

AGENDA

Council

Tuesday 17 March 2020 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 17 March 2020, commencing at 10.30am

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

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Housekeeping/Karakia	
1.0 APOLOGIES (NGĀ WHAKAPAHĀ)	
2.0 DECLARATIONS OF CONFLICTS OF INTEREST (NGA WHAKAPUAKANGA)	
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<p>ACC - Accident Compensation Corporation</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>AMP - Asset Management Plan/Activity Management Plan</p> <p>AP - Annual Plan</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>ELT - Executive Leadership Team</p> <p>EMA - Employers and Manufacturers Association</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>ETS - Emissions Trading Scheme</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HSNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>HSWA - Health and Safety at Work Act 2015</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTP - Long Term Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>MCDEM - Ministry of Civil Defence & Emergency Management</p> <p>MFE - Ministry for the Environment</p> <p>MHWS - Mean High Water Springs</p> <p>MMH - Marsden Maritime Holdings Limited</p> <p>MNZ - Maritime New Zealand</p> <p>MBIE - Ministry of Business, Innovation and Employment</p> <p>MOH - Ministry of Health</p>	<p>MOT - Ministry of Transport</p> <p>MPI - Ministry for Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NES - National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NINC - Northland Inc.</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NPS - National Policy Statement</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>OSH - Occupational Safety & Health</p> <p>OSPRI - Operational Solutions for Primary Industries</p> <p>PCBU - Person Conducting Business or Undertaking</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RTC - Regional Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMP - Regional Pest Management Plan</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RSG - Regional Sector Group</p> <p>RSHL - Regional Software Holdings Ltd</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SIPO - Statement of Investment Policy and Objectives</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TAG - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>UNISA - Upper North Island Strategic Alliance</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WSMP - Workplace Safety Management Practices</p> <p>WWTP - Wastewater Treatment Plant</p>
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TITLE: Health and Safety Report February 2020

ID: A1291458

From: Andree James, Health and Safety and Human Resources Advisor and Beryl Steele, Human Resources Manager

Executive summary/Whakarāpopototanga

This report provides an overview of health and safety activity during the month of February 2020. It has been a relatively quiet month, however, there were two serious near-misses reported.

Recommendation

That the report 'Health and Safety Report February 2020' by Andree James, Health and Safety and Human Resources Advisor and Beryl Steele, Human Resources Manager and dated 28 February 2020, be received.

Background/Tuhinga

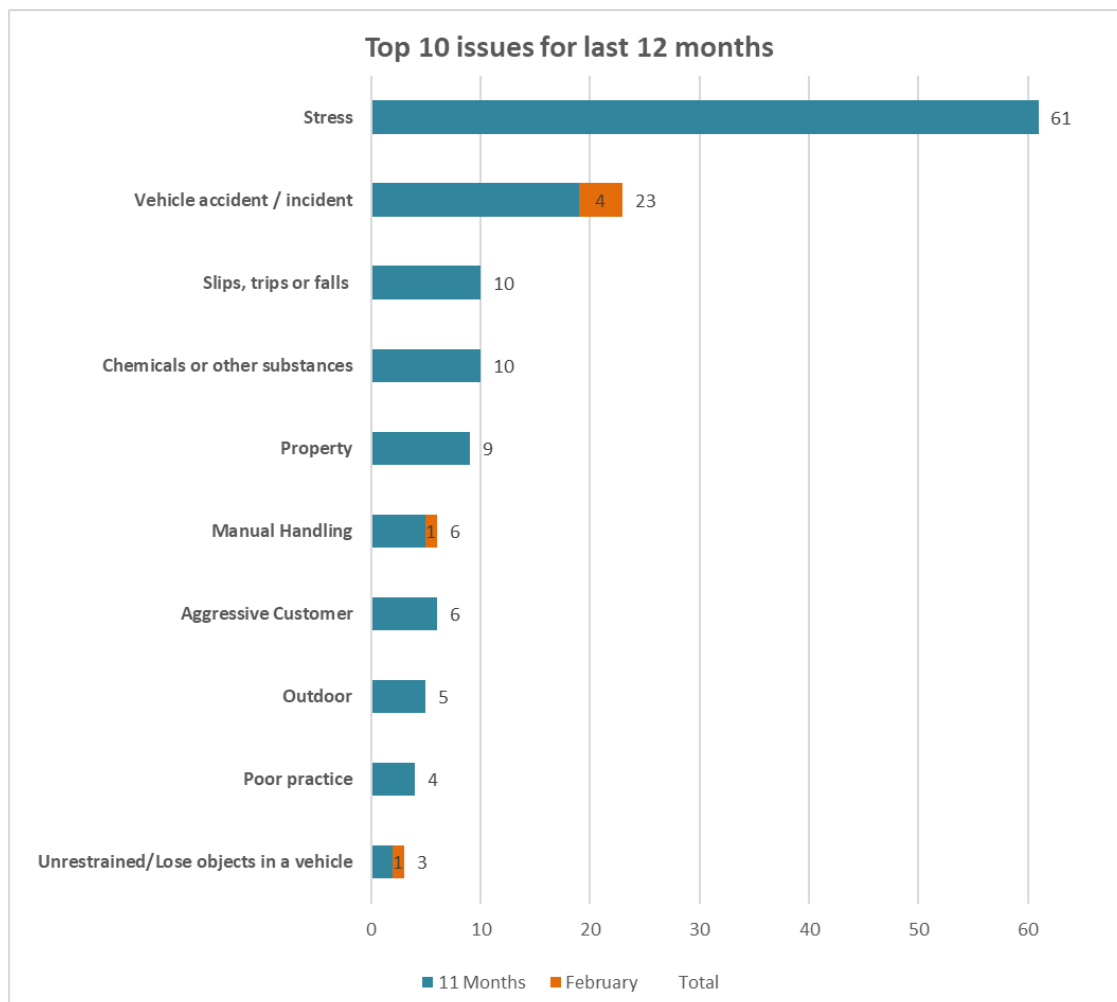
Period	Injury Related					Hazards				
	Loss time Injury (LTI)	Accident Work (ACC W)	Accident Not Work (ACC NW)	Medical Treatment Incident (MTI)	First Aid Treatment Incident (FTI)	No Medical Treatment Incident (NMTI)	Near Miss	Hazard (HAZ)	Incident (INC)	Security (SEC)
2018	7	8	0	2	4	0	13	35	17	6
2019	1	20	1	0	2	1	18	15	8	1
2020	1	2	0	0	3	61	4	4	2	0
Jan	1	0	1	0	0	61	4	3	0	0
Feb	0	0	0	0	0	0	4	1	1	0

