an important conclusion as some of the complaints were about the language I used and contended it was directed at them causing offence and “hurt their feelings”. At no point was this my intention. I did not name anyone and went out of my way to keep it generalised. If their imagination thinks they are being persecuted by me it is entirely a product of their minds. I personally think it was a devious attempt to increase the scope of their complaint.

**Was Mr Finlayson acting as a councillor as an individual member of the public?**

*“Constituents look to their elected officials for governance, guidance and fair representation. These matters are reflected in the requirements of the Code which states at clause 1 that the purpose of the Code is to set the standard of behaviour expected from elected members in the exercise of their duties”*

I have no issue with the Russell State Forest visit and the newspaper commentary being considered under the code.

**Findings on materiality**

Clause 12.4 of the Code sets out the test of materiality as:

*“An alleged breach under this Code is material if, in the opinion of the independent investigator, it would, if proven, bring a member of the Council into disrepute or, if not addressed, reflect adversely on another member of the Council.”*

*In my letter of 26 November 2018 I set out the areas of the Code that may have been breached by the actions of Councillor Finlayson.*

*As a councillor Mr Finlayson has stepped into a public debate that he did not need to engage with in order to fulfil his duties as a regional councillor or his role on the Pest Management Working Party. He could have avoided the 1080 debate and left that issue to the Department of Conservation and the Environmental Protection Authority.*

*Having engaged in the debate with his online comments, newspaper articles and by the drinking of the water from the forest, Councillor Finlayson, in my opinion, needed to consider his actions in light of the requirements of the Code. My conclusion is that he has not adequately done so.*

*I therefore consider that the test of materiality has been met. “*

The mediator has made several errors of fact and judgement in this finding. I also take issue with the process at this point.

#### Process issues.

In his preliminary report of 26 November 2108 the mediator only raised issues of how he considered I spoke" in a derogatory sense regarding people who have opposing views...." He then went on to provide a number of examples. I will deal with these later but the point I wish to convey here is that he only raised issues of style. He had no issues with the substance of what I was saying. I find it very concerning that he widened the scope of his inquiry after I had submitted my response to him and travelled to Auckland to speak with him personally where he had ample opportunity to give me a chance to respond.

I find this unprofessional, misguided and perhaps indicative of certain bias towards the complainants. Though I have not consulted a lawyer on this matter but it feels to me a denial of natural justice and may well constitute a breach of process.

When further attempting to justify a breach under the CoC he claims "*As a councillor Mr Finlayson has stepped into a public debate that he did not need to engage with in order to fulfil his duties as a regional councillor or his role on the Pest Management Working Party. He could have avoided the 1080 debate and left that issue to the Department of Conservation and the Environmental Protection Authority.*

*Having engaged in the debate with his online comments, newspaper articles and by the drinking of the water from the forest, Councillor Finlayson, in my opinion, needed to consider his actions in light of the requirements of the Code. My conclusion is that he has not adequately done so".*

At this stage it is necessary to appreciate the overall intentions of the complainants. As the Russell State Forest and Cape Brett 1080 drop approached there was a huge amount of anti 1080 rhetoric across local media. Much of this focussed on the fact that 1080 would poison the waterways making it unsafe to drink from or to take kai from. As we know water quality is a huge concern amongst the general public and the anti-1080 was taking advantage of this to spread fear in our communities. Tracking this on social media I grew increasingly concerned at extreme points of view being promoted. I did not enter this debate lightly. I full well knew of the nasty, personalised responses to any that challenged their views. Some conservationists that I have huge admiration for were being vilified. I felt compelled to challenge this rhetoric as an elected member of Council and especially as Chair of the Pest Management Working party.

DOC is very wary of taking on these antis and, like the EPA, operate at a national level. There was no one in a position of authority backing up the 'troops on the ground' who were copping the flak. I felt morally compelled to put my head above the parapet.

The mediator seemed blind to the context of the situation. I did consider my actions, I considered them before and during this episode.

When I visited the mediator to discuss the complaints I reiterated the fact that these were not isolated complaints of individuals offended by my language or actions. This was a concerted campaign by a group of people engaged in the political process of eroding our social license to use 1080. I pointed this out to the mediator. I provided proof both to the background of the situation and to the fact that these complainants not only knew each other but they were acting together for political purposes. Three of the four complainants were founding members of a group called 'Flora and Fauna' – from poison to ecology. This group is essentially an anti-1080 group. Now it seems that Complainant T is no longer on the Board, he was removed for some reason.

<http://floraandfauna.aotearoa.co.nz/sample-page/board-of-trustees/?fbclid=IwAR1qJ6MLWz6N661TDKehK0jjwtIWf8EBtUixcA5d3MKWA6QZQTJGACuuuxE>

I find it intriguing that no mention was made of the collaboration or political intent of these complaints in the mediators report.

I adamantly contest the mediator's conclusion that I did not consider my actions "in light of the requirements of the code and that any level of materiality has been met. I can not see how my actions would "bring the Council into disrepute" as I was only supporting our evident position on 1080.

### **Breaches of the Code**

*"I consider that the actions of Councillor Finlayson are in breach of the following aspects of the Code.*

#### *Section 3 – Values*

*Point 5 concerns respect for others and requires the treatment of "people, including other members, with respect and courtesy".*

*I do not consider that the comments in the newspaper articles meet the requirements of this part of the Code. While it is true that the articles did not identify any of the particular opponents to the use of 1080 – in a generic sense Councillor Finlayson is very dismissive of the opinions of those who are opposed to its use. The commentary in the newspaper articles appears to be an extension of the types of comments that were being exchanged in social media."*

Firstly, I would like to make the point that I was dismissive of the opinions of this group. I was dismissing the idea that 1080 harms our waterways or people using them. That was the point of what I was saying! There is a big difference in being dismissive of a (false) idea and treating people disrespectfully.

To say I was in breach of Section 3, point 5 of our COC is incorrect.

It is our job as local body politicians to advocate for and defend the work of the council and our position on important matters, even if our position is articulated only through our (staff) actions rather than formal policy. As mentioned previously we support the judicious use of 1080 and supply it to community groups.

Language used.

I would like to now deal with the suggestions that my language was inappropriate or offensive to the complainants. Below is taken from the language issues the mediator raised

- (1) "I drank it in front of a few antis" – Antis is an abbreviation of anti-1080 which is how the complainants themselves identify. This is not a slur but a definition of who they are. There is plenty of evidence to support this.
  - (2) "emotions hijacked by emotive propaganda – movies of dying dogs or deer". This is simply a statement of fact.
- The full statement reads "My strong suspicion is that a lot of well meaning people who

genuinely care for the environment have had their emotions hijacked by emotive propaganda - movies of dying dogs or dead deer." This is a statement of fact. Watch the following link for an example of what I mean courtesy of the Graf brothers  
<https://www.youtube.com/watch?v=FlPM1zVb3Lk>

I contend that labelling biased or misleading information as propaganda is both accurate and needed. Claiming that 1080 'poisons the waterways' and thus 'threatens human health' are misleading and alarmist and represent an extreme position and need to be taken to task.

The definition of propaganda is distributing information, especially of a biased or misleading nature, used to promote a political cause or point of view.

- (3) "have had their emotions hijacked with a type of emotive propaganda that would make Goebbels proud".

The full text from which this was taken reads "All sorts of allegations were thrown at me: "You must be bought, someone is paying you for this;" "You're an unformed idiot;" "corrupt" etc. Some comments were really ugly, with threats of violence from people hiding under nom de plumes. Delving deeper, I realised that a lot of people who are genuinely concerned about our environment and animals have had their emotions hijacked by the type of emotive propaganda that would make Goebbels proud. Once this happens logic and reason seem to take a back seat. Science is labelled as 'government propaganda.'

This is referring to the people on facebook engaged on my post. I contend that it accurate and does not breach NRC's CoC.

B

- (1) "So bollocks to that claim"

I have trouble in understanding how this statement is offensive. A definition of 'Bollocks' is nonsense, rubbish (used to express contempt of disagreement, or as an exclamation of annoyance.)

The claim in dispute is 'rubbish', it has no basis in science or fact. I expressed my disagreement. Plenty of evidence to support my position here.

- (2) "The pig was headless, and looked like it had been gut shot. Trophy hunting, not 1080 was the likely cause".

This was my viewpoint after seeing the photo of the headless pig which looked like it had been gut shot. I have trouble understanding the problem with this ?

In the context of this 'robust' discussion' I feel my language was far more courteous and respectful than that of the complainants. I think that their complaints about my language was just an opportunity to increase the scope of their complaint if the actual substance of the complaint wasn't found to be true

Here is some of the language the complainants used when describing me.

Complainant A "Mike's bullshit needs to be called out" & "Poison fanatics need to be called out" – these comments were posted on Northland 1080 on 19<sup>th</sup> October 2018 when Complainant A was trying to get people to write letters to the Editor of the Northland Age. (No letters actually made it there).

Complainant T in his evidence called me an idiot

This from complainant M describing me on a Facebook post “what an idiot. Lying as I suspected”. (Facebook 10 October 2018). Though not related to this incident here is a news article of Complainant M telling a constituent to “Fuck off” in an email.

[https://www.nzherald.co.nz/northern-advocate/news/article.cfm?c\\_id=1503450&objectid=11024331](https://www.nzherald.co.nz/northern-advocate/news/article.cfm?c_id=1503450&objectid=11024331)

These people are hardly little angels. They have not only used very strong language, they have directed it at me in a very personal manner. Their feigned offence is nothing more than a ruse to elicit sympathy for their substantive case. (which is also seriously flawed). I believe that I have not breached Section 3 of our COC and that I was being ‘courteous’ in the situation. I listened to their concerns but as they ran against all the accepted science on the matter it is my right to disagree with them.

#### Section 5.3 – Relationship with the public

*Each of the bullet points set out at section 5.3 are relevant to this investigation.*

*The first four bullet points need to be considered in relation to the comments made by Councillor Finlayson in both the online debate and the newspaper articles. Again while no individuals are mentioned in the newspaper articles, in my opinion there is a general undercurrent of frustration or contempt for the views that Councillor Finlayson sees as being extreme.*

*The final bullet point relates to the consumption of water taken from the stream in the forest. As an individual Councillor Finlayson would be entitled to undertake this activity if he felt that the water was safe – perhaps only raising questions under health and safety legislation. However, I do not consider his actions to have been sensible as an elected official and they run the risk of causing damage to the reputation of the local authority.*

*The main reason I reach this conclusion is because his actions run the risk of being seen as being an endorsement of policy by the Council or indicative of any approach taken by the Council in relation to either the consumption of 1080 or its traits as a pesticide. I have seen nothing in the information provided to me by the Council that would suggest such a position being taken – nor would I expect to find one. One thing that all in this investigation could agree on is that the use of 1080 is very polarising, with strong opinions and feelings evident on both sides. Given that the Council will have constituents who sit all across the spectrum of views on 1080, I doubt there would be any endorsement of the actions undertaken by Councillor Finlayson in drinking the water. That would be the case regardless of whether the consumption was benign or not.*

Regarding the first four points of section 5.3 of our COC

I do not feel that I have been in breach of these four points. In dealing directly with members of the public I have treated them with a lot more respect that they have treated me. I listen to their concerns but retain the right to make decisions based on the scientific evidence rather than anecdotal ‘evidence’. Most of the anti 1080 group have no experience in pest management but base their opinion on facebook memes and Graf brother’s videos. As the mediator stated ‘no individuals are mentioned in the newspaper articles’ and while I may have been frustrated I do not feel I was contemptuous towards any of the complainants. The mediator concluded earlier “**that it is insufficient to form a conclusion that any of the comments are directed at any members of the public in particular**”.



Section 5.3.5 is perhaps the most serious matter to consider. It is also where the mediator seems unable to understand the basic facts of the matter and has made a serious error of judgement. He stated "*However, I do not consider his actions to have been sensible as an elected official and they run the risk of causing damage to the reputation of the local authority.*"

*The main reason I reach this conclusion is because his actions run the risk of being seen as being an endorsement of policy by the Council or indicative of any approach taken by the Council in relation to either the consumption of 1080 or its traits as a pesticide.*

The mediator was provided with ample evidence of the fact that there was no residual 1080 in the water. He knew about the earlier results that showed there was no 1080 evident in water samples taken from the forest. NOWHERE did I say it was safe to consume 1080 as he is suggesting. It was not a matter of "if I felt the water was safe". I knew it was safe.

What risk to the Council's reputation is there when I am actively confirming what the vast body of science has concluded? This from the Northland Age 1 December 2018 confirms my point.

"DOC's Northern North Island operations director Sue Reed Thomas said the results supported the department's contention that 1080 broke down very quickly in water.

"We can be confident that the water was not contaminated following the pest control operation," she said.

"We know people have concerns about water quality after a 1080 operation, and we wanted to provide independent testing to show the water is safe and 1080 is not present in the awa in Russell Forest."

Ms Reed Thomas said DOC routinely had water tested by independent laboratories following 1080 operations. Samples were collected immediately when there was the greatest possibility of detecting contamination. The Ministry of Health's 2ppb precautionary standard had never been exceeded".

See also: <https://www.niwa.co.nz/publications/wa/water-atmosphere-2-february-2011/water-safe-after-1080-drop>

<https://www.facebook.com/forestandbird/videos/vb.137540437632/1333269070142188/?type=2&theater>

I therefore take absolute exception the mediators conclusion here. He has ignored the scientific consensus as well as what I actually wrote and seems to have chosen to believe the complainants who have twisted what I said and misrepresented my position in order to have something to complain about.

I could go into lengthy analysis of their complaints and point out all the half-truths and fabrications but it would take another half dozen pages to do so. (but happy to if needed)

Complainant A's accusations: [https://www.nzherald.co.nz/northland-age/news/article.cfm?c\\_id=1503402&objectid=12140669](https://www.nzherald.co.nz/northland-age/news/article.cfm?c_id=1503402&objectid=12140669)



My response to her accusations: [https://www.nzherald.co.nz/northland-age/news/article.cfm?c\\_id=1503402&objectid=12144536](https://www.nzherald.co.nz/northland-age/news/article.cfm?c_id=1503402&objectid=12144536)

#### Section 6.2 – Personal view on Council business & 6.3 Non-Council communications

*“The third bullet point requires any comments of a personal nature to be identified as such.”*

Two points here. I have asked a number of times for a rider on my columns that state that is my opinion. It has appeared occasionally but could ask again. No other columnist from local govt has this rider on their column. My Council facebook page does state that.

Secondly is the fact that 1080 does not poison the waterways my personal opinion? Although the council does not presently have an ‘official’ position on this it is certainly our unofficial position. And as stated above it is the position of ALL the government bodies that deal with 1080. So, this is not my ‘personal opinion’, it is the consensus of scientific thought on the matter!

Regarding the matter of an apology to the complainants. This would be used to justify their position and further erode our social licence to continue using 1080 to protect our indigenous species.

Lastly: *“The principle point I would like to make regarding the Council's consideration of any appropriate censure is the need to separate public from personal opinion and the consequences that can arise when those lines are blurred”.*

Does he actually mean council position verses personal opinion? If so I would reiterate that in this instance my position and that of the Council (although not formally stated via policy) is the same. If it were to be different I would make that point.

Sincerely,

Mike Finlayson

20 May 2019

Public buy-in necessary for PF 2050

[https://www.nzherald.co.nz/technology/news/article.cfm?c\\_id=5&objectid=12232350](https://www.nzherald.co.nz/technology/news/article.cfm?c_id=5&objectid=12232350)

Prime Ministers letter to anti 1080 writer.

Thank you for your message regarding the use of 1080 in Aotearoa.

Due to the large number of messages the Prime Minister receives, she is unable to reply to everyone personally. However, protecting New Zealand’s native species and wildlife is extremely important to this Government.

We’re in the middle of a biodiversity crisis with 4000 of our native species either threatened or at risk of extinction. The Government has committed to turning around this biodiversity crisis.

1080 is an effective tool in the toolbox to protect our native species and control predators. The use of 1080 tends to be in the more remote and mountainous areas. It is used to ensure our forests are full of native wildlife; not rats, stoats or possums.

Trapping and other ground control methods are very important parts of pest control, but cannot replace 1080 as a viable option over large areas of difficult terrain.

1080 presents very little risk to the environment. The Parliamentary Commissioner for the Environment considers 1080 to be a "safe form of pest control given the way it is used and controlled in NZ". Forest and Bird and the Department of Conservation also say it is safe.

1080 is biodegradable and quickly breaks down into non-toxic substances. When used correctly, research has shown it poses no harm to human health.

Research has stepped up in recent years for alternative methods of pest control but 1080 remains the best tool available. You can find out more about the use of 1080 in New Zealand here: <https://www.doc.govt.nz/.../pests-an.../methods-of-control/1080/>.

-- Lauren, Prime Minister's Office



18 April 2019

Malcolm Nicolson  
Northland Regional Council

malcolmn@nrc.govt.nz

Tēnā koe Malcolm

Thank you for letter requesting information about the water testing results from the Department of Conservation's Russell Forest 1080 operation on 28 September last year.

You noted there was an article in a local newspaper where I was quoted saying that the water was tested 15 hours and 39 hours respectively after the operation. You asked for the results of those water tests, with some interpretation of those results.

I have provided this information as previously released to a member of the public under the Official Information Act 1982.

Testing for the presence of sodium fluoroacetate (1080) in water from streams and water intakes occurs over the next few days as a standard procedure following a 1080 operation.

Samples were taken at known drinking water intakes in the Waikare catchment on 29 September, the day after the completion of the operation (the "15-hour" sampling). The testing was carried out by Landcare Research Ltd and were all negative for the presence of 1080. Another sample, taken at the same time from a disconnected water intake point within the treatment area had a positive sample of 1ppb (parts per billion).

Further samples were taken at the same Waikare catchment water intakes on 30 September (the "39-hour" sampling) and were all negative for the presence of 1080.

The attachment to this letter is a redacted copy of the Landcare Research water sample results for the two days after the operation (15 and 39-hour samplings). The redactions in the document protect the privacy of the landowners, whose names are recorded next to the sample from their property.

Interpretation of results (with reference to attached test results):

- The positive water sample (WT4 on 29/9/18) was at the Method Detection Limit (MDL) of 0.0001 micrograms per millilitre (µg/mL) or 0.1 parts per billion of fluoroacetate (1080).
- The human drinking water standard is 0.002 µg/mL or 2 parts per billion so the above figure is well below that.
- The positive sample site was from a disconnected water intake which was within the treatment area and in the Waiotu Stream catchment. No water samples from any other catchment were positive for fluoroacetate.

Department of Conservation *Te Papa Atawhai*  
2 South end Ave, Raumanga, Whangarei 0110

- The second sample taken from the same site (WT4) the following day (30/9/18) was <MDL (below the level of detection) as were all other samples.

I hope this information assists with your investigation. Please contact me if you need any further information.