Events of interest

- Near miss: Two of our staff were in the Awanui river collecting samples. One was acting as a spotter. A truck arrived overhead some time later and proceeded to dump rocks into the river bed. The spotter noticed this, and our staff were able to escape the area unharmed. The Far North District Council, who contracted this work, are investigating to find out the identity of the contractors and address the issue with them.
- Near miss: There was an incident of road rage where one of our staff members felt it necessary to call 111. A driver threw out a piece of rubbish in front of them when they were driving. When our staff member pulled up at the traffic lights, they asked him why he threw out his rubbish. It was at this stage the driver got aggressive. After abusing our staff member, he followed them, driving erratically and dangerously. The driver did end up turning off leaving our staff member to return to the Whangārei office.
- Incident: While at traffic lights a member of public tried to squeeze passed the rear of one of our council vehicles and a traffic island to get into a turning lane. The driver scrapped their

vehicle while doing this. No one was harmed and the damage to the council vehicle included a bent tail light and cracked lens. An insurance claim for our vehicle has been lodged.

Issues register



Legislative updates

Nil

Notifiable events

Nil

Wellness Committee

- The Wellness Group sent out a thank you to those working in the drought team to acknowledge their work. The feedback was positive.
- The CEO from Vitae (our counselling service) visited where we discussed wellness programmes and services.
- The updated flexible working policy was communicated to staff.
- The stress project has been picked up by the Organisational Management Team to determine the cause of our worker's stress, as it relates to them in the workplace, as reported in last year's survey. Once this is established an appropriate plan of action can be put in place.

Completed training

Training Completed February 2020	Pax
Risk assessment briefings	5
H&S Rep duties	5
Chemical handling and storage	1
Grand Total	11

- Module 2 Health and Safety cancelled due to staff working on the drought and having other priorities.
- STMS (Site Traffic Management Supervisor course) no nominations came in.
- Customer Service Manager and Chairperson for the Health and Safety Committee will attend EMA Health and Safety Committee Member training and deliver in-house training to the Health and Safety Committee in April.

Forecasted training for March 2020

Training Forecasted March 2020	Pax
Site Traffic Management Supervisor Level 1 (STMS)	2
Grand Total	2

Working priorities for March 2020

Working priorities for March 2020
Executive Leadership Team action plan
Awaiting Traffic Management Plan approval
Escalated HSNO (hazardous substances) inventories
Traffic controllers trained to STMS

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 10 March 2020

TITLE: Confirmation of Minutes - 18 February 2020

ID: A1292071

From: Chris Taylor, Governance Support Manager

Recommendation

That the minutes of the council meeting held on 18 February 2020 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Council Minutes - 18 February 2020 [↓](#)

Authorised by Group Manager

Name: Chris Taylor

Title: Governance Support Manager

Date: 10 March 2020

Council Meeting
18 February 2020

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 18 February 2020, commencing at 10.30am

Present:

Chairperson, Penny Smart

Councillors:

John Bain
Justin Blaikie
Jack Crow
Colin Kitchen
Amy Macdonald
Marty Robinson
Rick Stolwerk
Joce Yeoman

In Attendance:

Full Meeting

Chief Executive Officer
GM – Environmental Services
GM – Regulatory Services
Governance Support Manager

Part Meeting

Independent Financial Advisor
GM - Corporate Excellence
GM – Strategy, Governance and Engagement
GM – Customer Services/Community Resilience
Finance Manager
Marketing and Engagement Manager
Corporate Planning Manager
Strategy Policy and Planning Manager
Organisational Project Manager
Financial Accountant
Strategic Policy Specialist
Assistant Management Accountant (x2)
Policy Specialist (x2)

The Chair declared the meeting open at 10.30am and proceedings commenced with a karakia by Councillor Yeoman.

Apologies (Ngā whakapahā) (Item 1.0)

There were no apologies.

Council Meeting
18 February 2020

Declarations of Conflicts of Interest (Nga whakapuakanga) (Item 2.0)

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

Receipt of Supplementary Items (Items 2.0A and 2.0B)

IDs: A1287161 and A1287855

Reports from Chris Taylor, Governance Support Manager, and Kyla Carlier, Corporate Planning Manager

Moved (Stolwerk/Blaikie)

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

- Supplementary Item 6.9: LGNZ Remit; and
- Supplementary Item 6.3: Tabled Financial Updates to the Annual Plan 2020/21 Consultation Supporting Information

Carried

Health and Safety Report January 2020 (Item 3.0)

ID: A1280819

Report from Andree James, Health and Safety and Human Resources Advisor and Beryl Steele, Human Resources Manager

Moved (Blaikie/Yeoman)

That the report 'Health and Safety Report January 2020' by Andree James, Health and Safety and Human Resources Advisor and Beryl Steele, Human Resources Manager and dated 28 January 2020, be received.