Yours sincerely



**Sue Reed-Thomas**  
Director, Operations  
Northern North Island



## Toxicology Laboratory Analysis Report

54 Gerald Street  
PO Box 69040  
Lincoln, 7640  
Ph: +64 3 321 9999  
Fax: +64 3 321 9998

Report No: T6912

**CLIENT:** Evan Davies, Department of Conservation, 2 South End Ave, Raumanga Whangarei 0110  
**CLIENT REFERENCE No.:** Russell State Forest **Telephone No:** 09 470 3300  
**SAMPLES:** Twenty water samples  
**REQUIREMENT:** Examine for fluoroacetate  
**RECEIVED:** 02 October 2018

Sample/s were received for analysis. The details were entered into the laboratory sample system and the sample/s given a reference number. The sample details and results are as follows:

**No. samples:** 20

LabNo.	Description	Fluoroacetate, µg/mL
22170	Water sample, WT1, [REDACTED], 29/9/18	<MDL
22171	Water sample, WT2, [REDACTED], 29/9/18	<MDL
22172	Water sample, WT3, [REDACTED], 29/9/18	<MDL
22173	Water sample, WT4, [REDACTED], 29/9/18	0.0001
22174	Water sample, WT5, [REDACTED], 29/9/18	<MDL
22175	Water sample, WT6, [REDACTED], 29/9/18	<MDL
22176	Water sample, WT7, [REDACTED], 29/9/18	<MDL
22177	Water sample, WT8, [REDACTED], 29/9/18	<MDL
22178	Water sample, WT9, [REDACTED], 29/9/18	<MDL
22179	Water sample, WT10, [REDACTED], 29/9/18	<MDL
22180	Water sample, WT1, [REDACTED], 30/9/18	<MDL
22181	Water sample, WT2, [REDACTED], 30/9/18	<MDL
22182	Water sample, WT3, [REDACTED], 30/9/18	<MDL
22183	Water sample, WT4, [REDACTED], 30/9/18	<MDL
22184	Water sample, WT5, [REDACTED], 30/9/18	<MDL
22185	Water sample, WT6, [REDACTED], 30/9/18	<MDL
22186	Water sample, WT7, [REDACTED], 30/9/18	<MDL
22187	Water sample, WT8, [REDACTED], 30/9/18	<MDL
22188	Water sample, WT9, [REDACTED], 30/9/18	<MDL
22189	Water sample, WT10, [REDACTED], 30/9/18	<MDL

Report No: T6912

Page 1 of 2

*All results are reported to two significant figures.*

The determination was carried out using TLM005, the assay of fluoroacetate in water, soil and biological materials by GLC. The method detection limit (MDL) is 0.0001 µg/mL and the uncertainty (95% c.i.) is  $\pm 12\%$ .

TESTED BY: lhb      WORKBOOK REF: 10/15 and 10/16  
TEST PERIOD: 2-4/10/18

---

AUTHORISED BY:

[REDACTED]



Date: 4/10/2018

*These results are confidential to the client and relate only to the samples as received and tested. This report may be reproduced in full only. The samples relating to this report will be disposed of after two months from the report date unless requested otherwise by the client. Where appropriate, the above results will be included in anonymised form in the National Vertebrate Pesticide Residue Database.*

---

## Paul Sills

Barrister & Mediator  
More Light Less Heat

10 June 2019

Malcolm Nicolson  
Chief Executive Officer  
Northland Regional Council  
Private Bag 9021  
Whangarei 0148

cc. Denise Phillips  
Personal Assistant to CEO

Email: [denisep@nrc.govt.nz](mailto:denisep@nrc.govt.nz)

Email: [malcolm@nrc.govt.nz](mailto:malcolm@nrc.govt.nz)

Dear Malcolm,

**Re: ADDENDUM TO REPORT ON INVESTIGATION INTO FORMAL COMPLAINT AGAINST  
COUNCILLOR FINLAYSON – HEALTH AND SAFETY ISSUES**

### Introduction

As noted in my investigation report dated 19 March 2019 (**Report**), the complaints against Councillor Finlayson included a concern that a breach of health and safety legislation had occurred when he drank water from a stream in the Russell State Forest soon after a 1080 drop had been made within that area. That issue was outside the scope of my initial investigation.

This addendum to my Report addresses the issue set out above by considering the following:

- (a) Has there been a potential breach of any health and safety legislation?
- (b) If so, is the Council responsible for the breach and therefore required to report that breach?
- (c) If the Council is not responsible for the breach, is it nevertheless obliged to report it to WorkSafe?

### Background

The Department of Conservation (**DOC**) carried out a 1080 operation on 28 September 2018. DOC carried out water tests 15 hours and 39 hours respectively after the operation. By letter dated 18 April 2019, DOC advised that:

- (a) Samples were taken at known drinking water intakes in the Waikare catchment on 29 September 2018 (that is, the 15-hour sampling). The tests were all negative for the presence of 1080. Another sample was taken at the same time from a disconnected water intake point within the treatment area, which had a positive sample of 1 part per billions. This is below the human drinking water standard of 2 parts per billion.

---

Ground Floor, 33 Shortland Street, Auckland – PO Box 1990, Shortland Street, Auckland 1140  
*p:* 09 302 3040 *m:* 021 880 007 *e:* [paul.sills@paulsills.co.nz](mailto:paul.sills@paulsills.co.nz) *w:* [www.paulsills.co.nz](http://www.paulsills.co.nz)

- (b) Further samples were taken at the same Waikare catchment water intakes on 30 September 2018 (that is, the 39-hour sampling) and were all negative for the presence of 1080.

Councillor Finlayson visited the Russell State Forest in his personal capacity on 3 October 2018. It was during this visit that he drank the water. He was accompanied by one of the Council's bio-security staff members (who he asked to be present to provide information on pest control) and several members of the public.

#### **Potential Breaches**

The Health and Safety at Work Act 2015 (**Act**) sets out responsibilities for managing work-related risks that could cause serious injury and illness. Persons conducting a business or undertaking (**PCBUs**) have duties under the Act in respect of workplaces. The Council conducts an undertaking and is a PCBU.

In my view, the relevant duties in this matter are the PCBUs' primary duty (section 36) and the duty to notify notifiable events (section 56).

The primary duty of care of PCBUs is to ensure, so far as is reasonably practicable, the health and safety of (amongst others):

- (a) Workers who work for the PCBU and/or workers whose activities are influenced or directed by the PCBU, while they are at work or carrying out the work; and
- (b) Other persons are not put at risk from work carried out as part of the conduct of the business or undertaking.

PCBUs have a specific duty to notify WorkSafe of any notifiable events arising out of the conduct of the business or undertaking as soon as possible after becoming aware of the event. A notifiable event includes the death of a person, a notifiable injury or illness and a notifiable incident. A notifiable incident is an unplanned or uncontrolled incident in relation to a workplace that exposes a worker or any other person to a serious risk to that person's health or safety arising from an immediate or imminent exposure to substances in certain circumstances.

#### **Analysis**

Councillor Finlayson visited the Russell State Forest and drank the water as a private citizen. There is no evidence that he suffered any injury or illness as a result of drinking the water. I therefore consider there may have been a breach under the Act if:

- (a) Councillor Finlayson was put at risk by drinking the water, and that risk arose as part of the Council's undertaking; or
- (b) Councillor Finlayson was exposed to a serious risk to his health or safety as a result of an unplanned or uncontrolled incident in relation to a Council workplace (that is, a place where work is carried out, or is customarily carried out for, the Council).

Each of the above scenarios require the existence of a risk to Councillor Finlayson's health and/or safety. Given the water results provided by DOC, there does not appear to have been any such risk because the samples tested negative for 1080 by 30 September 2018 (four days before the



Councillor consumed the water). In my view, this is sufficient to conclude that there has not been a breach.

In addition, I understand that DOC was responsible for the 1080 drop operation, which was controlled and carried out according to a plan. In these circumstances, I consider that even if the water had presented a risk to Councillor Finlayson's health and safety that risk:

- (a) Did not arise as part of the Council's undertaking;
- (b) Was not a result of an unplanned or uncontrolled incident;
- (c) Did not arise where work was carried out in respect of the Council's undertaking.

**Conclusion**

For the reasons discussed above, it is my view that there has not been a breach of the health and safety legislation. It follows that the Council is not required to notify WorkSafe of any such breach.

Yours faithfully



**Paul Sills**  
Barrister & Mediator (AAMINZ)

**TITLE:** Enterprise IT System Indicative Business Case

**ID:** A1199960

**From:** Linda Harrison, Organisational Project Manager

---

### Executive summary/Whakarāpopototanga

This indicative business case details options for the upgrade of Northland Regional Council's ageing information technology infrastructure system to a modern enterprise system. The underlying rationale for the project is to reduce risk, increase efficiency, and enable better business outcomes by replacing dated core systems and processes with modern, efficient technology to confidently take the council forward into the next decade.

The purpose of this report is to seek council's agreement on the preferred procurement approach and gain approval to proceed to the next stage of developing a full detailed business case to be bought back before council in early 2020.

---

### Recommendations

1. That the report 'Enterprise IT System Indicative Business Case' by Linda Harrison, Organisational Project Manager and dated 6 June 2019, be received.
2. That the Enterprise IT System Project Indicative Business Case be approved by council and used to formally establish the Enterprise IT System Project.
3. That the preferred option is a syndicated procurement agreement leveraging the syndication of Waikato Regional Council systems and processes.
4. That the Enterprise IT System Project Team continue negotiations with the preferred supplier to develop a detailed business case to be bought back to council in early 2020.

---

### Background/Tuhinga

A business benefits review of a selection of Northland Regional Council's (NRC) processes and systems has been undertaken to establish the opportunities that exist for replacing the underlying technology that supports the business.

The review included a series of workshops with staff to identify high level business benefits across areas perceived to be of highest priority.

A number of workshops have been undertaken both with council and ELT to keep them abreast of the current state of our processes and systems, the potential solutions, and high level indicative costs.

A number of issues were identified in the review concerning the current system particularly relating to:

- risk, age and complexity;
- manual data management processes and a lack of financial data integration across systems;
- inability of current systems and processes to keep up with organisational growth and pace of technological change;
- limited opportunity for alignment and integration both within the organisation and with others in local government;

- a lack of alignment with the future direction of current strategy which seeks to drive a shift to provision of software as a service, and alignment of software procurement with solutions used within the regional and local government sector to enable increased collaboration; and
- Significant gaps in core accountabilities, e.g. health and safety, human resources, and asset management.

The Enterprise IT System Project will enable council to build improved capability through the provision of standard, efficient business processes and access to integrated, timely and accurate information when and where required through the use of modern integrated IT systems. This transition is an unavoidable industry trend and in many ways an issue of timing – being proactive and managing the transition, or waiting for a significant failure that forces our move with the inherent risk to the organisation.

No further decisions will be made until a detailed business case is brought back to council in early 2020. It is anticipated that this will include a full cost benefit analysis, timeline, milestones and budget.

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Status quo – do nothing	Staff know current systems and have found ways to work around.	High risk – only a matter of time before it fails again, out-dated technology, costly to maintain, does not meet needs.
2	Shared services with Auckland Council (AC)	Supports collaboration, less procurement costs.	Significant gaps in AC service offering, no track record = low confidence they can deliver quality service, 12 month implementation delay, highest costs (SAP), political risks with Northland TLAs.
3	Syndicated procurement	Lower procurement costs, shortest (12 month) implementation time, another regional council of a similar size = compatibility and lower risk, supports collaboration, lowest costs.	Need to adopt WRC base systems and processes but can adjust as necessary.
4	NRC commence procurement alone	Purpose built to completely match NRC needs, test market for best offer as at now, high	Longest implementation time (18-24 months), high costs, no collaboration, isolated and solely responsible for ongoing

		ownership of NRC staff, latest technology.	development and maintenance.
--	--	--	------------------------------

The staff's recommended option is Option 3 – leverage the syndication of Waikato Regional Council systems and processes.

**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 day to day activities previously provided for in the council's Long Term Plan.

**3. Policy, risk management and legislative compliance**

The recommendations associated with this report are considered to be low risk due to this only being an Indicative Business Case recommending that further analysis be undertaken and the results bought back to a future meeting of the council. A more detailed risk assessment will be done when the detailed business case has been completed and bought back to council in early 2020.

Being an administrative matter, Community Views, Maori Impact Statement, Financial Implications and Implementation Issues are not applicable. These will be assessed when the detailed business case has been completed and bought back to council in early 2020.

---

**Attachments/Ngā tapirihanga**

Attachment 1: Enterprise IT System Project - Indicative Business Case [↓](#)

---

**Authorised by Group Manager**

**Name:** Dave Tams  
**Title:** Group Manager, Corporate Excellence  
**Date:** 11 June 2019

# Enterprise IT System Project

## Indicative Business Case

<b>Prepared by:</b>	Linda Harrison, Organisational Project Manager
<b>Prepared for:</b>	Northland Regional Council
<b>Date:</b>	4 June 2019
<b>Version:</b>	0.3
<b>Status:</b>	FINAL



## Enterprise IT System Project Indicative Business Case

### Document Control

#### Document Information

	Position
Document ID	A1193315
Document Owner	Dave Tams, Group Manager – Corporate Excellence, Northland Regional Council
Issue Date	TBA
Last Saved Date	31 May 2019
File Name	Enterprise IT System - Indicative Business Case

#### Document History

Version	Issue Date	Changes
0.1	24 May 2019	First draft (incomplete)
0.2	29 May 2019	Following revisions from GM Corp Excellence & IT Manager
0.3	4 June 2019	Following revisions from ELT

#### Document Review

Role	Name	Review Status
Project Manager	Linda Harrison	Final completed.

#### Document Sign-off

Role	Name	Sign-off Date
Senior Responsible Owner/ Project Executive	Dave Tams, Group Manager – Corporate Excellence, Northland Regional Council	5 June 2019

## Contents

<b>Executive Summary .....</b>	<b>3</b>
Introduction.....	4
The strategic context.....	4
Current situation .....	5
The case for change.....	5
Investment objectives .....	6
Potential options and business scope .....	8
Key milestones .....	10
Proposed next steps.....	10
<b>The Strategic Case – Making the Case for Change.....</b>	<b>11</b>
Organisational overview.....	11
External factors .....	11
Alignment to existing strategies.....	11
<b>Investment Objectives and Business Needs.....</b>	<b>14</b>
Investment Objectives.....	14
Main benefits .....	14
Main risks .....	16
Optimism bias.....	17
Key constraints and dependencies.....	17
<b>The Economic Case – Exploring the Preferred Way Forward .....</b>	<b>18</b>
Critical success factors.....	18
Long-list of options and initial options assessment .....	19
Potential high level costs.....	22
Assumptions .....	22
High level assessment of options .....	23
The recommended preferred way forward.....	24
<b>Appendices.....</b>	<b>26</b>
<b>References.....</b>	<b>29</b>



## Executive Summary

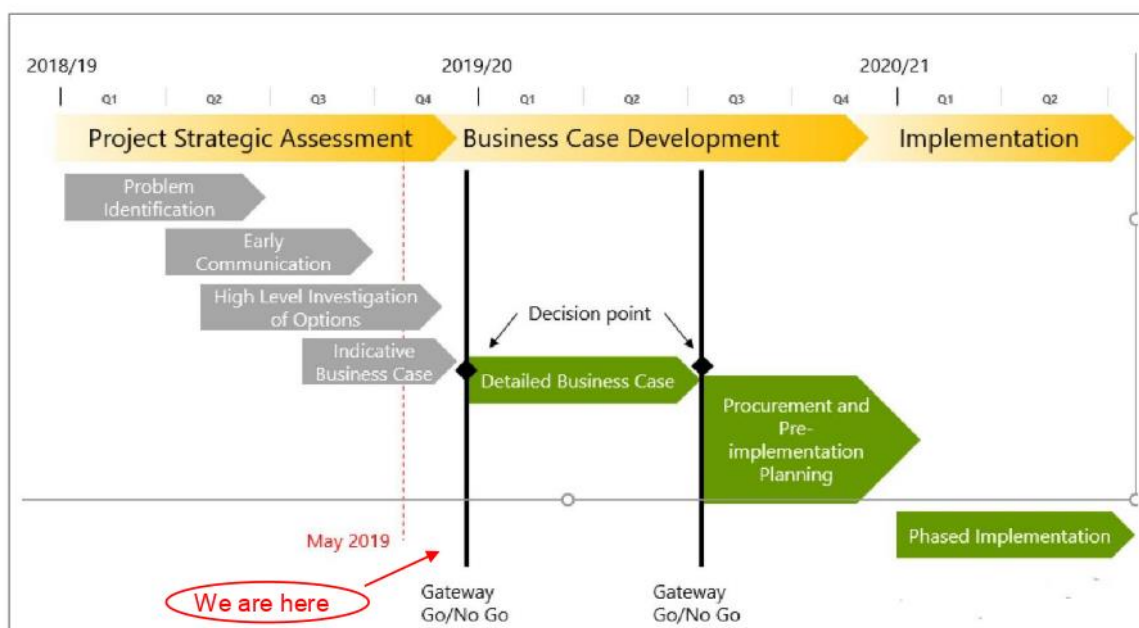
This indicative business case details options for the upgrade of Northland Regional Council's ageing Information Technology Infrastructure System to a modern Enterprise System.

It concludes by seeking approval to proceed to the next stage of developing a fully detailed business case to be bought back to the new council in early 2020. The cost of conducting this stage of the analysis is currently within approved budgets.

The methodology of this indicative business case is based on the Treasury Better Business Cases (BBC) guidance and is organised around the five-case model. The purpose of this indicative business case is to:

- **confirm** the need to invest and the case for change;
- **confirm** the investment objectives;
- **confirm** the business scope;
- **recommend** a preferred procurement approach for further development of a detailed business case; and
- **seek the early approval** of the Executive Leadership Team (ELT) and Council to support the development of a detailed business case, based on a preferred procurement approach.

Below is an illustration of where this indicative business case fits into the overall phases of BBC project management methodology.



Subject to approval, it is proposed to use this document as the Project Initiation Document for formally establishing the Enterprise IT System Project.

The underlying rationale for the project is to reduce risk, increase efficiency and enable better business outcomes by replacing our dated core systems and processes with modern, efficient technology to confidently take the organisation forward into the next decade.

## Introduction

A business benefits review of a selection of Northland Regional Council's (NRC) processes and systems has been undertaken by Negotiate Consulting Ltd to establish the opportunities that exist for replacing the underlying technology that supports the business.

The review included a series of workshops with staff to identify high level business benefits across areas perceived to be of highest priority. Results of this analysis are included in appendix 1.

A number of workshops have been undertaken both with Council and ELT to keep them abreast of the current state of our processes and systems, the potential solutions and high level indicative costs.

A number of issues were identified in the review concerning the current system particularly relating to:

- risk, age and complexity;
- manual data management processes and a lack of financial data integration across systems;
- inability of current systems and processes to keep up with organisational growth and pace of technological change;
- limited opportunity for alignment and integration both within the organisation and with others in local government,
- a lack of alignment with the future direction of current strategy which seeks to drive a shift to provision of software as a service, and alignment of software procurement with solutions used within the regional and local government sector to enable increased collaboration; and
- Significant gaps in core accountabilities eg. health & safety, human resources and asset management

The Enterprise IT System Project will enable Council to build improved capability through the provision of standard, efficient business processes and access to integrated, timely and accurate information when and where required through the use of modern integrated IT systems. This transition is an unavoidable industry trend and in many ways an issue of timing – being proactive and managing the transition or waiting for a significant failure that forces our move with the inherent risk to the organisation.

## The strategic context

The Enterprise IT System Project seeks to leverage information technology to enhance the effectiveness of the organisation. The underlying rationale for the proposed investment is to enable better business outcomes by filling existing gaps in capability and replacing out dated, overly complex, poorly performing and unintegrated core systems and processes with modern, efficient technology – supported by consistent, standardised, best practice business process.

The resulting improved capability will enable transformational change in the way staff work, the type of work undertaken and how we make decisions. From a stakeholder and customer value point of view, this will result in improved customer satisfaction, improved staff engagement and improved management of our operational and infrastructural risks. For our processes and our people this means we run consistent, standard, efficient business processes, and provide our staff with the ability and the tools to undertake their jobs and make informed decisions - anywhere they work. As an organisation this change enables increased governance confidence, increased ratepayer satisfaction and reduced overall cost of operation due to increased productivity. Through this transformation we will automate low value, manual, complex transactional activities many staff

currently undertake and enable staff to focus on higher value activities – enabling the organisation to achieve more with the same.

### Current situation

Council is facing a number of key challenges in relation to the business processes and information systems supporting the current business environment. The current landscape is characterised by:

- significant organisational growth;
- systems that don't support the modern way of working (eg. mobile, cloud);
- legacy of a DIY 1990's IT model which is complex and onerous to support;
- general lack of integration coupled with functionality gaps in key areas such as HR, health & safety & asset management; and
- systems and business processes which force significant amounts of work to be undertaken outside of current systems, using individual manual workarounds which are open to errors and omissions.

Prudent risk management indicates that proactive and managed change is needed to avoid inevitable IT system failure and the negative impact that would have to council in terms of cost, service delivery and reputation.

### The case for change

Features of the current situation driving the need for change are summarised below:

#### **Manual, complex and unintegrated business processes**

Council's business processes across core areas of operations are largely manual and complex, having been developed over time as a result of work-arounds introduced due to missing capabilities or complexity in supporting information systems. There is often limited opportunity to automate or improve current systems. This increases council's operational costs.

#### **Dated, unintegrated, functionally lacking information systems**

The current corporate finance solutions are dated, heavily customised, un-integrated and do not support business requirements now or into the future. This necessitates the use of complex, manual, unintegrated business processes. Due to a lack of functionality, additional capability has been purpose built or additional applications acquired and where possible integrated. Council's information systems, and in turn business processes, do not support the delivery of efficient and effective business operations. Solutions for HR/Payroll, Health & Safety and Asset Management business functions do not exist. There is limited customer on line services, employee self-service, mobility, workflow and business intelligence capability. There is also limited ability to take up AI, machine learning, process automation and other innovative technologies that are being introduced elsewhere in modern business operations to improve efficiency and effectiveness and thereby release capacity. This increases risk to council and operational costs.

#### **Challenges with information access to support planning and decision making**

Due to limited capability and a lack of integration, the current corporate systems do not support staff in accessing, collating and presenting information easily or effectively. Planning and forecasting activities are challenging due to the complexity of the tools available and a lack of integration of data, or between information systems. For example, the financials and asset management information systems are not integrated and HR and Health & Safety have no system at all. There is wide spread use of Microsoft Excel which is a key issue as an unsecured, untraceable source of data analysis with limited capability and highly prone to error. This increases risk to council.

### **Risk of business process and/or information systems failure**

All of the factors described above contribute to a high degree of risk for Council, and the impact should this materialise, in Councils processes, information systems and as a result in the data and information available to support informed planning and decision making.

Should key processes or systems fail in any of the core corporate business areas, the negative reputational impact for Council would be high as would the impact on business operations. Operational down time in the event of a serious failure would be in the order of days to weeks - not hours – resulting in a sustained impact council's ability to provide services and meet statutory obligations.

### **Investment objectives**

The value to council provided by a fully integrated enterprise IT system is compelling and would provide an opportunity to take a transformational step (or leap) forward rather than continuing to progress through a piecemeal and incremental approach.

As a result of the mapping of business benefits, a number of high level key investment objectives for this project have been identified. The table below summarises the existing arrangements and business needs against these proposed investment objectives.

<b>Investment Objective One</b>	<b>Reduce corporate and reputational risk</b>
<b>Existing Arrangements</b>	<ul style="list-style-type: none"> <li>IT system has started to fail and is inadequate resulting in an inability to deliver key services or to support current and future business needs.</li> <li>Current corporate information systems are dated, heavily customised, un-integrated and do not support business requirements now or into the future.</li> <li>The technology environment is complex and cumbersome requiring a high degree of maintenance and administration activity.</li> </ul>
<b>Business Needs</b>	<ul style="list-style-type: none"> <li>Reduced risk profile.</li> <li>Fit for purpose software solutions and end-to-end, integrated and standardised business processes.</li> </ul>

<b>Investment Objective Two</b>	<b>Improve efficiency, effectiveness, service delivery and productivity</b>
<b>Existing Arrangements</b>	<ul style="list-style-type: none"> <li>Business processes are largely manual, developed over time as a result of workarounds and complexity being introduced due to missing capabilities or complexity in supporting information systems.</li> <li>There are significant gaps in current systems ie. HR (\$20M spend), H &amp; S and Asset Management have no current workable software solution.</li> <li>Disconnected silos of information exist throughout the organisation.</li> <li>There is limited capability in terms of customer on-line services, employee self-service, mobility, workflow and business intelligence; and limited ability to take up Artificial Intelligence, machine learning, process automation and other innovative technologies that could be used to improve efficiency and effectiveness.</li> </ul>

<b>Business Needs</b>	<ul style="list-style-type: none"> <li>○ Simplification of the corporate information systems environment enabling more effective and efficient use and administration, future investment and integration.</li> <li>○ Increased process throughput and quality through reduction in complexity, duplication of effort, rework and manual workarounds in business processes.</li> <li>○ Ability to leverage data by linking together different (previously unconnected) repositories of data and connecting with business processes to provide a “single source of truth”, new insights and reduce manual effort.</li> <li>○ Improved delivery of services through customer on-line services, employee self-service, mobility, workflow and business intelligence; and increased ability to take up Artificial Intelligence, machine learning, process automation and other innovative technologies in the future.</li> </ul>
-----------------------	---

<b>Investment Objective Three</b>	<b>Improve planning and decision-making</b>
<b>Existing Arrangements</b>	<ul style="list-style-type: none"> <li>○ Significant time spent collating and aligning information for regular planning and reporting processes = significant cost.</li> <li>○ Work is largely manual using spreadsheets with a relatively high opportunity for error - is time consuming, cumbersome with low levels of efficiency.</li> <li>○ There may be time delays and effort for staff to produce accurate information requested for decision making due to the antiquated nature of information systems.</li> </ul>
<b>Business Needs</b>	<ul style="list-style-type: none"> <li>○ Accessibility to timely, integrated, verifiable information and business intelligence/analytics to support quality planning and decision making.</li> <li>○ Enhanced planning and forecasting ability including real time planning &amp; budgeting.</li> <li>○ Improved reporting and analysis.</li> </ul>

<b>Investment Objective Four</b>	<b>Increase levels of customer, staff and council satisfaction</b>
<b>Existing Arrangements</b>	<ul style="list-style-type: none"> <li>○ Increasing community expectations for improved services, including online services. Currently there are limited options available to customers to support ease of interaction with Council.</li> <li>○ Increasing expectations from Council, staff and the community for improved transparency, planning and decision making.</li> <li>○ Staff surveys do not rate the organisation highly in terms of departments and teams collaborating to achieve results.</li> <li>○ Staff surveys indicate staff do not always have the resources / tools to effectively do their jobs.</li> </ul>
<b>Business Needs</b>	<ul style="list-style-type: none"> <li>○ Simplification of the corporate information systems environment enabling more effective and efficient use and administration, future investment and integration.</li> <li>○ Fit for purpose software solutions and end-to-end, integrated and standardised business processes.</li> <li>○ Increased process throughput and quality through reduction in complexity, duplication of effort, rework and manual workarounds in business processes.</li> <li>○ Accessibility to timely, integrated, verifiable information and business intelligence/analytics to support planning and decision making.</li> <li>○ Increased access to self-service and mobile capability for staff to undertake their roles.</li> <li>○ Increased access to online services for customers to engage with Council.</li> <li>○ Provision of a “single source of truth”.</li> </ul>



Analysis of the investment objectives will be expanded in the development of the detailed business case to include:

- the potential scope for each objective;
- Potential benefits (to all stakeholders);
- Potential risks; and
- Constraints and dependencies.

## Potential options and business scope

### The long list

Within the potential scope of this proposal, the following long list of options has been canvassed with ELT and council and compared against the case for change in order to rationalise a preferred procurement approach for further analysis in the detailed business case.

#### 1. Status quo – do nothing (base case)

Continue to operate the existing complex and inefficient processes for our internal functions around finance, people and enterprise asset management, with any improvements constrained by an aging, fragmented, costly and increasingly high risk set of technology solutions. This includes accepting an absence of formal software tools for HR, health & safety and asset management and further system failures.

#### 2. Enter into a shared service agreement with Auckland Council

NRC would essentially be a separate entity on Auckland Council's (AC) IT system - adopting compatible functions and processes as if we were part of that organisation. Auckland Council utilises Gold Standard, world class software SAP – along with the prices that such a system demands.

#### 3. Enter into a syndicated procurement agreement

NRC would leverage the syndication of Waikato Regional Council (WRC) systems and processes. This effectively shortcuts the procurement phase of implementing an upgrade to an Enterprise IT system by adopting compatible functions and processes that have been purposefully designed for WRC. Although WRC has made a decision to procure Infor software after an 18 month procurement process, NRC would not necessarily be required to do the same.

#### 4. Commence our own procurement process from ground zero

NRC would commence the procurement process from the beginning fully documenting our business needs, requesting and analysing proposals from a range of potential technology suppliers (including the current supplier TechOne), and implementing a purpose built solution from the ground up.

### **Potential business scope**

The scope will be fully defined (including the costs and benefits of each item) in the detailed business case. Inclusion of an item in the potential business scope does not mean that it will necessarily be implemented – only that it will be investigated, costed and prioritised as part of the detailed business case. Final implementation decisions will be made upon full analysis of the detailed business case.

The high-level scope items at this point are estimated to be:

- Re-design or possible replacement of existing financials, including budgeting & forecasting;
- Provision of HR/Payroll, Health & Safety, Asset & Contract Management software;
- Provision of mobile / self-service functionality;
- Replacement of supporting software solutions eg. purchasing and timesheets;
- Expansion of current limited BI, reporting & analytics;
- Provision of Customer Relationship management capability;
- Replacement of IRIS as our Regulatory and Customer Engagement supporting software solution; and
- Document Management.

In scope items will be further detailed and confirmed as part of the detailed business case.

Functionality explored in scope may be for consideration only and implemented as a possible phase two of the project or not at all.

### **Shared service opportunities**

As part of the scoping exercise, it is expected that shared services / further collaboration opportunities with other councils and CCO's will be included in the investigations carried out as part of the detailed business case.

## Key milestones

Indicative key milestones are outlined below. These will be confirmed through the development of an approved project plan as part of the detailed business case. Work will commence in the 2018/2019 year and continue into the 2019/20 financial year to develop the detailed business case. Phased implementation is expected from August 2020 and project completion by December 2021.

	Milestones	Completion date
1	Council decision to formally establish the project and confirm the recommended procurement approach.	18 June 2019
2	Complete first meeting of the project team – including the involvement of an expert external advisor.	30 June 2019
3	Identify a communications resource to keep wider staff informed and on board with the project.	12 July 2019
4	Identify / recruit project management & change management resources. Identify / appoint business staff and backfill positions as required.	31 July 2019
5	Recruit a Business Analyst as additional technical fixed term resource to support the analysis, process and implementation activities associated with the development of the detailed business case and the subsequent implementation of the project.	31 July 2019
6	Project team to oversee the development of the detailed business case – with regular monthly reports to ELT.	Remainder of 2019
7	ELT approve detailed business case to be workshopped with the new council post election.	February 2020
8	Council approve recommendations of the detailed business case which will include a detailed project plan, implementation budget, timeline and milestones.	Council Meeting March 2020
9	Procurement discussions	March – May 2020
10	Pre-implementation planning	June – July 2020
11	Phased implementation	August 2020 – December 2021
12	Ongoing monthly project reporting to ELT & Council until completion of project.	

## Proposed next steps

1. Confirm this Indicative Business Case first with ELT and then with Council at its meeting on 18 June 2019.
2. Confirm the investment objectives.
3. Agree the recommended preferred procurement approach and proposed governance structure detailed on page 28 of this report.
4. Use this Indicative Business Case as the project initiation document to formally establish the Enterprise IT System Project and proceed to the next phase of the Better Business Case project methodology – which is the development of a detailed business case.



## The Strategic Case – Making the Case for Change

### Organisational overview

The role of local authorities is to lead and represent their communities. They must engage with their communities and encourage community participation in decision-making, while considering the needs of people currently living in communities and those who will live there in the future. All councils collect rates.

Regional councils have a range of statutory responsibilities, which include:

- Sustainable regional well-being.
- Managing the effects of using freshwater, land, air and coastal waters, by developing regional policy statements and the issuing of consents.
- Managing rivers, mitigating soil erosion and flood control.
- Regional emergency management and civil defence preparedness.
- Regional land transport planning and contracting passenger services.
- Environmental hazard identification and monitoring of effects.
- Harbour navigation and safety, oil spills and other marine pollution.

Within its Long Term Plan every three years, each regional council analyses its current and expected situation and operating environment and develops a plan for the next ten years within that context. The 2018-2028 Long Term Plans are currently operative.

### External factors

There are government priorities to decrease risk and improve the quality and cost effectiveness of local government services. In addition, Section 17a of the Local Government Act 2002 formalised the need for local councils to review the way they deliver services and explore opportunities to collaborate and drive performance excellence across regions.

### Alignment to existing strategies

For council to **fulfil its vision** “Our Northland – together we thrive”, we need the tools to enable both the council and the community to work together to create a healthy environment, strong economy and resilient communities.

The Enterprise IT System project is a key requirement to enable council **to deliver on its community outcome** of providing efficient and effective service delivery. This project supports council’s values:

Value	How this project improves efficient & effective service delivery
One high performing team	Provides a step change to using modern, fit for purpose technology solutions that enable mobility, and information access when and where we need it, enabling our staff to effectively and efficiently carry out their jobs.
Transparent & accountable	Improved centralised, integrated information, and accessibility to quality information available to support decision making.
Honest & open	Existing business processes will be reviewed to ensure that they are efficient and effective. Best standard practice processes will be adopted wherever possible.
Customer focused	A modern, integrated solution supports improved customer service

Legislation	How will this change improve delivery?
Local Government Act 2002	As required by the Act this solution supports the required focus on good-quality local infrastructure, local public services, and performance of regulatory functions

The Enterprise IT System is a key requirement to enable council to **deliver on the Digital Strategy vision** of “Enabling the organisation to deliver on our current and future commitment to”:

- Have systems that are enabling, user friendly, available anywhere/anytime with inbuilt resilience and security;
- View data as an asset that must be governed and kept secure, complying with legislation;
- Be future proofed, enduring, open and connected - providing value on investment made;
- Provide a connected, single source of truth;
- Adopt systems, choosing off-the-shelf cloud based products; and
- Collaborate at appropriate levels—national, regional, sector and across council.

Furthermore, this project is aligned with the Digital Strategy Guiding Principles as detailed below:

Digital Strategy Guiding Principles	How will this enable NRC to deliver on its current and future commitments?
Keep technology platforms up to date	We will leverage the value of current and new technologies by maintaining our core technology platforms at a current and supported state. We will also ensure that our technology platforms are scalable, sustainable and long term.
Minimise technical diversity and fragmentation. (Core platforms first)	We will aim to minimize the level of technical diversity and data fragmentation by concentrating on a limited number of core platforms and by adopting mainstream solutions. Where current core platforms can be used to meet a business need this should be the first and preferred option, but not adapted to do so. As an example, with the solution selected for the Enterprise System, where functionality exists to meet current and future requirements within this solution, then this will be the first (and potentially only) option available. A similar approach will be taken with respect to IRIS and NRC’s core regulatory functions.
Adopt - don’t adapt	We will adopt the standard and consistent processes that are inherent in the enabling technologies that we select rather than attempting to adapt, extend and change these to meet perceived unique requirements.
Cloud only	We will move to a fully cloud-based technology environment. For new requirements we will select only cloud-based (subscription) software solutions (SaaS) and for existing solutions we will move to cloud options where these exist and when the opportunity is presented. Where we require server or storage capacity we will source these through public cloud services.

Mobility	<p>Our core solutions will increasingly be accessible from any device and location.</p> <p>Our primary computing devices will be mobile and standardised across the organization, providing flexibility to work where needed. We will provide simple and secure remote access to NRC systems via the internet when needed.</p>
Collaboration and shared technology	<p>We will leverage collaboration, shared technology platforms and/or shared services where this provides mutual value to our respective organisations and our customers and communities.</p> <p>This could be across local government, central government agencies, external stakeholders and commercial organisations.</p> <p>We will strive for simplicity over complexity, and seek to standardize and align processes with other regional councils.</p>
Maintain technology governance	<p>Information and technology decisions should be made with the wider organization perspective in mind (rather than individual or specific team preferences) and should be based on a broad set of criteria including:</p> <ul style="list-style-type: none"> <li>- To specific or project requirements</li> <li>- Implementation cost</li> <li>- Implementation speed (capturing benefits sooner)</li> <li>- Ongoing support and maintenance costs</li> <li>- Quality of the solution</li> <li>- Fit with existing technologies</li> <li>- Fit with future technology direction (eg. Cloud only)</li> <li>- Access to technology skills to support</li> <li>- Infrastructure requirements</li> <li>- Vendor fit</li> <li>- Information Management requirements</li> </ul> <p>This helps to ensure that we minimize duplication and/or fragmentation, improves integration and reduces overall costs.</p>
Digital first—records and documents, data and information	<p>We will increasingly move our organisation into a digital world for records and general documents, eliminating paper copies where practical. Data will be stored centrally in our corporate systems with governance protocols and be discoverable.</p>

## Investment Objectives and Business Needs

### Investment Objectives

The following table outlines how the investment objectives could be measured.