Carried

Confirmation of Minutes - 29 October 2019 and 17 December 2019 (Item 4.1)

ID: A1282371

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Macdonald)

That the minutes of the inaugural council meeting held on 29 October 2019, and the council meeting held on 17 December 2019, be confirmed as a true and correct record.

Carried

Working Party Updates and Chairpersons' Briefings (Item 4.2)

ID: A1283577

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

Moved (Blaikie/Robinson)

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

Carried

ID: A1287317

2

Council Meeting
18 February 2020

Secretarial Note: The Chair of the Whangārei Transport Working Party, Councillor Bain, provided a verbal update on the trial bus services. He also undertook to confirm when the survey would be conducted on the trial Hikurangi bus service.

Emergency Services Fund Update - Annual Reporting, Funding Uptake and Engagement and Promotion (Item 5.1)

ID: A1265521

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

Moved (Blaikie/Kitchen)

That the report 'Emergency Services Fund Update - Annual Reporting, Funding Uptake and Engagement and Promotion' by Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager and dated 13 January 2020, be received.

Carried

Financial Report to 31 January 2020 (Item 5.2)

ID: A1283704

Report from Vincent McColl, Financial Accountant

Moved (Bain/Kitchen)

That the report 'Financial Report to 31 January 2020' by Vincent McColl, Financial Accountant and dated 4 February 2020, be received.

Carried

Secretarial Note: The Independent Financial Advisor addressed the report; noting the positive performance of council's managed funds, highlighting increasing insurance costs (which was a global trend) and grants/subsidies.

Investment Fund SIPO Adjustment - Proposed Increase in Exposure to Private Equity Assets (Item 5.3)

ID: A1285398

Report from Simon Crabb, Finance Manager

Secretarial Note: Councillor Bain declared a conflict of interest and abstained from voting on Item 5.3.

Moved (Stolwerk/Blaikie)

1. That the report 'Investment Fund SIPO Adjustment - Proposed Increase in Exposure to Private Equity Assets' by Simon Crabb, Finance Manager and dated 11 February 2020, be received.
2. That the Continuity Capital Private Equity Fund No.5 is introduced into the Long-Term Fund with an associated capital commitment of AU\$3,000,000.
3. That the Direct Capital Fund VI is introduced into the Long-Term Fund with an associated capital commitment of NZ \$2,000,000.

ID: A1287317

3

Council Meeting
18 February 2020

4. That the Investment Fund Statement of Investment Policy and Objectives is updated to be consistent with **Attachment 3** pertaining to Item 5.3 of the 18 February 2020 council agenda.

Carried

(Councillor Bain abstained)

Secretarial Note: Clarification was provided that typically matters such as this would be addressed in the first instance by the Investment and Property Subcommittee before a recommendation was elevated to full council. However, due to time constraints it had been brought directly to council.

Adoption of Standing Orders (Item 6.1)

ID: A1280095

Report from Chris Taylor, Governance Support Manager

Moved (Yeoman/Craw)

1. That the report 'Adoption of Standing Orders' by Chris Taylor, Governance Support Manager and dated 29 January 2020, be received.
2. That council adopts the revised Standing Orders, included as **Attachment One** pertaining to Item 6.1 of the 18 February 2020 council meeting agenda.

Carried

Adoption of Draft User Fees and Charges 2020/21 and Approval to Consult (Item 6.2)

ID: A1271338

Report from Robyn Broadhurst, Policy Specialist

Moved (Stolwerk/Kitchen)

1. That the report 'Adoption of Draft User Fees and Charges 2020/21 and Approval to Consult' by Robyn Broadhurst, Policy Specialist and dated 19 December 2019, be received.
2. That council adopts the Statement of Proposal and the Draft User Fees and Charges 2020/21 (**Attachment 1** pertaining to Item 6.2 of the 18 February 2020 council agenda) for the purposes of consultation, pursuant to section 150 of the LGA, and that this be carried out in conjunction with consultation on the Annual Plan 2020/21.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical and administrative changes to the Statement of Proposal and Draft User Fees and Charges 2020/21 prior to formal public consultation.

Carried

ID: A1287317

4

Council Meeting
18 February 2020

Adoption of Supporting Information to the Annual Plan 2020/21 Consultation Process and Tabled Financial Updates to the Annual Plan 2020/21 Consultation Supporting Information (Item 6.3 and Supplementary Item 6.3)

IDs: A1280751 and A1287330

Reports from Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Macdonald)

1. That the reports 'Adoption of Supporting Information to the Annual Plan 2020/21 Consultation Process' and 'Tabled Financial Updates to the Annual Plan 2020/21 Consultation Supporting Information' by Kyla Carlier, Corporate Planning Manager and dated 28 January 2020 and 17 February 2020 respectively, be received.
2. That council adopts the supporting information pertaining to the Annual Plan 2020/21 consultation process 'Annual Plan 2020/21 Supporting Information | Tautoko i Ngā Kōrero' (**Attachment 1** pertaining to Item 6.3 and **Attachment 1** pertaining to Supplementary Item 6.3 of the 18 February 2020 council agenda), for the purposes of consultation, pursuant to sections 95 and 95A of the Local Government Act.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical and administrative changes to the supporting information prior to formal public consultation.

Carried

Secretarial Note: Council supported the alternative cover for consultation documents; as presented at the meeting.

Adoption of the Annual Plan 2020/21 Consultation Document and Approval to Consult (Item 6.4)

ID: A1280765

Report from Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Bain)

1. That the report 'Adoption of the Annual Plan 2020/21 Consultation Document and Approval to Consult' by Kyla Carlier, Corporate Planning Manager and dated 28 January 2020, be received.
2. That council adopts and approves for release the Annual Plan 2020/21 Consultation Document (included as **Attachment 1** pertaining to Item 6.4 of the 18 February 2020 council agenda) for consultation pursuant to sections 82, 95 and 95A of the Local Government Act 2002.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical, and administrative changes to the Consultation Document prior to formal public consultation.

Carried

ID: A1287317

5

Council Meeting
18 February 2020

Adoption of Submission Policy: consultation in accordance with the Local Government Act 2002 (Item 6.5)

ID: A1282422

Report from Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Blaikie)

1. That the report 'Adoption of Submission Policy: consultation in accordance with the Local Government Act 2002' by Kyla Carlier, Corporate Planning Manager and dated 30 January 2020, be received.
2. That council adopt the Submission policy: consultation in accordance with the Local Government Act 2002, included as **Attachment 1** pertaining to Item 6.5 of the 18 February 2020 council agenda.

Carried

Update to Delegations (Item 6.6)

ID: A1280690

Report from Vincent McColl, Financial Accountant and Anan Thiru, Accounts Assistant - Treasury and Projects

Moved (Blaikie/Kitchen)

1. That the report 'Update to Delegations' by Vincent McColl, Financial Accountant and Anan Thiru, Accounts Assistant - Treasury and Projects and dated 28 January 2020, be received.
2. That council approve the updated bank and cheque signatory delegations, as outlined in **Attachment 1** (pertaining to Item 6.6 of the 18 February 2020 council meeting agenda).

Carried

Hapū Manawhakahono a Rohe (Item 6.7)

ID: A1281458

Report from Ben Lee, Strategic Policy and Planning Manager

Moved (Yeoman/Macdonald)

1. That the report 'Hapū Manawhakahono a Rohe' by Ben Lee, Strategic Policy and Planning Manager and dated 29 January 2020, be received.
2. That the Mana Whakahono a Rohe (included as **Attachment 1** pertaining to Item 6.7 of the 18 February 2020 council meeting agenda) is adopted as the basis for a single multi-hapū agreement.
3. That Ben Lee, Strategic Policy and Planning Manager, is delegated the authority to make any necessary minor formatting, typographical and administrative changes to the Mana Whakahono a Rohe (**Attachment 1**).
4. That the Chair be delegated the authority to sign the Mana Whakahono a Rohe (**Attachment 1**) (including any minor amendments made under recommendation 3).

Carried

ID: A1287317

6

Council Meeting
18 February 2020

Central Government Proposals - Draft Submissions (Item 6.8)

ID: A1283104

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Yeoman/Stolwerk)

1. That the report 'Central Government Proposals - Draft Submissions' by Justin Murfitt, Strategic Policy Specialist and dated 3 February 2020, be received.
2. That council approves the draft submissions for lodgement with the relevant government agency.
3. That council authorises the Chief Executive Officer to make any necessary minor formatting, typographical and administrative changes and sign the submissions on behalf of council.

Carried

Secretarial Note: Appreciation was extended to the Strategic Policy Specialist for drafting the four comprehensive submissions.

LGNZ Remit (Item 6.9)

ID: A1285993

Report from Linda Harrison, Organisational Project Manager

Moved (Stolwerk/Bain)

1. That the report 'LGNZ Remit' by Linda Harrison, Organisational Project Manager and dated 12 February 2020, be received.
2. That a remit to extend the local government election cycle from three to four years is prepared and submitted to Local Government New Zealand.

Carried

Secretarial Note: The remit to be presented to LGNZ, and then potentially the RSG, seeking collective support for the proposal.

Chair's Report to Council (Item 7.1)

ID: A1280421

Report from Penny Smart, Chair

Moved (Smart/Blaikie)

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 31 January 2020, be received.

Carried

ID: A1287317

7

Council Meeting
18 February 2020

Chief Executive's Report to Council (Item 7.2)

ID: A1276999

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Yeoman/Macdonald)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 31 January 2020, be received.

Carried

Reporting on Long Term Plan 2018-2028 Performance Measures for Quarter Two of the 2019/20 Year (Item 7.3)

ID: A1283102

Report from Kyla Carlier, Corporate Planning Manager

Moved (Stolwerk/Robinson)

That the report 'Reporting on Long Term Plan 2018-2028 Performance Measures for Quarter Two of the 2019/20 Year' by Kyla Carlier, Corporate Planning Manager and dated 3 February 2020, be received.

Carried

Receipt of Committee Minutes (Item 8.0)

ID: A1278725

Report from Chris Taylor, Governance Support Manager

Moved (Bain/Kitchen)

That the unconfirmed minutes of the:

- Civil Defence Emergency Management Group – 25 November 2019;
 - Civil Defence Emergency Management Coordinating Executive Group – 25 November 2019;
 - Regional Transport Committee – 16 December 2019;
 - Extraordinary Investment and Property Subcommittee – 16 December 2019;
- be received.