Investment Objectives	Measurement
1. Reduce corporate and reputational risk	Reduce rating in corporate risk register from "high" to "medium"
2. Improve efficiency, effectiveness, service delivery and productivity	Reduced time taken to prepare LTP & annual plan budgets. Give staff the tools they need to do their jobs.
3. Improve planning and decision-making	Reduce the incidence of additional information requests by councillors & managers and reduce the time taken for staff to provide the information.
4. Increase levels of customer, staff and council satisfaction	Improvements in satisfaction levels measured in residents and staff surveys.

### Main benefits

The outcomes being sought by Council will be achieved through:

- provision of best practice, standardised business processes;
- sector aligned supporting software solutions provided as a service - ensuring software currency is maintained efficiently and effectively;
- security built in to a level greater than we could ever afford alone; and
- accessibility to timely, accurate, complete data to support planning, business intelligence and decision making.

Implementing an enterprise IT system will enable Council to build improved capability across the organisation through the provision of standard, efficient business processes and access to integrated, timely and accurate information when and where required, enabled through use of a single integrated information system across our financial, budgeting and planning, HR/payroll, health & safety and asset management business functions.

This improved capability will enable transformational change in the way staff work, the type of work undertaken and how we make decisions.

From a stakeholder and customer value point of view, this will result in improved customer satisfaction, improved staff engagement and improved management of our operational and corporate risk.

For our processes and our people this means we run consistent, standard, efficient business processes, and provide our staff with the ability and the tools to undertake their job and make informed decisions – where ever they work.

As an organisation this change enables increased governance confidence, increased ratepayer satisfaction and increased productivity. Through this transformational change we will release low value, manual, complex transactional activities many staff currently undertake to enable staff to focus on higher value activities – enabling the organisation to achieve more with the same.

The following table outlines the high level expected benefits that have been identified at this stage of the project. These are categorised as cash releasing, non-cash releasing, quantitative & qualitative.

Benefits	Type
Reduce corporate and reputational risk.	Non cash releasing
Provide efficient corporate information systems.	Non cash releasing
Capacity released for redirection to higher value tasks.	Non cash releasing
Reduction in procurement and licencing costs across the council.	Cash releasing
Increase in staff satisfaction by being provided with the resources to do their jobs effectively.	Non cash releasing Qualitative
Improved reporting, BI, analytics and information sharing capability.	Non cash releasing Qualitative
Increase in council satisfaction with information provided for decision-making.	Non cash releasing Qualitative

It is also anticipated that there will be many cross-organisational process improvement benefits expected to be realised as a result of the project which have not been assessed at this point. These are expected to be identified, and where appropriate quantified, as part of the detailed business case and as the implementation of the project progresses.

## Main risks

Risks result from uncertain events that either improve or undermine the achievement of benefits. High level risks that are present in all transformational projects include:

- Project leadership
- Project management & communications
- Complexity

The initial project specific risks that may create, enhance, prevent, degrade, accelerate or delay the achievement of the investment objectives are identified in the following table.

Main Risks	Impact (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Cannot find an integrated solution that meets Councils requirements.	H	L	NRC have identified a number of preferred technology suppliers that will provide a solution for our needs.  If a single integrated solution cannot be found an integrated best of breed solution may be required.
Cannot source the required project management and technical resources to support the implementation project.	H	M	Start fixed term BA recruitment and identify project roles as soon as possible.  Identify and resource internal staff and attempt to backfill identified project needs.  Utilise independent expert adviser.
Cannot access the required business resources when needed to support the implementation of the project.	H	M	Involvement of business managers and key staff in planning and identification of how best to resource the project for success.  Backfill staff where possible.  Gain ELT/organisational commitment to the priority of this project over BAU/other projects.
Fail to gain support of the new council post election.	H	M / L	Develop a high quality detailed business case that clearly identifies the case for change and the implications of not doing it.  Consistently keep council abreast of project development.
Fail to secure required funding as it becomes fully quantified in the detailed business case.	H	L	Develop a high quality detailed business case that clearly identifies the case for change and the implications of not doing it.  Be aware of optimism bias to ensure costs identified in detailed business case are not overly optimistic resulting in cost over runs once the project has commenced.  If council do not invest they will need to shore up the declining asset /deal with the inevitable failure.

A risk register will be developed and will be progressively updated by the project team as more detailed analysis is undertaken.



## Optimism bias

Based on the Better Business Case guidance, an assessment of the potential for optimism bias on the benefits (a demonstrated tendency for benefits to be overly optimistic or for costs to be overly conservative) is advised. In the case of this proposal, the potential for bias will be accounted for in the process of assessing both the costs and the benefits in the detailed business case. As Waikato Regional Council are undertaking a project with similar scope and impact, it presents an ideal opportunity to benchmark costs and benefits with a peer council to further minimise bias.

External costs will be estimated based on discussions with the successful technology supplier throughout the procurement process. The highest estimates will be used for budgeting purposes. Internal resourcing requirements will initially be estimated based on the recommendations of the supplier, input from our expert independent adviser, with councils who have undertaken similar projects and based on previous projects undertaken by the council. Where possible, existing internal resources will be identified and prioritised to the project. To provide the required level of skill, particularly in relation to project management, change management, business and functional analysis and testing – input will be required from our expert independent adviser and additional external fixed term resources will need to be identified and budgeted for accordingly. The approach to assessing the benefits to be realised from this project will be intentionally conservative.

## Key constraints and dependencies

The proposal is subject to the following constraints and dependencies identified at this point. These dependencies will be expanded in the detailed business case and then carefully monitored during the project. The following table outlines the key constraints and dependencies identified to date.

Constraints	Notes
Funding	Initial Investment often high & takes a while to pay off.
Uncertain benefits	Cost efficiencies, improved service & improved standards – it's very difficult to provide the hard evidence needed to convince others.
Complexity of process	Can be multiple stages of implementation – each requiring commitment & leadership = progress can be constrained.
Conflicting objectives	Clarity of purpose from the beginning is essential.
Political & behavioural	Elected representatives need to be in support from the beginning. ELT need to be 100% on board and lead from the front. Staff need to be kept informed, motivated and engaged throughout the process. Internal communication must be a top priority.
Dependencies	Notes
Availability of required project resources.	Recruitment of additional fixed term BA role will be required to implement this project. Project manager, change manager and communications assistance need to be identified and agreed early.
Funding requests need to be aligned to statutory planning & budget cycles.	Align with relevant Annual Plan and LTP preparation.
Availability of technology supplier resources.	Once a preferred procurement approach has been agreed, a project start date will need to be negotiated – pending approval of the business case and signing of contracts between the council and the preferred supplier.

## The Economic Case – Exploring the Preferred Way Forward

The purpose of the economic case is to identify the investment option that optimises value for money. Having determined the strategic context for the investment proposal and established a robust case for change, this part of the economic case:

- generates a long-list of options
- undertakes an initial options assessment, and
- identifies a way forward based on a preferred option.

### Critical success factors

The table below details generic critical success factors applicable to this project. Once a preferred option is fully developed, further proposal-specific factors will be added to this list.

Generic Critical Success Factors	Broad Description	Proposal-Specific Critical Success Factors
Strategic fit and business needs	How well the option meets the agreed investment objectives, related business needs and service requirements, and integrates with other strategies, programmes and projects.	Level of integration across council. Levels of customer and staff satisfaction. Number / length of service outages.
Potential value for money	How well the option optimises value for money (ie, the optimal mix of potential benefits, costs and risks).	Time spent to prepare annual plans and LTP. Licencing / operating costs over time.
Supplier capacity and capability	How well the option matches the ability of potential suppliers to deliver the required services, and is likely to result in a sustainable arrangement that optimises value for money.	Contract with measurable KPI's.
Potential affordability	How well the option can be met from likely available funding, and matches other funding constraints.	Within current and future budgets.
Potential achievability	How well the option is likely to be delivered given the organisations ability to respond to the changes required, and matches the level of available skills required for successful delivery.	No lapse in BAU service levels during the change over.



## Long-list of options and initial options assessment

### Options identification

Within the potential scope of this proposal, the following long list of procurement options has been identified:

1. **Status quo – do nothing (base case)**
2. **Enter into a shared service agreement with Auckland Council**
3. **Enter into a syndicated procurement agreement**
4. **Commence our own procurement process from ground zero**

### Options assessment

The potential long-list options were assessed against the investment objectives and critical success factors. The summary assessment of the long-list options is outlined below:

#### Long list option 1 – Status quo or “do nothing” option (Base case)

##### Description

Continue to operate the existing complex and inefficient processes for our internal functions around finance, people and enterprise asset management, with any improvements constrained by an aging, fragmented, costly and increasingly high risk set of technology solutions. This includes accepting an absence of formal software tools for HR, health & safety and asset management.

##### Advantages

- Staff know the current systems and have found ways to work around.

##### Disadvantages

- Increased risk of repeat failures and inability to upgrade to meet required changes.
- Complex, out-dated, difficult to use user experience.
- Require mobility, self-service and customer service solutions to be built on top of the current technologies – does not come as standard.
- Costly and resource intensive to maintain and upgrade.
- Not meeting our business requirements.
- Driven by the creation of complex and customised business processes and solutions.
- Challenging for new staff to get up to speed quickly with the tools they need to use to do their job.
- Multiple vendors/providers to work with and manage.
- Is not aligned with the Guiding Principles of NRC Digital Strategy.
- Staff continue doing low level administrative work rather than value adding activities.

##### Conclusion

The status quo is not a viable option. It is only a matter of time before a serious failure occurs.

#### Long list option 2 – Enter into a shared service agreement with Auckland Council

##### Description

NRC would essentially become a separate entity on Auckland Council's (AC) IT system, adopting compatible base functions and processes as if we were part of that organisation. Auckland Council utilises Gold Standard, world class software SAP – along with the prices that such a system demands.

#### **Advantages**

- Supporting central government drive for shared services.
- Theoretically adopting “tried & tested” systems & processes from another organisation in the “same business”.
- Significantly less procurement costs as NRC does not undertake its own procurement processes – we simply adopt what Auckland Council has already done & receive our IT system as a service.

#### **Disadvantages**

- Quality of the eventual shared service is unknown as although AC wish to offer shared services to other councils and to date they haven’t successfully done this.
- Would need to adopt AC base systems & processes rather than purpose build for our own specific needs. There are significant gaps in AC service offering compared to what we currently have eg. RC invoicing, enterprise assets, budgeting, contract management, purchasing.
- Implementation start time delay (12 months) as NRC would be in line behind Tauranga.
- Legal and licencing costs are anticipated to be high as AC use SAP which is a highly sophisticated and highly priced product.
- Possible political risk with Northland TLA’s by NRC forming a closer working relationship with a large council “south of the border”.
- Would need to adopt AC assumptions and risk profile.
- NRC would be beholden to decisions made by AC, which understandably will be made in AC’s best interest. NRC would not be in control of its own destiny or strategy which is a major risk.

#### **Conclusion**

Although this is a viable option, a combination of higher costs, lack of a proven shared service track record, start time delays and concerns about AC’s ability to deliver a complete and quality service make this not the preferred procurement option.

#### **Long list option 3 – Enter into a syndicated procurement agreement**

##### **Description**

NRC would leverage the syndication of Waikato Regional Council (WRC) systems and processes. This effectively shortcuts the procurement phase of implementing an upgrade to an Enterprise IT system by adopting compatible functions and processes that have been purposefully designed for WRC. Although WRC has just made a decision to procure Infor software after an 18 month procurement process, NRC would not necessarily be required to do the same.

##### **Advantages**

- Significantly less procurement costs as NRC does not undertake its own procurement processes – we leverage the effort that WRC (& prior to that Wellington Regional Council) have already invested.
- WRC shortlisted 2 options – TechOne (existing NRC system) & Infor. They chose Infor after extensive analysis & full business case and have had the full procurement process audited by KPMG.
- Significantly shorter implementation timeframe (12 months) compared to other options.

- “Known quantity” in terms of services available to us – from another regional council of a closer size, scale & business model than AC.
- NRC (albeit on a smaller scale) has virtually the same business requirements as WRC meaning it is a more viable option to successfully “adopt” their business processes.
- Lower costs than the other non status quo options.
- Represents a level of collaboration within the local government sector.

#### **Disadvantages**

- Would need to adopt WRC base systems & processes rather than purpose build for our own specific needs. We could however build on WRC systems & processes and adjust those if necessary.
- Would need to adopt WRC assumptions and risk profile as a starting point.

**Conclusion** - Appears to be the most viable option due to pricing, matching of business needs & proven track record and speed of implementation.

### **Long list option 4 – Commence our own procurement process from ground zero**

#### **Description**

NRC would commence the procurement process from the beginning fully documenting our business needs, requesting and analysing proposals from a range of potential technology suppliers (including current supplier TechOne), and implementing a purpose built solution from the ground up.

#### **Advantages**

- Would purpose build a solution to match our specific business needs and completely control the process.
- Would test the market for the best offer at this time rather than adopting another council’s best offer at the time they went to market. Current supplier TechOne is already offering “once in a lifetime” special offers.
- Likely greater sense of ownership of the change across NRC as a wide range of staff would need to have direct input into the procurement process.
- The longer we wait the more advanced the technology is likely to be.

#### **Disadvantages**

- Significantly longer implementation timeline than other options (18-24 months).
- Higher costs exacerbated by the large number of staff across the organisation who would need to be involved at the expense of BAU.
- No benefits of sector collaboration – would be entirely on our own. Also likely to be more expensive to maintain over time because of this.
- Would end up isolated with our own unique system that we are solely responsible for ongoing development and maintenance = more expensive over time with higher risks and be at the mercy of software suppliers. We will always be “a small fish”.

#### **Conclusion**

Is a viable option but the most expensive, resource and time hungry - leaving us out on our own with a unique solution adapted to meet our particular needs - or potentially ending up with the same solution as option 3 but at a much higher cost with significant delay.

## Potential high level costs

Once a preferred procurement approach has been confirmed, full costing will be developed in the next stage of work and will be included in a detailed business case for further consideration by ELT and the incoming council. Initial estimates of potential costs are detailed in the table below:

Potential high level costs	Option 1 Status Quo	Option 2 Auckland Council	Option 3 Waikato RC	Option 4 NRC
<b>Cost of <u>not</u> changing</b> (option 1) * Costs continue to increase * Inevitable failure = reputational damage + increased costs	\$\$ ↑ Reputation ↓			
<b>Implementation cost of changing</b> (options 2,3,4) * Similar \$ for all options * Cheapest = WRC * Next cheapest = NRC alone, risk ↑ * Most expensive = AC (SAP consultants)	0	\$\$\$ (& 3-4 people)	\$ (& 3-4 people)	\$\$ (& 6 people)
<b>Estimated licencing costs</b> Per annum	\$100k	\$550k & 1-off \$400K	\$550k	\$650

## Assumptions

In assessing the options identified above, the following assumptions have been made:

- A software as a service solution will be identifiable and be cost-effective.
- Software as a service is the way the industry is going and will be the only way to procure before very long.
- It would cost substantially more to upgrade to the latest versions of our existing solutions, further integrate and build additional functionality required, and continue over time to maintain these.
- Discounting the above point, it is considered to be only a matter of time before our existing solutions fail again and may not be able to be easily resurrected.
- Our ability to markedly improve the effectiveness and efficiency of our business processes is constrained by our existing solutions.
- Migration to a new enterprise solution can be completed within two years.
- The resources and high level costs identified are indicative only.
- The indicative resources, costs, and timeframes, are comparable to those identified by WRC in their implementation business case.
- Ongoing costs of the provision and maintenance of a software as a service solution are expected to be the same as, or similar to, the cost of the annual licencing and maintenance of existing solutions that will be replaced
- A detailed business case, confirming the actual solution and resources, costs and timeframes associated with its successful implementation and benefits will be provided by February 2020.

## High level assessment of options

The table below outlines a preliminary assessment of the long list options against the investment objectives, critical success factors, indicative high levels costs & implementation time. The purpose of this assessment is to help determine a preferred procurement approach for further assessment in the detailed business case.

Assessment criteria	Assessment Scores			
	Status Quo	Shared service with Auckland Council	Syndicated procurement	NRC procurement process from ground zero
<b>Investment objectives:</b>				
Reduce corporate & reputational risk	✖	unknown	✓	✓ If current system doesn't fail with the longer lead time.
Improve efficiency, effectiveness, service delivery & productivity	✖	Unknown	✓	Partly but will be resource hungry to get there
Improve planning & decision making	✖	Unknown	✓	✓
Increase levels of customer, staff & council satisfaction	✖	unknown	✓	✓
<b>Critical Success Factors:</b>				
Strategic fit and business needs	✖	Partly No budgeting, FC, assets, BI etc	✓	✓ If current system doesn't fail with the longer lead time.
Potential value for money	✖	Partly	✓	✖
Supplier capacity and capability	✖	Unknown	✓	Unknown
Potential affordability	✓	Partly SAP = expensive	✓	✖
Potential achievability	?	Unknown	✓	✓
Estimated licencing costs p.an	\$100k	\$500k & 1-off \$400k	\$550k	\$650
Implementation time				
Estimated risk	H	12 mth delay M/H	12 months M/L	18-24 months M/H
Overall Preliminary Assessment	Not a viable option.	Possible option but high level of uncertainty, low levels of confidence, higher costs & lead time.	Best option at this stage of analysis.	Technically viable – but likely most expensive option leaving us more isolated in the future. Significantly longer lead time & resource needs.

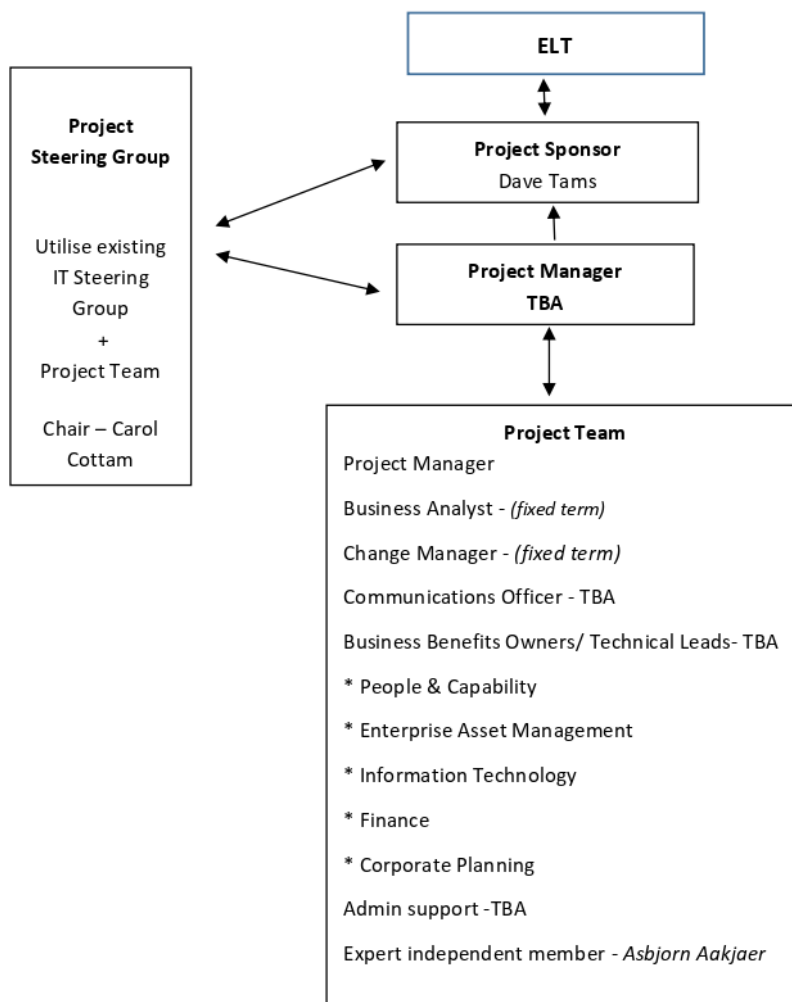
### **The recommended preferred way forward**

On the basis of the initial assessment conducted through this Indicative Business Case, the preferred way forward is to confirm the following actions firstly with ELT and then with Council at its meeting on 18 June 2019.