Carried

Secretarial Note: The meeting adjourned at 12.54pm and reconvened at 1.28pm.

ID: A1287317

8

Council Meeting
18 February 2020

Business with Public Excluded (Item 9.0)

Moved (Blaikie/Robinson)

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

Item No.	Item Issue	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 17 December 2019	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
9.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.4	Mount Tiger Forest Management Plan 2020-2024	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to prevent the disclosure or use of official information for improper gain or improper advantage s7(2)(j).
9.5	Kaipara Service Centre - Next Steps	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 council's forestry consultant be permitted to address Item 9.4: Mount Tiger Forest Management Plan 2020-2024 during business with the public excluded.

Carried

Conclusion

The meeting concluded at 2.05pm.

TITLE: **Receipt of Action Sheet**

ID: A1294098

From: Chris Taylor, Governance Support Manager

Executive summary/Whakārapopotanga

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

Recommendation

That the action sheet be received.

Attachments/Ngā tapirihanga

Attachment 1: Council Action Sheet - March 2020 [↓](#)

Authorised by:

Name: Chris Taylor

Title: Governance Support Manager

Date: 09 March 2020

Council Action Sheet – March 2020

Id	Meeting	Target Date	Description	Request Details	Most Recent Comment
5507	Council 18/02/2020	31/03/20	Central Government Proposals - Draft Submissions	That staff investigate whether there is a process in place for appointment of members to the new water regulatory body (and if so whether it is reflective of regional variation and infrastructure). If not a letter to be drafted to the Minister in the first instance. This could also be progressed through RSG to LGNZ if necessary.	Detail on the process to appoint the board was circulated to councillors (9 March 2020). A letter to be drafted to the Minister.
5510	Council 18/02/2020	31/03/20	Monitoring of forestry activities	Detail on council's monitoring of forestry activities to be provided to the Planning and Regulatory Working Party.	Noted.
5524	Council 18/02/2020	31/03/20	Hikurangi bus service consultation	Councillors to be advised when the survey regarding the preferred day for the Hikurangi bus service will occur.	Staff are currently seeking to confirm a date.

TITLE: Working Party Updates and Chairpersons' Briefings

ID: A1287953

Recommendation

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

Planning and Regulatory Working Party

(Chair: Cr Joce Yeoman)

The Planning and Regulatory Working Party met on Wednesday 29 January 2020. The topics for discussion included:

- Planning and Policy Work Programme
- Regulatory Services Work Programme
- Update on Regional Plan Appeals
- Overview of Central Government Initiatives
- Council Water Policy Development

Following discussion, the working party decided on the following next steps:

- Present Coastal Occupation Charging to full council workshop by April
- Project plan for the fishing controls project to be presented to the March WP meeting
- Update on wetland mapping to be presented to the March WP meeting
- Present water quality potential engagement models to the March WP meeting

Biosecurity and Biodiversity Working Party

(Chair: Cr Jack Crow)

The Biosecurity and Biodiversity Working Party met on Wednesday 29 January 2020. The topics for discussion included:

- Work Programme highlights
- Work Programme gaps and issues
- National issues

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

- Examine strategic priorities at the March meeting
- Review funding at the March meeting

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 10 March 2020

TITLE: Working Group Updates and Chairperson's Briefings

ID: A1293116

Recommendation

That the report 'Working Group Updates and Chairperson's Briefings' be received.

Awanui River Working Group

(Chair: Cr Colin Kitchen)

The Awanui River Working Group met on Thursday 20 February 2020. The topics for discussion included:

- Budget
- Works Programme 2019-2020 and 2020-2021
- Awanui Scheme upgrade update

Following discussion, the Awanui River Working Group decided on the following next steps:

- Obtain new contact for FNDC and DOC representatives
- Send reminder to FNDC regarding NRC being an affected party for any works that may impact on the scheme
- Review practicality of new 50m3 rule in flood hazard areas with NRC staff
- Send letter of thanks to Mike Finlayson for his commitments and contribution to the Awanui River Working Group

Poutō Catchment Working Group

(Chair: Cr. Penny Smart)

The Poutō Catchment Working Group met on Monday 17 February 2020. The topics for discussion included:

- Catchment plan implementation budget allocation
- Canada Geese
- Hornwort signage

Following discussion, the Poutō Catchment Working Group decided on the following:

- Allocate \$2,500 for native plants for lakeside planting in the winter of 2020
- Allocate \$4,800 for a fencing audit on up to 21 dune lakes on the Poutō Peninsula

Authorised by Group Manager

Name: Bruce Howse

Title: Group Manager - Environmental Services

Date: 10 March 2020

TITLE: Financial Report to 29 February 2020

ID: A1292571

From: Vincent McColl, Financial Accountant

Executive Summary / Whakarāpopototanga

This report is to inform council of the year to date (YTD) financial result to February 2020. Council has achieved a YTD surplus after transfers to and from reserves of \$3.08M, which is \$397K favourable to budget (\$47K higher than last month).

Recommendation / Ngā mahi tūtohutia

That the report 'Financial Report to 29 February 2020' by Vincent McColl, Financial Accountant and dated 3 March 2020, be received.

Report

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 35,231	\$ 33,848	\$ 1,383
Expenditure	\$ 30,091	\$ 31,467	\$ 1,376
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 5,140	\$ 2,381	\$ 2,759
Transfer From (To) Special Reserves	\$ (2,059)	\$ 303	\$ (2,362)
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$ 3,081	\$ 2,684	\$ 397

Revenue

Year to date revenue is \$35.23M, which is \$1.38M or 4.0% above budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$63,113	0.0%	
User Fees and Sundry	\$241,311	7.0%	<ul style="list-style-type: none"> Higher than budgeted consent monitoring fees of \$161K Unbudgeted prosecution income of \$235K More than budgeted biosecurity materials sales of \$46K Partially offset by: <ul style="list-style-type: none"> Lower than budgeted bus fare box revenue of \$163K Lower than budgeted consent application fees of \$124K
Grants and Subsidies	(\$474,140)	(10.0%)	<ul style="list-style-type: none"> Lower than budgeted Water Storage project subsidies of \$353K offset with lower than budgeted expenditure of \$322K Lower than budgeted SHARP subsidies of \$326K offset with lower than budgeted expenditure of \$252K Lower than budgeted Stop Wild Ginger biocontrol project subsidies of \$93K offset with lower than budgeted expenditure of \$94K Offset by: <ul style="list-style-type: none"> Higher than budgeted subsidies for GIS shared services of \$99K Higher than budgeted Civil defence subsidies of \$80K due to revenue received in 2018/19 being deferred until this 2019/20 to coincide with the expected expenditure. Unbudgeted fan worm response MPI subsidies of \$50K
Investment Interest Income	\$19,640	10.0%	
Investment Property Income	(\$31,311)	(2.0%)	
Dividend Income		0.0%	
Short Term Fund Gains	\$18,348	44.0%	<ul style="list-style-type: none"> Actual October YTD returns as per Eriksens Global of 0.7% (2.1% annualised) are lower than the budgeted 1.58% (4.75% annualised). Gains here remain greater than budgeted because the Short Term Fund had a higher balance than budgeted.
Property Reinvestment Fund Gains	\$377,115	229.0%	<ul style="list-style-type: none"> Actual October YTD returns of 3.3% (9.9% annualised) are higher than the budgeted 1.73% (5.2% annualised).
Infrastructure Investment Fund Gains	\$281,865	80.0%	<ul style="list-style-type: none"> Actual October YTD returns of 3.0% (9.0% annualised) are higher than the budgeted 1.64% (4.92% annualised)
Community Investment Fund Gains	\$291,139	107.0%	<ul style="list-style-type: none"> Actual October YTD returns of 4.0% (12.0% annualised) are higher than the budgeted 1.78% (5.33% annualised).
Long Term Fund Gains (est. Nov 19)	\$515,598	75.0%	<ul style="list-style-type: none"> Actual January YTD returns of 6.2% (10.6% annualised) are higher than the budgeted 2.97% (5.09% annualised).
Short Term Fund Gains (est. Nov 19)	\$80,674	44.0%	<ul style="list-style-type: none"> Actual January YTD returns of 4.9% (8.4% annualised) are higher than the budgeted 2.9% (4.97% annualised).
Total	\$1,383,352	4.0%	

In November, council's externally managed funds transitioned from four funds to two funds. As such the above table shows historical gains for the four older funds and gains since November for the two newer funds. The performance of these funds in aggregate is \$1.56M higher than budgeted. Note that this does not include any accruals for February as the market turmoil has indicated that we should expect unfavourable performance for that month. An update on actual February performance will be provided at the March council meeting.

Additionally, council is now aware that the Marsden Maritimes Holdings Limited interim dividend has come in lower than budgeted by three quarters of a cent. This equals \$116K and will be present in the March financial result.

Expenditure

Year to date expenditure is \$30.09M, which is \$1.38M or 4.0% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	\$196,236	5.0%	<ul style="list-style-type: none"> Lower than budgeted salary costs within this group and other accumulated small variances
Environmental Services	\$427,038	6.0%	<ul style="list-style-type: none"> Lower than budgeted Freshwater Improvement Fund project expenditure of \$91K offset by lower than budgeted income Lower than budgeted SHARP expenditure of \$252K offset by lower than budgeted income Lower than budgeted Stop Wild Ginger biocontrol project expenditure of \$94K offset by lower than budgeted income Partially offset by: <ul style="list-style-type: none"> More than budgeted biosecurity materials for resale of \$120K partially offset by higher than budgeted resale income.
Governance and Engagement	\$591,361	9.0%	<ul style="list-style-type: none"> Lower than budgeted Water Storage project expenditure of \$322K offset by lower than budgeted income Lower than budgeted economic development grants of \$189K offset with lower than budgeted transfers from the Investment and Growth Reserve. This relates to the Kawakawa Hundertwasser park and twin coast cycleway projects.
Customer Service and Community Resilience	\$79,801	1.0%	<ul style="list-style-type: none"> Lower than budgeted NTA costs of \$38K including a credit from prior year invoices. Lower than budgeted transport advertising and promotions expenditure of \$56K partially offset with lower NZTA subsidies. Lower than budgeted Hatea Channel dredging costs of \$56K offset by lower than budgeted reserve movements Offset by: <ul style="list-style-type: none"> Unbudgeted drought response expenditure of \$65K. This will be offset with recoveries from FNDC at a later point
Corporate Excellence	(\$242,926)	(5.0%)	<ul style="list-style-type: none"> Higher than budgeted IT expenditure of \$171K partially offset by higher than budgeted GIS shared services recoveries of \$99K Higher than budgeted insurance of \$60K relating to increases in premiums for material damage, motor vehicles, professional indemnity, and public liability. Additionally we had a call on a historical mutual liability insurance arrangement of \$25K. Higher than budgeted internal interest expenses of \$47K relating to a higher balance of the sporting facilities rate reserve than budgeted.
CEO Office	\$324,360	12.0%	<ul style="list-style-type: none"> Lower than budgeted operational expenditure on the Kensington Redevelopment project of \$140K. Lower labour charged via timesheeting to the CEO department than budgeted of \$186K
Total	\$1,375,871	4.0%	

Note that across council there is a \$370K favourable salaries variance predominantly due to delays in the recruitment of positions identified in the LTP and AP and the time to fill vacancies. Some of

these have associated external funding. Additionally, across council there is a \$61K favourable variance on annual leave movements as staff take leave accrued in prior financial years.