1. Use this Indicative Business Case as the Project Initiation Document to formally establish the Enterprise IT System Project using the proposed project governance structure detailed below.
2. Confirm the investment objectives detailed in the executive summary.
3. Confirm the preferred procurement option as entering into a syndicated procurement agreement leveraging the syndication of Waikato Regional Council systems and processes.
4. Recruit required fixed term appointment/s and identify project management, change management and communications advice resource.
5. Enterprise IT System Project Team continue negotiations with the preferred supplier and develop a detailed project plan (including timeline, milestones, and budget) as a first priority, followed by preparation of a detailed business case for the project's implementation. Brief the incoming council in early 2020.
6. Secure the required resources in future budget rounds as part of the AP & LTP Planning cycles.

### Proposed project governance structure

The project requires a formal governance structure to ensure successful delivery and to manage project risks. While most project roles will be filled by existing staff, there is a need to recruit externally for some of the required skills and utilise the input of an expert independent adviser. Any such roles will be offered on a fixed term basis for the duration of the project.

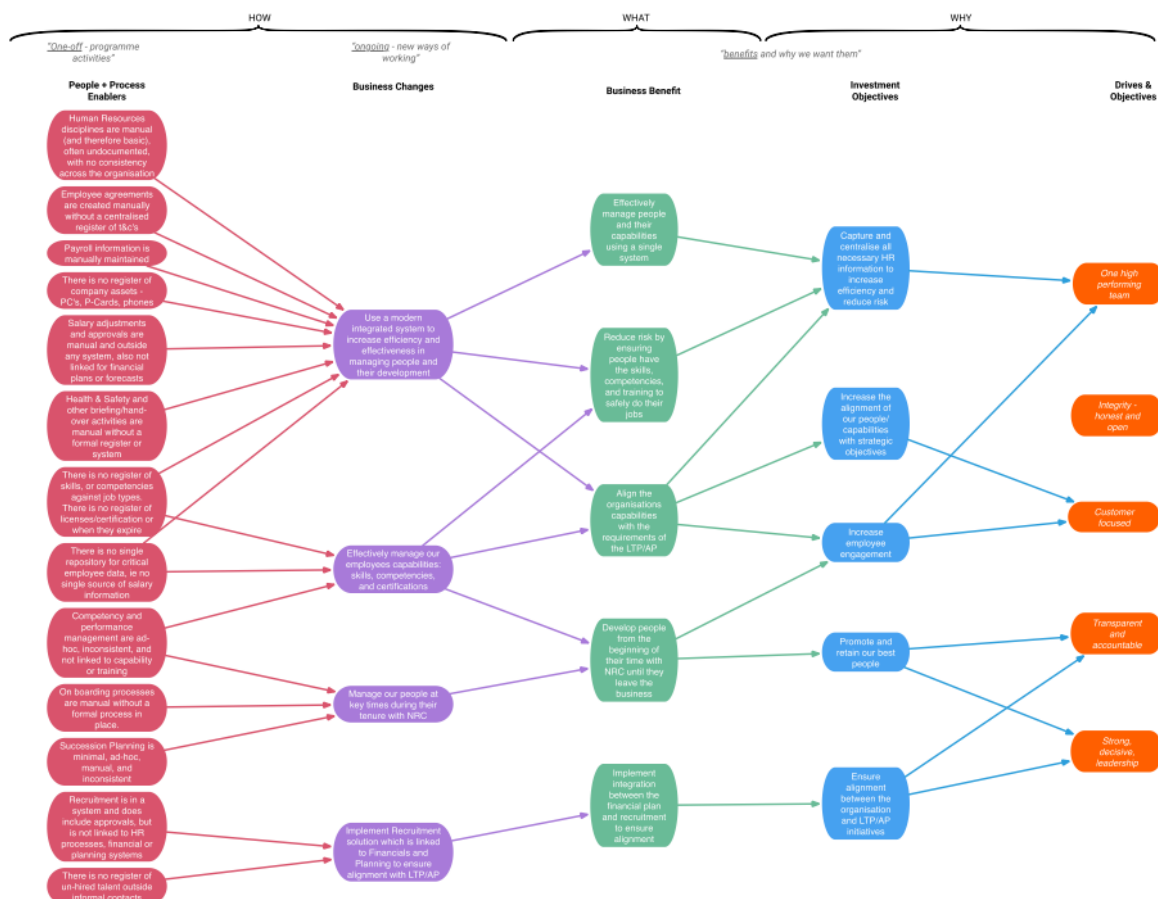




## Appendices

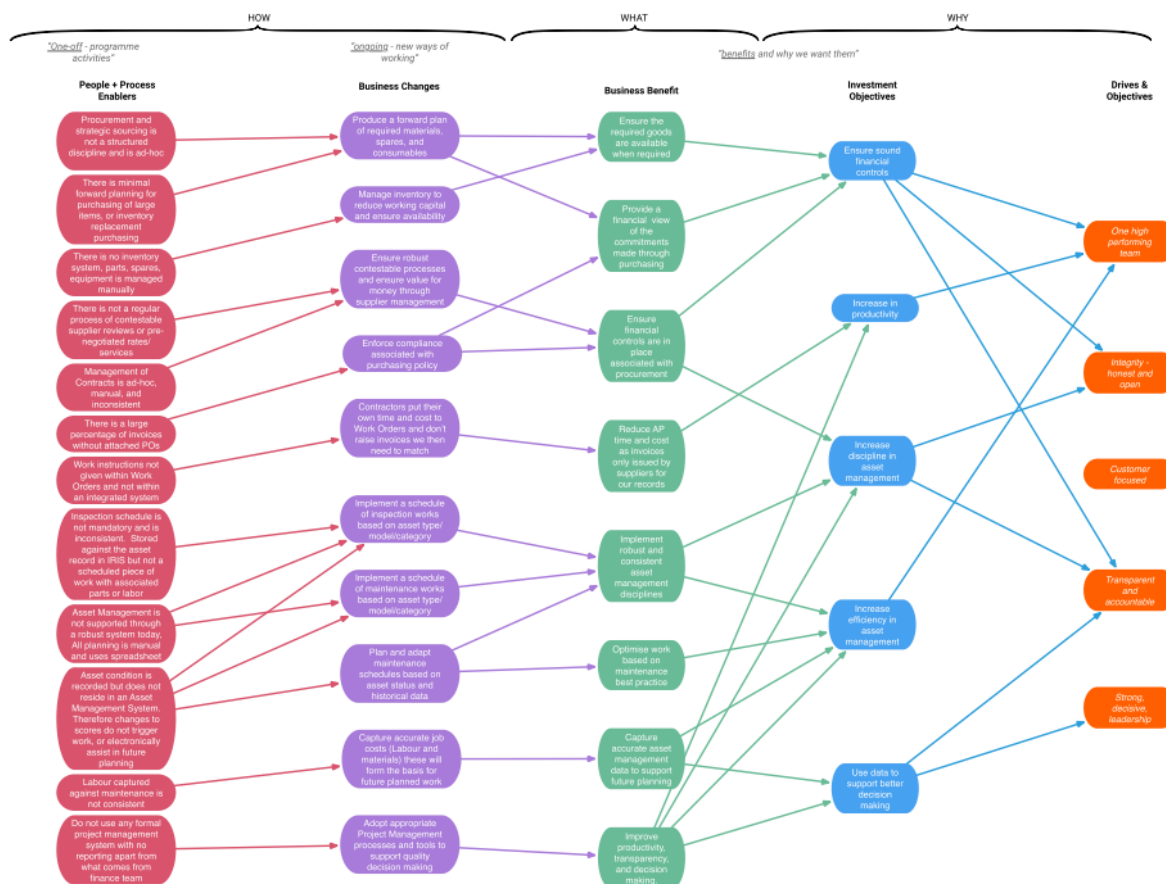
Negotiate Consulting (15 March 2019) NRC Process Modernisation Benefits Assessment

### NRC Business Benefit Model Human Capital

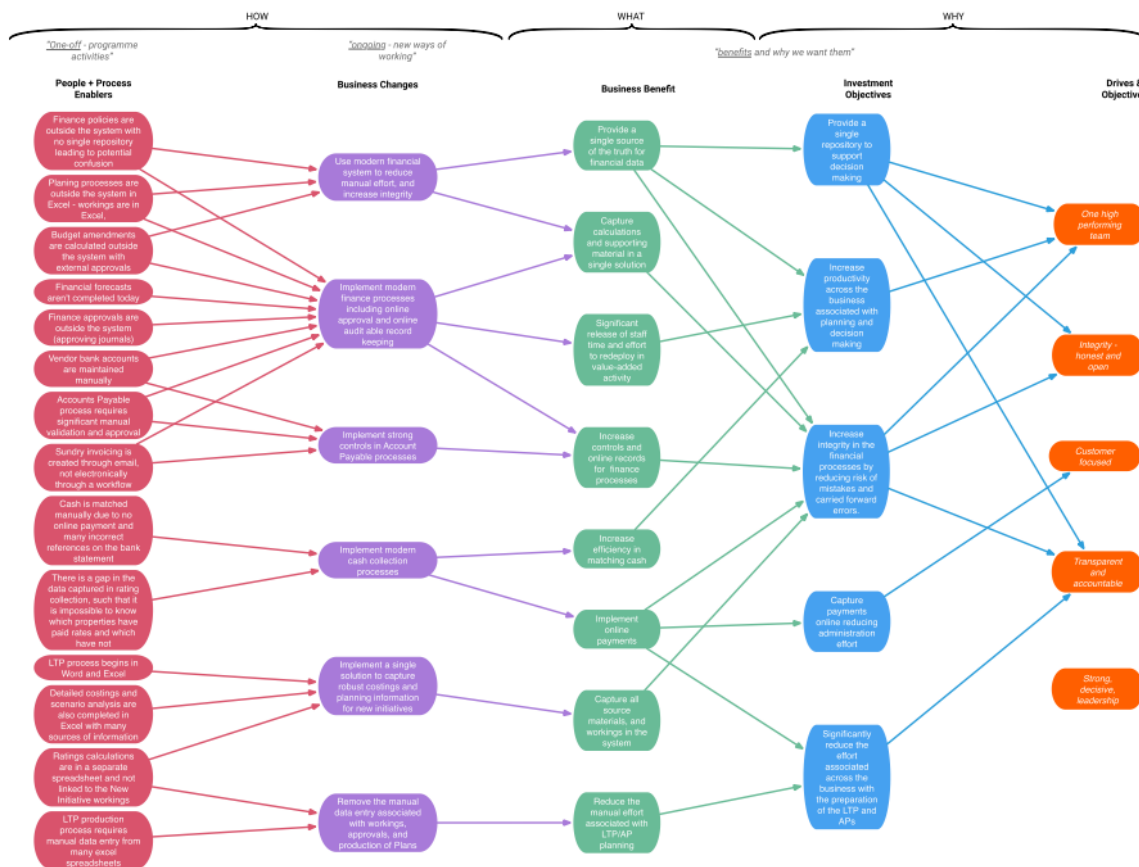




## NRC Business Benefit Model Asset Management & Procurement



## NRC Business Benefit Model Finance



## References

The Treasury (New Zealand 2015) *Better Business Cases – Guide to Developing an Indicative Business Case*.

Local Government New Zealand (New Zealand 2011) *Shared Services for Local Government*

Negotiate Consulting (15 March 2019) *Northland Regional Council Process Modernisation Benefits Assessment*

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

**ID:** A1197869

**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 May 2019.

---

### Recommendation

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 3 June 2019, be received.

---

### Strategic issues

#### Shared Premises

As part of our council's Shared Services programme with other councils we have been discussing the building of a new office building in Dargaville to share with the Kaipara District Council.

We are expanding our field staff in the Kaipara and Kaipara District Council's offices no longer meet their operational requirements. Therefore, a new purpose-built building to be shared by the two councils makes great sense. Our council will provide the capital and KDC will become an anchor tenant.

Both councils get the office accommodation that they need to carry out efficient operations and our joint ratepayers get the savings that result. A classic win/win!

#### Kauri Dieback

The threat to our iconic Kauri from the dieback disease is of serious concern to all of us in the community.

We are delighted that the Ministry for Primary Industries (MPI) has agreed to provide us with significant financial support to resist the spread of the disease. Your council is very active in this area of our work and the MPI financial support will be of great assistance.

#### Climate Change

Your council, as is the community, is very concerned about adapting to climate change and its potential impacts on our region. Many people in our community are not aware that we have been active in this space for several years and already have in place measures that are within our sphere of influence.

You can see what we are doing at: <https://www.nrc.govt.nz/environment/climate-change/> and <https://www.nrc.govt.nz/environment/climate-change/what-are-we-doing-about-it/>.

## Meetings/events attended

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
  - Steve Smith, CEO, North Chamber – Chamber CBD initiative and touchpoints for NRC.
  - Meeting with Kaipara District Council (KDC) Mayor and Chief Executive – Dargaville office. Phil Heatley, Strategic Projects Manager, also attended.
  - Meeting with Kiwirail to discuss jointly owned Flyger Road property – Phil Heatley, Strategic Projects Manager, and Nicole Inger, Property Officer, also attended.
  - Shane Reti, MP for Whangārei, and Mark Sievers, Envirotech – introduction of young entrepreneur who is coming to live in Northland.
  - All councillors and our partners attended the inaugural NRC Environmental Awards held at Barge Park.
  - Confidential session of the KDC council meeting held at Kaihu to discuss the shared premises proposal for Dargaville.
- Attended Regional Sector tour and meeting with Bruce Howse, Deputy CEO, held in Invercargill.
- Regular Northland Mayoral Forum conference call.
- Orchard BA5.
- Kaipara Moana – Kaipara Moana Working Party and Kaipara Uri held in Warkworth. Councillor Penny Smart also attended.
- Met with CouncilMARK assessors, and at the evening event introduced assessors to external stakeholders.
- Tai Tokerau Northland Economic Action Plan Advisory Group meeting held at The Orchard.
- Meeting with Sonny Tau, Ngapuhi – flood prone creek at Ngāwhā and damage it is causing. Bruce Howse, Deputy CEO/GM – Environmental Services also attended.
- DairyNZ Farmers' Forum.
- Visited Strandlab with Steve Smith, CEO, North Chamber.
- Mayors/Chair only time and Northland Mayoral Forum, held at Whangārei District Council.
- NZTA briefing held at Northland Events Centre.

## Correspondence

During May I sent out the following correspondence:

Date	Addressed To	Subject
06.05.19	Klaus Kurz	Governance questions relating to the Marine Pathways Management

		Plan and Marine Biosecurity Charge
10.05.19	Carl Mather	Poison spraying
10.05.19	Craig Joiner Rawene Area Residents' Association	Letter of support – Application to the Nature Heritage Fund to Purchase Land
14.05.19	Mr and Mrs N and M Milna	Acknowledging receipt of their letter regarding comments on GE.
21.05.19	Shayne Waldron Honeymoon Valley Landcare Trust	Letter of support – Application to the Nature Heritage Fund to Purchase Land
24.05.19	Shayne Waldron Honeymoon Valley Landcare Trust	Letter of Support – Application to the Nature Heritage Fund to Purchase Land
24.05.19	Owen Douglas	End of life tyres
28.05.19	Harry Burkhardt Chair Ngāti Kuri Trust Board	Letter of support for Ngāti Kuri and the Te Haumihi Project
31.05.19	Mayor Sheryl Mai Whangarei District Council	Whangarei District Council lack of support for public transport

---

**Attachments/Ngā tapirihanga**

Nil

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

**ID:** A1196506

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

---

## Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 31 May 2019, be received.

---

### 8.2.1 HIGHLIGHTS

---

#### Predator Free Northland (PF2050)

The completed bid to Predator Free 2050 Ltd is being submitted on 5 June 2019. The bid focuses on the four eradication zones identified in the Expression of Interest (EOI) (Whangarei Heads, Cape Brett, Russell, and Purerua) and the adjoining areas identified as suppression/buffer zones, and urban pest control areas.

#### Northland EA / PA Summit

The second EAs & PAs of Northland Summit was held on 24 May 2019 at the ASB Leisure Centre. This event is organised by a team of four Northland EAs/PAs – with my Personal Assistant being the overall coordinator for the Summit.

This was another highly successful day with 38 attendees representing 16 different organisations throughout Northland. There has been a lot of very positive feedback about the day, with attendees saying that it was even better than last year.

#### 2019 Environmental Awards

The inaugural 2019 Northland Regional Council Environmental Awards was a huge success, with 93 nominations received from across Northland in the eight categories. The awards, designed to recognise and celebrate kaitiakitanga in action, highlighted the 'can-do' attitudes and remarkable contributions large numbers of Northlanders from all walks of life are making to help our environment thrive.

Guests representing the 39 finalists shortlisted in the eight award categories attended the celebration and announcement of the winners at Barge Showgrounds Event Centre on 23 May.

The event was the culmination of an extensive process involving many NRC staff, planning and advertising the nomination process, receiving and judging applications and organising the celebration. This teamwork resulted in a great night with Chairman Bill Shepherd noting, *"What started out to be a recognition and celebration of kaitiakitanga in action as practised by our community groups, ended up with some fantastic feedback coming right back from those groups to our staff who work with them and provide them with a huge amount of support to carry out their mahi"*.

NRC staff also provided live coverage of the Environmental Awards ceremony. The updates included the announcement of winners as they happened at the event and a series of Facebook live videos showcasing the highly commended and winners for each award category. Overall, the coverage reached more than 134,000 people with more than 6,000 engagements.

There has been a lot of positive feedback from the community on the awards and appreciation for having their work acknowledged. From here, further work will be done to showcase the winners, highly commended and finalists in an eight-page spread in the Northern Advocate on 26 June. Video footage will be captured to highlight the mahi of the winners and to honour the work that they do. It is hoped that these awards will become an annual event.