Transfers to reserves

For the year to date there has been a net transfer **to** reserves of \$2.06M compared to a budgeted net transfer **from** reserves of \$303K. This is predominantly due to:

- \$1.49M higher than budgeted transfers to externally managed fund reserves representing reinvestment of gains above budgeted levels.
- \$201K lower than budgeted transfers from the Investment and Growth Reserve predominantly due to economic development grants not occurring as budgeted.
- \$144K higher than budgeted transfers to the Whangārei and Far North bus reserves due to higher NZTA subsidies than budgeted.

Capital Expenditure

Actual capital expenditure year to date of \$2.48M is \$873K lower than budgeted capital expenditure of \$3.35M. At this stage there is anticipated to be carry forwards requested for the Awanui Flood Infrastructure, Water Street building reconfiguration, and the Kaipara Service Centre capital projects, but the exact value of any carry forwards is not yet known.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 10 March 2020

TITLE: Regional Rates Collection - Update to 31 December 2019

ID: A1292873

From: Simon Crabb, Finance Manager

Executive summary/Whakarāpopototanga

The three district councils administer the collection of the regional council rates on our behalf. The purpose of this report is to provide an update on the collection of this year's current rates and the rate arrears owing to the regional council by each district council.

Recommendation

That the report 'Regional Rates Collection - Update to 31 December 2019' by Simon Crabb, Finance Manager and dated 4 March 2020, be received.

Background/Tuhinga

Table one over the page presents a full reconciliation of councils' 2019/20 current rates and rate arrears that have been collected by each district council in the six months to 31 December 2019, and the outstanding amounts that remain to be collected.

Far North District Council (FNDC)

The Far North District Council has collected 45.7% of our current year rates (2018: 47.0%).

7.9% (\$306,458) of the outstanding rate arrears balance (2018: 7.5%; \$221,517) has also been collected in the first six months of this financial year resulting in a closing rate arrears balance (excluding current year rates) still to be collected of \$3,550,850. Māori freehold land (MFL) accounts for \$2,680,082 of the total rate arrears balance.

Attachment 1 is the revenue and collections report provided by Far North District Council outlining the actions they have in place to collect outstanding rate arrears.

Kaipara District Council (KDC)

The Kaipara District Council has collected 50.5% (2018: 49.1%) of our current year rates.

28.4% (\$253,841) of the outstanding rate arrears balance (2018: 23.6%; \$143,645) has also been collected in the first six months of this financial year resulting in a closing total rate arrears balance of \$640,773.

Whangarei District Council (WDC)

The Whangarei District Council has collected 58.5% of our current year rates (2018: 60.4%).

39.5% (\$136,264) of the outstanding rate arrears balance (2018: 40.3%; \$132,572) has also been collected in the first six months of this financial year resulting in a closing rate arrears balance of \$209,033.

When rates are received from the district councils they are deposited into council's Short Term Investment Fund. When council receives a lower level of rating revenue, it can result in a reduced level of returns derived from the Short Term Investment Fund.

The next rates collection update will be prepared for the nine months to March 2020 and presented to council at their May 2020 meeting.

Table one. Dec' 19	Far North District Council TOTAL	Kaipara District Council	Whangarei District Council	TOTAL
Current Year Rates				
Full Year Rate Strike	\$12,253,654	\$5,387,435	\$17,513,431	\$35,154,520
plus penalties added	\$91,120	\$35,517	\$31,883	\$158,520
less discounts applied	\$0	\$0	-\$77,082	-\$77,082
less rates & penalty remissions	-\$331,184	-\$24,311	-\$422,077	-\$777,572
less rates & penalty writeoffs	-\$2,092	-\$640	-\$20,922	-\$23,654
less postponed rates & other adjustments	-\$28,456	\$0	-\$8,262	-\$36,718
Total Current Year Rates	\$11,983,042	\$5,398,001	\$17,016,971	\$34,398,015
Current Year Rates Collected (YTD)				
Current rates collected	-\$5,458,582	-\$2,711,424	-\$9,941,329	-\$18,111,335
Current rate penalties collected	-\$18,978	-\$16,844	-\$13,121	-\$48,943
Total Current Year Rates Collected	-\$5,477,560	-\$2,728,268	-\$9,954,450	-\$18,160,278
Current Rates YTD Collection Rate	45.7%	50.5%	58.5%	52.8%
Balance of Current Rates remaining to be collected during year	\$6,505,482	\$2,669,733	\$7,062,522	\$16,237,737
Rate Arrears				
Opening Rate Arrears	\$3,883,714	\$818,954	\$324,738	\$5,027,406
plus rate arrear penalties added	\$0	\$77,789	\$23,316	\$101,105
less rate & penalty remissions	-\$14,837	-\$894	-\$2,757	-\$18,488
less rate & penalty write offs	-\$8,007	-\$1,201	\$0	-\$9,208
less postponed rates & other adjustments	-\$3,563	-\$35	\$0	-\$3,598
Total Rates Arrears	\$3,857,306	\$894,614	\$345,297	\$5,097,217
Rate Arrears Collected (YTD)				
Rate arrears collected	-\$288,799	-\$203,553	-\$129,457	-\$621,809
Rate arrear penalties collected	-\$17,660	-\$50,288	-\$6,807	-\$74,755
Total Rate Arrears Collected	-\$306,458	-\$253,841	-\$136,264	-\$696,563
Rate Arrears YTD Collection Rate	7.9%	28.4%	39.5%	13.7%
Balance of Rate Arrears outstanding and remaining to be collected	\$3,550,850	\$640,773	\$209,033	\$4,400,655