## 8.2.2 CEO'S OFFICE

### Current Legal Proceedings

Department	Description	Status
Consent decision appeal	To construct a boardwalk as part of a coastal walkway in Back Bay, Mangawhai Estuary	A hearing of the appeal has been scheduled for 15 July 2019 in Auckland.
Consent decision appeal	Seventeen groundwater takes for horticultural irrigation at Houhora, Motutangi, and Waiharara	The Court has allowed until 6 June 2019 for comment from parties on conditions. The Court will then make a final decision or provide further directions.
Consent decision appeal	Replacement consents for, and new consents for an expansion of, Doug's Opuā Boat Yard in Walls Bay, Ōpuā.	Awaiting the Court's decision on the applications.

## 8.2.3 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.

## 8.2.4 REGULATORY SERVICES

### CONSENTS IN PROCESS

During May 2019, a total of 51 Decisions were issued. These decisions comprised:

- Moorings 6
- Coastal Permits 8
- Air Discharge Permits 1
- Land Discharge Permits 9
- Water Discharge Permits 4
- Land Use Consents 10
- Water Permits 5
- Bore Consents 8

The processing timeframes for the May 2019 consents ranged from:

- 1,959 to 2 calendar days, with the median time being 33 days;
- 1,286 to 2 working days, with the median time being 20 days.

Forty applications were received in May 2019.

Of the 108 applications in progress at the end of May 2019:

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

### Appointment of Hearing Commissioners



The following commissioner was appointed in May 2019 for one consent hearing:

- Mrs Sharon McGarry for consents associated with Beach replenishment works at Matapōuri Beach. The hearing is scheduled for 23 July 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 May 2019 is (by number):

- Applications Publicly/Limited Notified During Previous Month 1
- Progress on Applications Previously Notified 4
- Hearings and Decisions 3
- Appeals/Objections 3

### NATURAL RESOURCES

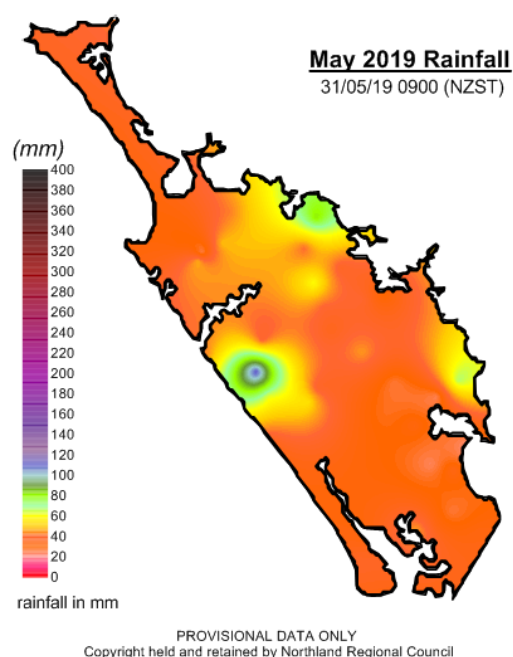
- NRC attended the Environmental Data SIG (ED SIG) meeting in mid May 2019. The Environmental Monitoring and Reporting working group (EMAR) presented on the current issues with environmental data management. It wants high quality data to be readily available that can be easily used by public/external customers. The ED SIG is to provide EMAR with a summary of the work done, and what is needed across four areas by 30 June 2019:
  - Environmental data brokering system and supporting registers and vocabulary services.
  - National Environmental Monitoring Standards
  - National Environmental Monitoring Quality Assurance processes.
  - Environmental Data Management System (ReCoCo project)
- The ED SIG is working on a tool to quantify/standardise resourcing calculations to operate stations to the National Environmental Monitoring Standards (NEMS).
- All councils agreed that the regional sector information portal needs to be improved in terms of functionality and user coverage.
- A national training session for all councils will be run in July 2019 regarding the use of drones to capture flow data.

### HYDROLOGY

#### Rivers / Rain Situation

May 2019 was another drier than typical month, with rainfall recorded across the region averaging around 50mm, while we would expect around 140mm (note that there may be slightly more for the month as these figures were generated on 31 May). Monthly rainfall has now been consistently below expected for the previous 11 months. Accordingly, average river flows for May have been below average and water levels in groundwater systems, (except Aupōuri) are below average.

River flows are expected to increase over the next week or so as Northland receives some rain with low pressure weather systems moving across the country between May 31 and June 5. Further details of current river and rainfall conditions, as well as a more detailed forecast, will be available in the next hydrology Climate Summary.



### Hydrology Projects

- A very worthwhile workshop was held by CDEM on 22 May. The goal was for controllers to gain an understanding of:
  - areas in Northland prone to flooding,
  - the hydrology flood warning system, and
  - insight into the work the River Team is undertaking to decrease flood risk, particularly in Kaitiāia.
- One of our hydrology officers, Robert Tasker, shared his long experience with hydrology in Northland.
- The Kāeo River recorder at the fire station has been upgraded with a new, more reliable sensor and a new data logger. A barometric pressure sensor has been installed at the Opouteke River recorder to complete the installation of continuous dissolved oxygen measurement equipment there.

### NATURAL RESOURCES DATA

- KiEco (a biological database) was installed 29 May to better manage our ecological data. NRC has also initiated a national group to achieve some commonality with other councils where possible and also learn from each other's experience on how to configure and get the most out of KiEco.
- The LAWA water quality and quantity data annual refresh for 2019 was released at the end of May. Key timeframes are spread from June to September 2019, including annual refresh of lakes, rivers, "can I swim water quality" and water quantity data.
- MfE/EMAR groundwater data request – review and correction of data and feeds are required. The expected "go live" for the groundwater module is September 2019.
- Survey123 – good progress has been made on the configuration and design forms for electronic data collection in the field.

### NATURAL RESOURCES SCIENCE

#### Update from SWIM SIG

- The ecosystem health framework will be adopted and incorporated in MfE freshwater reforms which, along with additional attributes and monitoring and reporting requirements, will translate into changes to the national direction objectives and framework under the NPS-FM.
- Other directives from central government will include changes around environmental reporting. MfE is willing to have feedback from a SWIM sub-group.
- A few councils have explored "microbial forecasting" models with varying level of success.
- New National Environmental Monitoring Standards (NEMS) are under development, including for periphyton and macroinvertebrates. SWIM is looking at developing a cross-council auditing system for NEMS.
- Some development in the citizen science area with NIWA and the national advisory group has finalised a new freshwater quality assessment kit, a revamp of the old Shmak kit.

#### Attendance at the national wananga around mātauranga Māori

- Most councils were represented.
- High level principles will be drawn from the two-day session.
- SWIM to have more Māori representation at meetings.

### Coastal

- A joint monitoring programme with Ngāti Rehia - Te Awa o Takou Water Monitoring Programme commenced in June. The project will involve monthly water quality sampling of one site in the Takou Estuary and another site in the terminal reach of the Takou River.
- The aim of the programme is to build a better understanding of the water quality in Te Awa o Takou. There is also a strong desire from Ngāti Rehia and council that the information from the monitoring programme informs initiatives in the catchment in order to improve the water quality and the health of Te Awa o Takou. The programme also intends to build capacity and capability within Ngāti Rehia to undertake water quality monitoring

#### **Freshwater quality / Freshwater ecology**

- The review of the NIWA report analysing the first three years of our periphyton monitoring data has been completed. The final report is expected to be completed in early June. This work will be essential in informing a proposed plan change in 2021. Critical to this is understanding the role of dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorus (DRP) in driving periphyton growth and to derive appropriate in-stream nutrient concentrations and limits/criteria for Northland rivers.
- Our fish monitoring programme is expected to be completed by the first week in June. This includes 15 RWQMN/priority catchments sites and five randomly selected sites and follows the NZ National Fish Monitoring Protocols (Joy *et al*, 2013).

#### **Air quality**

- Ambient PM10 monitoring results for April 2019 for the Whangārei and Marsden Point airsheds and Kaikohe show that compliance was met with the National Environmental Standards for Air Quality (NESAQ). PM2.5 monitoring results for Whangārei were within the Ambient Air Quality Guideline value.
- A suitable air monitoring site in Kawakawa township has been found. The power connection for the installation of the PM10 monitor is currently being arranged.
- Energy and Technical Services (Energy TS) Limited has begun work to track council's carbon emissions.

#### **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 monthly river water quality, priority catchment, and periphyton sampling programmes were undertaken, as well as the quarterly lakes monitoring.
- Water quality equipment was deployed on the new maritime wave rider buoy in the outer Bay of Islands, which was commissioned this month.
- The Quarterly Sustainable Coastlines Litter Survey was conducted at Hātea River (the old BMX track). A total of 621 items (750 m<sup>2</sup>) were collected, compared to 1,446 items collected in February (1,000 m<sup>2</sup>).

#### **COMPLIANCE MONITORING**

The results of compliance monitoring for the period 1 – 31 May 2019 (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	46	33	5	4	4
Coastal permit	184	106	69	1	8
Discharge permit	154	91	31	7	25
FDE – Discharge permit	1	0	0	0	1
Land use consent	125	77	2	0	46
Water permit	183	158	16	0	9
<b>Total</b>	<b>693</b>	<b>465</b>	<b>123</b>	<b>12</b>	<b>93</b>
<b>Percentage</b>		<b>67.1%</b>	<b>17.7%</b>	<b>1.7%</b>	<b>13.4%</b>
<b>YTD</b>	<b>9110</b>	<b>7111</b>	<b>1010</b>	<b>317</b>	<b>672</b>
<b>Percentage</b>		<b>78.1%</b>	<b>11.1%</b>	<b>3.5%</b>	<b>7.4%</b>

### Coastal

- The majority of consents monitored during the reporting period related to coastal discharges (treated municipal sewage, industrial and boat maintenance facilities), dredging, marine farms and other coastal structures.

### Hazardous substances

- Eight incidents involving the discharge of hazardous substances and 27 enquiries regarding contaminated land were received and responded to.
- Four sites were added to the Selected Land Use Register.
- 420 kg of hazardous waste was disposed of.

### Water, Waste, Air and Land Use Compliance Monitoring

During the month of May compliance staff attended:

- a tour of the main Wastewater Treatment Plant in Whangarei. The tour was informative and gave our staff an appreciation of the compliance requirements first hand.
- a quarterly RMA Northland Forestry Development Group meeting, which included a talk from the industry on preparation of management plans specific to the NES-PF.
- a workshop with the Kerikeri Kiwifruit Growers Association on spray drift and gave a presentation on the relevant regional rules / requirements for agrichemical spraying.

Ongoing training of Armourguard officers continued in May on how to interpret the regional rules relating to smoke and odour, along with how to use the reporting app correctly. This training was well received and we are looking to send several staff on a 'train the trainer' course to assist with future training sessions.

### Environmental incidents

- One incident was reported during the reporting period which resulted in a significant environmental impact. This was in relation to the discharge of sediment fill from forestry road earthworks to a waterway in the Far North which resulted in formal enforcement action.

### ENFORCEMENT

### Abatement notices, infringement notices and formal warnings

The following enforcement actions were taken during the period:

	Enforcement Order		Infringement Notice		Abatement Notice		Total	
Nature of Offence	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices
Burning & smoke nuisance	0	0	1	1	5	5	5	6
Hazardous substances, spills and refuse	0	0	1	1	0	0	1	1
Illegal activity in coastal marine area	0	0	0	0	19	20	19	20
Illegal take, dam or diversion of water	1	1	0	0	2	2	2	3
No offence	0	0	0	0	1	1	1	1
Other water discharge	0	0	1	1	1	2	1	3
Sewage	0	0	1	1	4	4	5	5
<b>Total</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>32</b>	<b>34</b>	<b>34</b>	<b>39</b>

### Other Enforcement

- *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 land owner for the dumping and burning of demolition waste near Kaikohe. The land owner has indicated that he will enter guilty pleas at the next court date on 20 June 2019.

- *Enforcement Order – Paihia wastewater treatment plant*

Following a pre-hearing settlement conference held on 4 March 2019, the Environment Court issued Enforcement Orders against FNDC on 20 March 2019. The orders set out milestones to complete an upgraded WWTP. FNDC met the first milestone on 5 April 2019, by notifying NRC and the Court of its resolution approving funding for the upgrade. The next milestone is due by 26 July 2019, when FNDC must notify NRC and the Court of the final design for the upgraded WWTP.

- *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. Guilty pleas to all charges were entered on 18 April 2019. Sentencing is scheduled for 14 June 2019.

- *Farm dairy effluent – Maungakaramea*

Charges have been laid against a farm owner and his company as well as the farm manager for offences which occurred in September 2018. Adjourned until 19 June 2019.

- *Farm dairy effluent – Maromaku*

Charges have been laid against a farm owner, his company and a farm manager for offences which occurred in September 2018. Adjourned until 19 June 2019.

## 8.2.5 ENVIRONMENTAL SERVICES

---

### LAND MANAGEMENT

#### Environment Fund Update

Land Management staff are currently signing off completed projects with June being the last month for farmers to complete their projects for the current financial year. To date, from the general efund, \$704,740 has been signed off from \$1,189,942 of allocated funding.

#### Farm Environment Plans (FEP) – 2018/19

This financial year 149 FEPs have been commenced covering 23,570 hectares and 91 FEPs completed totalling 9,439 hectares. LTP targets will be met by the end of June.

#### Nursery Expansion and Harvest Update

Pole harvest commenced at Flyger Rd nursery. An estimated 5000 poles have been allocated with planting plans and agreements sent out to 62 land owners. Delivery of poles will commence on 4 June, aiming to have all poles delivered mid-June to enable early planting and improve survival rates.

#### Hill Country Erosion Fund – Sustainable Hill Country and Regional Priorities

We are in the final stages of contract negotiations and the contract has progressed to the Director of MPI for signing. We are intending to commence recruitment of the four staff funded through this project in June.

#### Hill Country Erosion Fund Boost Year Fund

The NRC land team hosted a National Afforestation Hui for all land managers from almost every region in New Zealand. An intensive two-day mini conference focussed on past, present and future good afforestation practice, and on how regional authorities can best share and collaborate for effective outcomes on the land. These experiences will feed into the HCEF Boost Year Final Report, to be delivered to MPI 30 June 2019.

#### Northern Wairoa Project

The project team are in the process of getting sign off planting projects for this winter. This includes five sites that will host community planting days, spread across this catchment. These plantings are being funded by the Million Metres crowd funding campaign for the Northern Wairoa Project.

### BIODIVERSITY

#### FIF Dune Lakes Project

A joint operation with the Department of Conservation using Waikato University's electrofishing vessel surveyed the pest fish rudd in Lake Rototuna and grass carp in Lake Swan, both in Poutō. Also participating were Fish & Game, Northtec and Te Uri o Hau. The fishing indicated that Lake Rototuna is close to being free of rudd.

#### Biodiversity Plans

Five biodiversity plans have been completed in the last month covering 103 hectares of land, including an island, wetlands, significant natural areas of bush and riparian margins.

#### Poutō Catchment Group

A section of fence around the shores of Lake Humuhumu was completed. Plants have been ordered for a planting day at Lake Kanono on June 26.

#### CoastCare

Dune planting has started for the year with planting days at the base of Mangawhai sandspit, Ruakākā wildlife refuge and at several other sites. Weed control work has also been undertaken at several sites in preparation for planting.

## BIOSECURITY

### Biosecurity Partnerships

- *Tutukākā High Value Area (HVA) Highlights*
  - Species enhancement and Kiwi Monitoring: Tutukākā HVA is preparing for the National Kiwi Listening Survey over 23 listening sites.
  - Kauri Dieback Protection: Work along the Te Araroa Trail has started with a contractor beginning to re-route trail around a sensitive grove of kauri on private land.
  - Predator control: A trapping workshop was held at Ngunguru school to initiate their new trap library.
  - Weed control: Weed surveys are continuing and permanent research plots are underway. Moth plant continues to be a priority species in key areas as does small pullable pampas, ginger, and tobacco weed. Just over 60 hours of community volunteer hours were spent on weed work this month in the HVA.
- *Western Northland Community Conservation Funding Area Highlights*
  - Pupu Rangi Nature Sanctuary: A mustelid trap network is now complete.
  - Te Toa Whenua CPCA: Has been signed off and we are working with Department of Conservation to secure more funding for this project.
  - Kaitiaki Kiwi Waipoua CPCA: Has also been signed off and traps are on the ground. Council funding has also been allocated to a dotterel protection project. The Waipoua Forest Trust and Native Forest Restoration Trust have upgraded traps along the Marlborough Rd and SH12 by way of funding from council.
  - Wekaweka Landcare / Native Forest Restoration Trust: This project is well underway. The Department of Conservation and Kiwis For Kiwi have funded track cutting and Native Forest Restoration Trust will fly traps in over the next 2 months.
  - Prospective CPCA: Talks continuing with Whirinaki and Waiotemarama groups about a CPCA which would cover 1000 ha.
  - Opara Kiwi Preservation Area: Consultation about extending the current trapping network is ongoing and if agreed will create an exciting project with significant conservation benefits.
- *Mid North High Value Area Highlights*
  - Advocacy: Stella Kake has been contracted to advocate kiwi protection, pest control and kauri dieback in 28 schools and marae throughout the High Value Area.
  - Trapping: Has been expanded into two new areas. The Upokorau and Summit CPCA's totalling 2,700 ha on private farm and forestry blocks between Puketi Forest, Takau Bay, and Patterson's Farm on Pureora Peninsula. The HVA has employed a contractor to do the initial set up of these traps and the land owners are paying for ongoing servicing.
- *Piroa-Brynderwyns High Value Area Highlights*
  - National Kiwi Listening Survey: The group is preparing for the upcoming survey.
  - Trapping: Professional trappers have installed new traps, now totalling 700 traps over 20,000 ha of private land in the Piroa-Brynderwyn area.
  - Trapper of the Year Awards: Were held at the Waipu Boating club with 30 attendees.
  - Moth Plant Pod Bounty: A bounty campaign is being run at Waipu and Mangawhai primary schools for moth plant pods.



- *Kiwi Coast Partnerships Highlights*

- National Kiwi Listening Survey: Kiwi Coast has run three training evenings (Waipu, Taupo Bay, and Totara North) to upskill new groups keen to get involved.
- Pataua North Kiwi Release: The capture and transfer of ten kiwi from Motuora island into the kiwi link CPCA at Pataua North was done on 4 May. It was a great collaborative team effort with council biosecurity staff, Department of Conservation, Kiwi Coast, Pataua North Landcare, iwi and hapu working well together to catch and release 10 kiwi into the predator-controlled area. The event was covered by One News on the 6 pm Sunday news, with an estimated 946,000 viewers. Excellent exposure for community-led kiwi recovery, Kiwi Coast, and council to the rest of the nation. The footage can be viewed at <https://www.tvnz.co.nz/one-news/new-zealand/surge-in-northland-kiwi-numbers-offers-new-hope-survival-national-icon-v1>.



*Community members and Department of Conservation staff carry boxed kiwi to the beach on Motuora Island for transfer to Pataua North.*



*Boxed up kiwi ready to be transferred to Pataua North*



*Biosecurity Officer Rolf Fuchs demonstrates kiwi handling at the Pataua North Kiwi Release. Photo credit Ann Stewart.*



## KAURI DIEBACK

### Kauri Protection Fencing Fund

\$64,400 of the \$77,000 fencing fund from the kauri dieback programme has already been allocated to 10 landowners with a total of 2.42 km of fence protecting 438.8 ha of bush. The remaining funds are planned to be allocated to three more landowners.

### Ground Truthing

Staff are continuing to ground truth potential kauri dieback sites. Results to date are presented in Table 1.

Biosense has been established as a contractor to ground truth ~140 aerial surveillance sites located in Kaipara and Whangārei Districts. Council staff have contacted landowners prior to contractor engagement which began on the 23<sup>rd</sup> April 2019. Biosense have now sampled over half of the sites and aim to be completed in the next few weeks (weather dependent).

**Table 1: Kauri Dieback Ground-Truthing Results 2018/2019**

Month	No. Sites / Properties Inspected					No. Samples Taken	Sample Results		
	Surveyed	Positive	Priority 1	Priority 2	Landowner Requests		Positive	Negative	Pending
October	5	3	0	2	3	17	6	11	0
November	11	1	3	2	6	38	2	36	0
December	11	4	8	3	0	44	10	34	0
January	15	2	7	3	5	40	6	34	0
February	1	0	0	1	0	2	0	2	0
March	7		0	1	6	14			14
April	2		0	0	2	4			4
May	3		0	0	3	6			6
<b>YTD Total</b>	<b>55</b>	<b>10</b>	<b>18</b>	<b>12</b>	<b>25</b>	<b>165</b>	<b>24</b>	<b>117</b>	<b>24</b>

### Management Plans

Kauri dieback management plans continue to be developed for all disease positive sites, as well as those that are identified as medium – high risk. 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.

### Cleaning Stations

Two barrel and grate cleaning stations are being erected at A.H Reed Memorial Park in Whangārei. Further barrel and grate cleaning stations will be provided to Whangārei forest track areas and elsewhere in Northland. Both the Waipu and Whangarei Men's Shed are assisting with building the cleaning stations.

### Pig Hunters

Council staff will continue to liaise with DOC staff over the coming weeks to unify their efforts at raising kauri dieback awareness to hunters. The council is also providing prizes at pig hunting competitions to promote positive hygiene messaging and pig eradication. The re-installation of hunting sows for prizes is also to be implemented this season in attempts to reduce wild pig numbers in Northland.

## MARINE BIOSECURITY

### Hull Surveillance Programme

The programme has been running since October 2018 and is almost completed, with only 50 remaining vessel hulls to inspect in Tutukaka Marina. These will be completed before the first week of June.

In May, 188 vessel inspections were undertaken in Whangārei Town Basin Marina, Marsden Cove Marina, Bay of Islands Marina, and Whangaroa Marina, bringing the total number of vessels surveyed to date to 1,975. During May, there were 11 incidents of Mediterranean fanworm found on hulls in Marsden Cove (seven vessels) and Ōpua (four vessels). Inspection results are shown in Table 2.

**Table 2: Hull Surveillance Programme Results (1/5/19 – 27/5/19)**

2018/2019 Hull Surveillance Programme Results (1/5/19 – 27/5/19)	
Number of vessels surveyed	188
Total year to date	1,975
Number of Vessels with Marine Pests Found in Surveillance	
Vessels detected with fanworm (Sabella)	11
Vessels detected with Styela sea squirt	18
Vessels detected with Japanese kelp (Undaria)	0
Vessels detected with Australian droplet tunicate (Eudistoma)	8
Vessels detected with Pyura sea squirt	0
Pathways plan compliance for the month *	49% of vessels

*\* If the vessels surveyed were to move to a new designated place then 49% would be compliant with the pathways plan rule.*

### Ōpua Fanworm Incursion

On 7 June, council will be hosting a workshop gathering several external experts along with council and Ministry of Primary Industries (MPI) staff to determine the best next management steps. Participants will include scientific experts in the field of marine pest incursions, local specialist divers, experts in local conditions and area. The communication plan has continued with a message broadcast on the Russell Radio regularly for four weeks. The Ōpua Marina also conducted their annual piles clean-up in mid-May and had asked divers to remove any remaining fanworm.

### Hutchwilco Boat Show

The Marine Biosecurity Team attended the Hutchwilco Boat Show for the first time during 16 - 19 May as part of the Top of the North Marine Biosecurity Partnership. The stand was manned by Auckland, Northland, Waikato and Bay of Plenty council biosecurity staff. The team greeted approximately 2,000 visitors who were keen to learn about marine pests and how to reduce the risk of spreading marine pests. Staff promoted the message of the "Clean below, Good to go" label.

### Kaipara Harbour Marine Pest Survey

Between 14 - 23 May, the National Institute of Water and Atmospheric Research (NIWA) conducted marine pest surveys as per a collaborative project under a Charter Agreement between Auckland Council, NRC and MPI. The last marine pest survey in Kaipara was done by NIWA in 2006. All stakeholders were informed via an email letter. The results will be analysed, with a report to be produced before the end of September. These results will be used to engage with stakeholders and iwi of the Kaipara and inform management for marine pests.

### Northland Marina Operator Meeting

On 1 May, council organised a Northland Marina Operators that was attended by the managers and other representatives of seven out of the eight marinas in Northland. Council staff presented

preliminary results of the Hull Surveillance Programme, and the group discussed challenges and opportunities around clean hulls. The participants also discussed the Ōpua Sabella incursion and the results of the latest dive survey.

Another meeting is planned for 13 June to discuss further ways to improve the implementation of the Marine Pathway Plan.

### **Inter-Regional Marine Pathway Plan Consultation Closed**

The public consultation for the Inter-Regional Marine Pathway Plan (IRMPP) closed on 24 May. An IRMPP consultation report is in preparation and a draft will be presented to the Top of the North Marine Biosecurity Partnership (NRC, Auckland Council, Waikato Regional council and Bay of Plenty Regional Council and MPI) during June.

The group will then review the report and meet on 27 June in Auckland to agree on the next steps. The final report will be available before the end of June, so each region can provide the results to their Council.

## **FRESHWATER PESTS**

### **Pest Fish**

Surveillance netting was undertaken at a reported koi site near Kaikohe, outside of the progressive containment zones, in partnership with DOC. Only goldfish were recovered, and the site is considered likely free of koi. Staff have been working closely with the Department to develop a centralised data management and planning tool for pest fish work in Northland.

## **PEST PLANTS**

### **Eradication Plants**

Control work undertaken for chocolate vine, yellow flag, mickey mouse plant, and batwing, with the autumn control round 95% completed for the Kamo sites, with the exception of the grid search of Kamo reserves, for which a contract has been scheduled for June. A total of 29 adult plants were found, many at known sites which indicates that more intensive search work is required.

Three new salvinia sites were located and reported through to MPI for control.

### **Detector Dogs**

Conservation Dog Wink and his handler John Taylor visited 22 – 25 May, to trial the dog at Northland spartina sites. Volunteer dog handlers also accompanied the team into the field to see Wink in action and understand the types of challenging environments they may be working in. While there were some specific limitations to the dog's abilities, there was enough potential in what was observed to continue to efforts to develop a local handler and dogs, and officers will continue discussions with the Biosecurity Dog team at Auckland Council, and DOC.

The opportunity was also used to run a further detector dog training workshop held with the local dog handlers who are training their dogs on either batwing or spartina. This was a great opportunity for them to learn from and be motivated by the expert. John ran through some exercises with batwing and spartina plant material and most of the dogs picked it up immediately. Currently we have four volunteer handlers and dogs training for Batwing and two for spartina.



*John Taylor and detector dog Wink (centre) with trainee dog handlers.*

## PROGRESSIVE CONTAINMENT PLANTS

### Manchurian Wild Rice

30 hectares of rice grass were aerial sprayed by helicopter for the Pukehuia working group, and an additional three areas too big to do initial control by ground methods. Some landowners also took the opportunity to have some of their sites sprayed while the helicopter was in the vicinity.

### Sustained Control work

The roadside pest plant initiative is on target, with 89% of the work completed, and the remainder scheduled. The NZTA re-evaluation of the traffic management requirements for all 'mobile' works on the highway network will have an impact on planning for work on the State Highway network in 2019/20.

## RIVERS

### River Contract Works

Priority Rivers	Work	Status	Comments
Awanui	OpEx	100% complete	Mid-Awanui stop-bank re-alignment.
Awanui	CapEx	100% complete	Te Ahu stopbank stabilization works and grade control.
Awanui	CapEx	100% complete	Bell's Hill Benching
Kaihū	OpEx	100% complete	All proposed works completed.
Kāeo	OpEx	100% complete	All proposed works completed.
Minor Rivers	OpEx	100% complete	All funding committed.

### LTP Projects

Rivers	Comments
Awanui	Bell's Hill Benching and the Te Ahu Rock Armouring have been completed. An event to acknowledge and celebrate this year's achievement is scheduled for 19 June. The next phases of the works are progressing. Preliminary Scheme design results have been received. New staff now on board to undertake property acquisition and easement process.

Rivers	Comments
Matangirau	A Kaero Working Group meeting is scheduled for 5 June at the Matangirau Marae. We will present the flood mitigation options to the community, at which time we hope to advance flood mitigation options.
Kawakawa - Taumarere	A second consultation Hui was held on 6 April at the Otiria Marae and follow up sites visits with concerned locals. We have applied for Archology Authority to progress the works; however, work will not commence this season. We expect this work to start November 2019.
Whangarei	Resource Consent has been approved for the Woods Road floodwall. Tender process complete and contract awarded (Barfoote Construction). Pre-start site meeting scheduled for 7 June 2019. Possession of site scheduled for 10 June 2019.
Panguru	A second hui is scheduled for mid-June. Archaeological and Resource Consent consultants selected and respective processes underway.

## NATURAL HAZARDS

Work Streams	Status	Comments
Priority Rivers Flood Hazard Maps for Waipu and Paparoa	100%	Letters to the landowners affected by the flood maps were mailed out on 10 May. Final flood maps Issued and published 16 May.
Awanui Flood Model	90%	DHI has completed two model calibration runs, with only one remaining. Both calibration runs are being peer reviewed. Second round of comments/suggestions from peer reviewer have been received and being incorporated in the model.  This is the most complex part of the modelling work. Once the calibration is complete and reviewed, DHI will start design storm runs.

### Northland LiDAR Capture

LiDAR capture is very close to completion. Final processing of the results is likely to be completed in December. Capture was at 92.3% as at 27 May 2019. Crews are now focussing on infill of missing sections where cloud cover prevented capture on previous missions. RPS has indicated batch processing of captured data has now commenced. NRC liaising with LINZ to discuss QA/QC process and hosting of deliverables. NRC QA/QC team also assembled, ready for next phase of process.

## 8.2.6 STRATEGY, GOVERNANCE AND ENGAGEMENT

### PROPOSED REGIONAL PLAN

The council's decisions (excluding GE/GMOs) were notified on 4 May 2019. There is a 30 working day appeal period (Monday 17 June is the cut-off date for appeals.) An item will be presented to the July council meeting providing an overview of the appeals and proposing a process for how council will be involved in resolving appeals. At the time of writing one appeal had been received.

### COUNCILMARK

The council completed its self-assessment for the CouncilMARK performance excellence programme in late April. Assessors undertook a site visit on 14 - 15 May where individual and group interviews were held with Council, ELT, OMT, staff and external stakeholders. It is anticipated that a draft report will be received in July.

## **DISTRICT PLANNING**

### **Whangārei District Council**

The Whangārei District Council has released a draft Whāngareī District Growth Strategy. This sets out how the district responds to growth and how it will continue to grow and develop over the next 30 years. It includes actions to ensure that planning, infrastructure investments and decision making is coordinated. Feedback on the draft strategy closes 24 June 2019. Staff have worked with the district council to provide input into the preparation of the strategy and will assess the need for further feedback.

### **Urban and Services Plan Changes**

Whangārei District Council has released a suite of 'Urban and Services' Plan Changes (submissions close 03 July 2019) as part of their rolling review of their District Plan. The plan changes can essentially be broken down into three major sections: Urban, District Wide and Green Space zoning.

The Urban Area plan changes include new Living and Business Zones as well as special purpose zones and precincts. The District Wide Plan Change package includes subdivision, strategic direction, transport, earthworks, signs, lighting and a three waters management chapter. The Green Space zoning includes a conservation zone, open space zone and sport and active recreation zone. Staff are still assessing the plan changes to determine whether to lodge a submission.

## **NATIONAL INITIATIVES**

### **Climate Change Response (Zero Carbon) Amendment Bill**

The government released the Climate Change Response (Zero Carbon) Amendment Bill late May 2019. This bill:

- sets new greenhouse gas emissions reduction targets (net zero for all greenhouse gases except biogenic methane by 2050; biogenic methane to be reduced by 24-47% below 2017 levels by 2050)
- sets out a series of five year emissions budgets to progress toward the 2050 targets (and emissions reduction plans)
- establishes an advisory Climate Change Commission to advise government and monitor progress
- establishes requirements for National Climate Change Risk Assessments and National Adaptation Plans.

Submissions on the bill close 16 July 2019. Staff are in the process of assessing the bill and will circulate a draft submission for consideration by council.

### **Changes to the Emissions Trading Scheme (ETS)**

The government has signalled changes to the ETS, largely to assist in meeting the targets in the Climate Change Response (Zero Carbon) Amendment Bill (the changes will be delivered through this bill). The changes include adjustments to the provisions for forestry and to establish the NZU auction system, phase out the fixed NZU price and implement other administrative changes.

### **Kāinga Ora Bills**

This is a two stage piece of law that will establish a new Crown agency that will be responsible for implementing much of the Government's housing and urban development agenda. The first stage (the Homes and Communities bill) disestablishes the Housing New Zealand Corporation and assigns its roles to a new agency, Kāinga Ora. The KiwiBuild Unit, which is currently part of the Ministry for Housing and Urban Development, will also become a part of Kāinga Ora.

The second stage will make Kāinga Ora responsible for delivering urban development of all sizes and proposes conferring significant powers to:

1. produce a development plans for development projects that outlines how the development will be undertaken and set out resource management planning rules;

2. override, add to, or suspend land use rules in the district plan, regional plan and regional policy statements;
3. issue resource consents, and undertake compliance and monitoring of consents;
4. remove, change or replace, or put in place designations for infrastructure; and
5. act as a heritage protection authority.

This second stage (which will have implications for local government) is anticipated to be introduced later in 2019.

## ECONOMIC DEVELOPMENT

### Investment and Growth Reserve – Projects Report

Project	May update	Future developments/ reporting
Extension 350	Nothing new to report	Continue receiving progress reporting and invoicing as per funding agreement
Resources Enterprise Limited (REL)	Continuing to wait for March interest payment and update on new potential investor.	June interest payment due next month.
Hundertwasser Art Centre (Whangārei)	Receipt of report for April 2019. The project had encountered some construction problems that in turn elevated the financial risk of the project. However, construction has now resumed and a new WAMT CE has been appointed.	Expect the second payment of \$500,000 (due at 50% completion) to be delayed pending the resolution of these issues.
Manea Footprints of Kupe	Fine tuning funding agreement between with the Te Hua o Te Kawariki Trust.	Meeting with Trust representatives mid-May to discuss funding agreement.
Northland Water Storage and Use	Completion of conditions precedent to receiving funding, and progress made on drafting first RFP and employment of Project Development Manager.	Waiting for signed funding agreement to begin implementation.
Kawakawa Hundertwasser Park Centre (Te Hononga)	Nothing new to report.	Awaiting receipt of progress report and second invoice.
Extended Regional Promotion	Nothing new to report.	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.

### Other Activities

- Keynote presentation in the Northland Labour Market to Education 2 Employment (E2E) event, 31 May 2019.
- Work with other councils in developing regional economic development paper for Mayoral Forum.



## ONLINE CHANNELS

### Most popular post on Facebook

A video of Korotangi Kapa Kingi, designer and carver, of the Te Tohu Matua (Supreme Award) for the inaugural Environmental Awards. Korotangi explains the meaning of the design and how the carving reflects the whakatauaiki - Toitu te whenua, Toitu te moana, Toitu te tangata (If the land is well, if the sea is well, the people will thrive.)

Key Performance Indicators	Jan-19	Feb-19	Mar-19	Apl-19	May-19
<b>WEB</b>					
# Visits to the NRC website	24,800	24,500	28,000	26,100	25,200
E-payments made	4	3	6	4	5
# subscription customers (cumulative)	1,167	1,173	1,179	1,191	1,176
<b>SOCIAL MEDIA (CUMULATIVE)</b>					
# Twitter followers	1,416	1,428	1,430	1,439	1,444
# NRC Facebook fans	7,611	7,816	7,968	8,130	8,515
# NRC Overall Facebook Reach	87,800	168,100	219,300	189,900	267,900
# NRC Engaged Daily Users	5889	11,700	27,000	8,314	16,200
# CDEM Facebook fans	16,500	16,500	16,600	16,700	16,700
# CDEM Overall Facebook Reach	14,800	43,800	31,900	45,400	15,400
# CDEM Engaged Daily Users	1,051	4,925	2,132	2,710	1,172
# Instagram followers	663	689	712	736	755

## MARKETING AND ENGAGEMENT

### 2019 Northland Regional Council Environmental Awards

Please see highlights section of the CEO work report.

### 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	9
April	14	12
May	15	19
June	18	



Month	LGOIMA requests received 2017/18	LGOIMA requests received 2018/19
<b>TOTAL LGOIMA REQUESTS RECEIVED</b>	159	132
<b>Total LGOIMA requests not responded to within 20 working days*</b>	15	1*

In May there were no LGOIMA requests that were not responded to within 20 working days. The nature and complexity of LGOIMA requests are placing substantial pressure on staff resourcing.

## 8.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

### CUSTOMER SERVICES

#### Telephone Inbound Call Statistics

	as at May 2019	Target
Call volume	2,539	
Conversion rate	97.3%	> 95%
Average wait time	6 sec	
Calls answered in under 30 sec	97.3%	> 90%

Stage one of the implementation of a new (contact relationship management) CRM has commenced with customer services staff recording enquiries into an online database. Recording information while managing calls is a new skill requiring a gradual implementation plan to ensure call response performance levels are maintained. When fully implemented this new system will give us the ability to case-manage enquiries right through to customer satisfaction survey and will provide valuable information on frequent enquiries so these can be more efficiently managed.

#### Satisfaction Monitoring

- Feedback Cards, Compliments and Complaints*

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

Compliments received - May	Total
Overall Service	4
Service provided by a specific person <ul style="list-style-type: none"> <li>M Payne, Policy &amp; Planning</li> <li>R Fuchs, Biosecurity</li> </ul>	2
Quality of Information	1
Other - complimenting CDEM Forum	3
<b>Total compliments recorded</b>	<b>10</b>

The compliments for the CDEM Forum were from representatives of WDC and NZ Police following this popular and successful event on 1 May.

Complaints received - May	Total
Standard of service provided	5
Lack of information or communication	1
<b>Total complaints recorded</b>	<b>6</b>

Four of the complaints related to bus services, two of which were for services running early. The remaining complaint was from a customer who had not received a response to voice mail messages. All complaints except one have been resolved and the outstanding complaint is also close to resolution.

### **Customer Service Centre (CSC) Enquiries**

Across all three Customer Services Centres approximately 20% of calls relate to matters under the jurisdiction of other organisations, mostly district councils. Except for Kaitiāia, which has had a huge number of rodent enquiries, calls for other organisations outstrip Biosecurity enquiries which is the department within NRC that receives the largest number of enquiries.

### **Other Activity - Surveys - external**

The annual Residents' Survey period closed on the 17 May. In addition to the invited participants, 327 additional residents choose to take part in the on-line version of the survey. Participants were given the opportunity to win one of three \$50 Prezzy cards. This draw was conducted by the research company and the prizes have been sent to the winners. The survey results will be available in July.

## **CIVIL DEFENCE EMERGENCY MANAGEMENT**

### **Warnings and activations**

There have been no MetService weather-related warnings or watches during the month of May.

### **National Tsunami Advisory**

At 1.14 am on Wednesday 15 May MCDEM issued a National Advisory – Large Pacific Earthquake being assessed. The advisory related to an earthquake of magnitude 7.7 recorded near New Britain region, Papua New Guinea at a depth of 10 km. At 1.32 am MCDEM issued a National Advisory – No Tsunami threat to New Zealand. The Duty Officer, Duty Controller and 8 CDEM Group staff all responded to the initial notification within minutes. It should be noted that the national Tsunami Advisory and Warning plan threshold for issuing notifications for an event in this area is for an earthquake of magnitude 8 and above with a depth of less than 100 km.

### **CDEM Group and Coordinating Executive Group (CEG)**

The next CDEM Group and CEG meetings are scheduled for 17 June.

### **Emergency Management System Reforms**

Officials from the Ministry of Civil Defence & Emergency Management will meet with Northland CDEM Group representatives on 17 June to review the alignment of work programmes aimed at implementation of the various key stands of work that MCDEM have identified with the group work programme.

The Northland CDEM Group already has in place some of the identified activities ahead of the review and has been working to deliver those areas of work that are relevant to the region. Progress is being made on Iwi engagement and scoping marae preparedness.

### **Service Level Agreements**

The 2019/20 CDEM Service Level Agreements (SLA) between the Northland Regional Council and the three district councils are in the process of being finalised. Updated work programmes and budget allocations have been included for the 2019/20 year.

### **Youth in Emergency Services (YES) Programme**

This year's Youth in Emergency Services Programme, held in the Whangarei District commenced on Saturday 4 May at the Onerahi Fire Station. Fifteen young people nominated by a variety of schools and agencies participated in what is the seventh YES programme to be coordinated in Northland. The final exercise was held in the Parua Bay area and involved a motor vehicle accident and a sandbar party gone wrong. Over 70 personnel attended including Skyworks and Northland Rescue Helicopters.

The graduation dinner is to be held in Onerahi on Friday 7 June, where the participants will be presented with a framed certificate, personalised t-shirt and photo book. This will bring the total number of YES graduates in Northland to 115.

### **Kaitaia Evacuation Plan**

The Flood Evacuation Plan for Kaitaia has been completed and a desktop exercise has been carried out with the Group Controllers, Northland Regional Council hazards specialists, hydrology and Emergency services.

### **Controllers development programme**

A second full day field trip and workshop was held on 22 May with Controllers, Duty Officers, River Management and Hydrologists travelling by bus to Kaitaia. The purpose of enhancing the understanding for controllers of the flooding risk for central/eastern Northland and Kaitaia catchment, as well as familiarisation of stakeholders with the draft Kaitaia Community Evacuation Plan. The day concluded with a table top exercise focusing on the Awanui river, with participants from the CDEM team, controllers, NZ Police, Fire and Emergency NZ, Department of Conservation, Northland Regional Council staff and FNDC infrastructure staff.

## **TRANSPORT**

### **Regional Land Transport Planning**

- *National Land Transport Fund*

The New Zealand Transport Agency (NZTA) have recently advised all approved authorities that due to “*the highest ever pressure on funding allocation*” funding allocation, restrictions are to put in place in order to address this issue.

At this time, there would appear to be no negative financial impact on the subsidies received by the Northland Regional Council.

- *2021/2027 Regional Land Transport Plans*

NZTA will be holding a number of workshops around the country in preparation for the 2021/2027 National Land Transport Programme. These workshops are directed toward:

- The NZTA 10 Year Master Plan;
- Changes to the Investment Decision Making Framework;
- Streamlining of the Business Case Approach; and
- Compilation of a Regional Land Transport Plans.

- *Draft National Road Safety Strategy*

At the time of compiling this report, the Draft National Road Safety Strategy had not been released for public comment.

A Regional workshop to agree on the road safety issues and remedial outcomes sought has been scheduled for 12 June 2019. It is proposed that the agreed regional outcomes will form the basis of a regional submission on the Draft National Road Safety Strategy.

## **PASSENGER TRANSPORT ADMINISTRATION**

### **Total Mobility**

Total Mobility (TM) figures are reported one month in arrears, due to the required information being 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
April	1,485	\$18,281	\$25,000	-\$6,719	\$177,348	\$260,000	-\$72,652

#### St Johns meeting in Kerikeri – 7 May 2019

NRC staff attended a meeting in Kerikeri organised by St John's. The focus of the meeting was the lack of suitable disability related transport in the mid north and the far north. St John's shared their Stepping Forward plan for the future, 2018 – 2023, and the expansion on their Community Health Shuttles.

The meeting was advised that the NRC was undertaking a study for the "Investigation into the Needs and Availability of Total Mobility/Disability Transport Services in Northland". A paper on this investigation was tabled at the February 2019 Regional Transport Committee Meeting for their approval.

#### CCS meeting – 15 May 2019

NRC staff are working with CCS senior management from the Auckland office, in an effort to create more awareness around Total Mobility in the Whangārei district.

#### Total Mobility Working Group Meeting – 23 May 2019

TM agencies and transport operators had a full agenda, which included the TM awareness campaign and the new re-design of the TM brochure.

#### Operational Statistics

As shown below the pax numbers have improved on CityLink. This is highly commended and proves the high price elasticity of demand and cross elasticity with fuel prices.

April 2019 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	26,698	20,124	6,574	264,953	253,092
CityLink Revenue	\$35,438	\$40,736	-\$5,298	\$471,269	\$504,546
Mid North Link Passengers	166	414	-248	1,775	4,140
Mid North Link Revenue	\$630	\$2,660	-\$2,030	\$6,415	\$26,354
Hokianga Link Passengers	42	54	-12	328	378
Hokianga Link Revenue	\$461	\$625	-\$164	\$4,086	\$4,772
Far North Link Passengers	525	593	-68	5,602	6,256
Far North Link Revenue	\$1,344	\$1,484	-\$140	\$13,198	\$15,640

On 6 May 2019, the Government amended the Employment Relations Act 2000 to allow drivers on contracted public transport services to have a 10 minute break every two hours of driving.

Staff have made some minor adjustments to the existing timetable and provided an area for drivers to have a tea/coffee break at the Rose Street Terminus. At this time, indications from the bus company is that there will be no additional costs incurred.

#### Road Safety Update

The current year to date Northland road deaths stands at 12, and nationally at 160.

Key advertising themes by the New Zealand Transport Agency (NZTA) for May 2019 centred on 'Speed & Young Drivers'.

### Speed - The Problem

Every week, 12 people on average are seriously injured or killed in a speed-related crash. However, a substantial portion of society does not see the connection between speed and related injuries. Their perception is that the consequences of speeding are trivial.

Many people still habitually speed on the open road and around urban streets, ie. driving faster than the traffic around them, frequent overtaking, tailgating, curve-cutting and high speeds.

### The Campaign

The campaign launched on 19 May 2019 on television, radio, outdoor (billboards), print and digital channels such as video-on-demand, YouTube and Facebook. The television advertisement can be viewed at: <https://youtu.be/qw4vltJk9c8>.

### Regional Road Deaths Statistics – 2019 & 2018 Comparison Year-to-Date:

Location	YTD 2019	YTD 2018
Far North	5	9
Whangarei	4	9
Kaipara	3	2
Northland	12	20
National	160	162

### MARITIME

The month of May saw the last cruise ship of the season.

The Deputy Harbourmaster attended a meeting with Holcim regarding a previous incident at Portland. He also attended a meeting with the Taharoa Domain committee to discuss enforcement on the Kai Iwi Lakes. Both Harbourmaster and deputy attended simulations at the new Northport simulator assessing proposed changes to the navigational channel at Marsden Point for increased tanker sizes. Both also attended a meeting with all parties involved in bringing a cement barge to Portland to ensure safety systems were optimum.

Technology improvements are progressing with the installation and commissioning of the wave-rider buoy off the Bay of Islands. Integration of the data onto the NRC website is still being implemented. The buoy will provide live sea and weather data. Hydrographic survey gear has now been installed on the council vessel Ruawai, and commissioning of the equipment will commence shortly.



The six-weekly Whangārei harbour safety meeting and the six-monthly Bay of Islands harbour safety meeting were held. The internal reviews of the safety systems have been completed, and documents updated. A joint review will be completed at the next Whangārei Safety meeting.

The Hokianga consultation was completed, and recommendations discussed with council. Feedback on the plans will be provided to all submitters.

Rolling maintenance of ATON is on-going.

Discussions on a new initiative to roll out boating education has commenced, with funding applications to WatersSafe NZ and Maritime NZ.

---

**Attachments/Ngā tapirihanga**

Nil

**TITLE:** Northland Inc. Limited: Reporting Against Statement of Intent - Quarter Three 2018/19

**ID:** A1199132

**From:** Darryl Jones, Economist

---

### Executive summary/Whakarāpopototanga

The purpose of this report is to present Northland Inc. Limited's progress against its Statement of Intent (SOI) 2018–2021 for the nine months ended 31 March 2019 (**Attachment 1**). Staff have reviewed the material supplied and confirm that all 17 key performance indicators (KPIs) set out in section 9 of Northland Inc. Limited's SOI 2018–2021 are listed. Section 11 requires a formal report on progress at the end of the first and third quarters.

Northland Inc. Limited is on target (green) to meet the majority (12) of the KPIs. Four KPIs are identified as amber and one as red. The four amber KPIs relate to Māori economic development where the loss of a staff member has reduced Northland Inc. Limited's capacity to deliver this work programme. The one red KPI is for the value of NZTE and Callaghan Innovation grant funding. This is below target because of a lower average value per grant and confusion as to how changes in research and development tax credits impact the availability of grants.

Staff from Northland Inc. Limited will be available to speak to their report.

---

### Recommendation

That the report 'Northland Inc. Limited: Reporting Against Statement of Intent - Quarter Three 2018/19' by Darryl Jones, Economist and dated 4 June 2019, be received.

---

### Background/Tuhinga

Not applicable.

---

### Attachments/Ngā tapirihanga

Attachment 1: Northland Inc. Limited: SOI Report 2018/19 - Quarter Three to 31 March 2019 [↓](#)

---

### Authorised by Group Manager

**Name:** Jonathan Gibbard

**Title:** Group Manager - Strategy, Governance and Engagement

**Date:** 11 June 2019

Northland Inc reporting against SOI - Quarter 3 2018/19

*Work program area	How we measure	2017/18 result	2018/19 Target	2018/19 Actual As at 31 March	% of target	Comment	GAR
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	
	Number of inward delegations hosted	New measure	4	2	50%	Two hosted in the 2nd quarter - Plastic Recycling Technology from Germany and a Natural Resources Investment firm from the UK. 2 more delegation have already been hosted in April	
	Investment recommendations are accompanied by a robust business case	New measure	100%	100%		Manea	
	Number and value of high impact projects that are implemented	New measure	2	3		1. Oceania Marine 2. Wilsons Earthmoving 3. CBD Hotel and Entertainment Business Case	
Business innovation and growth	Number of unique businesses assisted (by TA and industry)	225	230	142	62%	Source RBP Dashboard.	
	Value of NZTE and Callaghan Innovation grant funding facilitated	\$1.5M	\$1.5M	\$622,516	42%	Source RBP Dashboard and Callaghan IMS	
	Client satisfaction (as measured by Net Promoter Score)	New measure	75% (NPS 50)	96.5%		(NPS 62)	



Northland Inc reporting against SOI - Quarter 3 2018/19

*Work program area	How we measure	2017/18 result	2018/19 Target	2018/19 Actual As at 31 March	% of target	Comment	GAR
	Orchard occupancy rate	45%	60%	86.8%		Orchard occupancy remains strong despite the challenges of construction.	
Regional promotion and tourism	visitor spend from target markets	New measure	\$1,052M	\$1,124m*	107%	*This is a rolling 12-month figure Source MBIE research. (updated)	
	Value of industry investment in regional promotion activity	\$340,408	\$350,000	\$283,773	81%		
	Equivalent Advertising Value achieved from destination marketing	\$15M	\$16.5M	\$22.7	138%		
	RTO Net Promoter Score: 6 or less are detractors, 7-8 neutral, 9,10 are promoters. NPS subtracts % detractors from % promoters.	New measure	40	45	112 %	Source is AA traveller national visitor monitor. This is a regional score that reflects traveller's 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.	
Action Plan	Percentage of milestones completed	New measure	100%	101	100%		
Māori economic development	Number of unique Māori businesses assisted	New measure	30	18	60%	RBP Registration	
	Number and value of high impact projects that are implemented	New measure	1			implemented in the 4 <sup>th</sup> Quarter	

**Northland Inc reporting against SOI - Quarter 3 2018/19**

*Work program area	How we measure	2017/18 result	2018/19 Target	2018/19 Actual As at 31 March	% of target	Comment	GAR
	Value of NZTE and Callaghan Innovation grant funding facilitated for Māori businesses	New measure	\$50,000	\$22,378	45%	Source RBP Dashboard.	
	Client satisfaction (Net Promoter Score for Māori businesses)	New measure	75% (NPS 50)			NPS score relies on responses from NZTE survey. The small pool of clients and the lack of responses means that there may not be enough data to determine a score.	

**Callaghan Innovation Grants**

Despite a strong start the financial year the pipeline of Callaghan grants is weak to year end, the status has now changed to red, the KPI may not be achieved. (Noting we are stronger on NZTE capability vouchers)

- The numbers of grants is similar to the last few years, but the value of grants is down significantly.
- The numbers are weak nationally.
- There is confusion on changes to R&D tax credits and how they impact availability of grants.

The Business Innovation and Growth team are actively hunting for Callaghan related activity

- We hosted a workshop in the region on what the R&D changes mean for business.
- We are looking to leverage existing activities to build new pipelines of activity (e.g. The Pick, TechWeek)
- We are looking for tie-ins to proposed activities to strengthen Callaghan engagement in the region (e.g. NIEP, Land and Water accelerator)

### **Northland Inc reporting against SOI - Quarter 3 2018/19**

#### **Maori Economic Development (MED)**

The GM MED left in January and the Board made the decision not to permanently replace that position until a new CEO was in place. We were unable to appoint a suitable candidate to the temporary position. The Board is committed to focus on MED and have asked for an environmental scan of the space we operate in as the first key step. We have put thought into how to progress the environmental scan piece of work and this has been discussed formally with TPK, who have also been considering a similar project. This has resulted in agreeing with TPK to work together to develop a scope.

- The Business Innovation and Growth team have taken up the task of looking after the Maori clients and processing NZTE and Callaghan vouchers.
- Work to progress the projects has been picked up by Codie McIntyre, Business Analyst who had recently returned from a leave of absence.

**TITLE:** Receipt of Committee Minutes  
**ID:** A1199889  
**From:** Chris Taylor, Governance Support Manager

---

### Recommendation

That the unconfirmed minutes of the:

- Investment Subcommittee – 28 May 2019

be received.

---

### Attachments/Ngā tapirihanga

Attachment 1: Investment Subcommittee minutes [↓](#)

---

### Authorised by Group Manager

**Name:** Chris Taylor  
**Title:** Governance Support Manager  
**Date:** 11 June 2019

Investment Subcommittee  
28 May 2019

## Investment Subcommittee Minutes

Meeting held in the Whale Bay Room  
36 Water Street, Whangārei  
on Tuesday 28 May 2019, commencing at 8.30am

### Present:

Chairman, Councillor Penny Smart (Acting Chair)  
Independent Financial Advisor, Mr Geoff Copstick  
Councillor Bill Shepherd (Ex-Officio)

### In Attendance:

**Full Meeting**  
Chief Executive  
GM- Corporate Excellence

**Part Meeting**  
Rick Stolwerk

The Chair declared the meeting open at 8.30am.

### Apologies (Item 1.0)

#### Moved (Smart/ Copstick)

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

**Carried**

### 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 (Item 3.1)

ID: A1167236

Report from Dave Tams, Group Manager, Corporate Excellence

#### Moved (Shepherd /Copstick)

That the minutes of the Investment Subcommittee meeting held on 26 February 2019 be confirmed as a true and correct record.

**Carried**

Investment Subcommittee  
28 May 2019

### **Final Report - Investment Funds Review (Item 4.1)**

**ID: A1191535**

**Report from Linda Harrison, Organisational Project Manager**

*Secretarial Note:*

- *The report 'A review of the service level, Investment Objectives, Policies, Monitoring Procedures and Performance of Northland Regional Council Investment Fund' was noted.*
- *Jonathan Eriksen joined the tel conference at 8.44am. and finished at 9.22am*
- *Discussion was focused on global cash rate reducing and the impact on equity markets.*
- *Further consideration to be given to funds that are consistently under performing*

### **Performance of Council's Externally Managed Fund to April 2019 (Item 5.1)**

**ID: A1174425**

**Report from Simon Crabb, Finance Manager**

**Moved (Shepherd/Copstick)**

That the report 'Performance of Council's Externally Managed Fund to April 2019' by Simon Crabb, Finance Manager and dated 8 May 2019, be received.

**Carried**

*Secretarial Note: Revised version of Draft copy of Operating Costs Reserve policy was tabled.*

### **Draft Operating Costs Reserve Policy (Item 5.2)**

**ID: A1195504**

**Report from Simon Crabb, Finance Manager**

**Moved (Copstick/Shepherd)**

1. That the report 'Draft Operating Costs Reserve Policy' by Simon Crabb, Finance Manager and dated 22 May 2019, be received.

**Carried**

*Secretarial Note: It was noted that the operating cost policy a prudent approach to manage the risk of volatility in the markets affecting the contribution to general funds.*

**Moved (Shepherd/Copstick)**

2. That the Investment Subcommittee endorse that the Draft Operating Costs Reserve Policy (incorporated all changes that were captured at the meeting.) presented to full council for approval.

**carried**

### **Conclusion**

**The meeting concluded at 9.50am.**

---

ID: A1197019

**2**

## 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
10.1	Confirmation of Confidential Minutes - 21 May 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 -.
10.2	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).

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.