Attachments/Ngā tapirihanga

Attachment 1: 2019/20 Q2 Far North District Council Rates Revenue and Collections Report [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date:

CMEETING: FINANCE COMMITTEE – NORTHLAND REGIONAL COUNCIL

Name of item: REVENUE AND COLLECTIONS QUARTERLY REPORT as at 11 December 2019

Author: Margriet Veenstra, Manager - Transaction Services

Date of report: 16/12/19

Document number: A2799434

Executive Summary

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

1) Background:

This document has been prepared to highlight the actions taken by Far North District Council for the collection of the Northland Regional Council's rates and to reduce the monies outstanding. This report is prepared as at the end of the second quarter of the financial year 2019/20.

2) Discussion and options

General Title arrears update:

- Last rating year, 64 properties were referred to an external Law Firm to proceed with legal action.
 - Action commenced on 45 properties;
 - Judgment by default was received for one property and another 6 have been submitted this month. A further 14 to be submitted in January 2020 once the deadline has passed.
 - 5 were paid in full and 11 have a Deed of Settlement agreement in place
 - Owners for 3 properties are to officially abandon the land
 - 5 require additional action, including serving of substituted service.
 - Remaining properties were withdrawn from legal proceedings as they were deemed to be Maori Land or subject to the 1967 Act.
- Collation and investigation of the records for Abandoned Land properties is also in progress. Details are passed on to Council, Community Groups, iwi and Maori Land Court for feedback in January 2020.
- Debt Management team participated in a Continuous Improvement workshop which identified 33 actions of which 17 are scheduled to be completed by January 2020. Some of the actions for rates & water include:
 - Direct Debit switch/set up offer in February and March supported by ASB
 - Improve accuracy of owner contact details and introduce track & trace
 - Create new chasing letter templates and improve current customer letters
 - Increase awareness of instalment due dates and payment options
 - New rate payer welcome pack
- First phase of the Mortgage Demand process commenced in December for 194 accounts. Another 300 identified for the second phase due to take place in February.

- The Te Hono team is still in the early stages of establishment.
- Ongoing promotion of the Internal Affairs Rates Rebates Scheme in day to day communications with Ratepayers.

Collection Data

An analysis of the arrears, by collection status, is included in the following table. Arrears are the debt outstanding at the beginning of the 2019-20 financial year, together with arrears on rates for the 2nd quarter as at 11 December 2019.

Arrears Collection Type Analysis Q2 2019-20						
Collection Type	Arrears \$			% of collection type to Total debt to be collected		
	General Title	Maori Freehold Land	Total	General Title	Maori Freehold Land	Total
Direct Debits (repay arrears within 2 years or REP)	14,330	2,128	16,458	2%	0%	1%
Direct Debits other (not under REP)	16,497	18,371	34,868	2%	1%	1%
Other Payment Arrangements	10,778	187	10,966	1%	0%	1%
External Collection Agency	0	0	0	0%	0%	0%
Abandoned Land	53,599	3,199	56,798	6%	0%	3%
Legal	83,464	3,355	86,819	10%	0%	5%
Deceased	48,753	15,622	64,375	6%	1%	3%
Liquidation	2,069	0	2,069	0%	0%	0%
Mortgage	65,445	0	65,445	8%	0%	4%
Total under above arrangements	294,935	42,863	337,798	34%	2%	18%
Balance to be collected by Other means	575,833	2,637,220	3,213,053	66%	98%	82%
Total Debt to be collected	870,768	2,680,082	3,550,851	100%	100%	100%

Of the total number of accounts marked as 'Balance to be collected by other means':

- For 55%, the arrears balance is made up of last year's rates only. New initiatives are due to be introduced as part of continuous improvement actions.
- For 24%, the arrears balance is made up of the last two years. These either require further action by Council Debt Management, Rates or Legal team or are waiting to be referred for Legal proceedings
- Of this 79%, we are due to commence the next tranche of Mortgage Demand for another 30-35% in February 2020.
- For the remaining 21%, the arrears balance is split across several years. These have received Final Demand letters and are waiting to be referred for Legal proceedings once the first groups have been completed.

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

Policy Name	Number Remissions Granted Year to date		Remissions to 30 June 2019	
	2020		2019	
	Qty	\$value	Qty	\$value
Maori Freehold Land Remissions	610	\$ 155,208.17	712	\$ 180,346.37
Charitable or Community Organisations	56	\$ 17,636.98	54	\$ 14,747.14
Remission of Postponements	0	\$ -	20	\$ 11,246.32
Contiguous Properties	490	\$ 109,546.40	402	\$ 85,453.73
Properties partly in District	1	\$ 147.88	1	\$ 139.76
Conservation Property	228	\$ 63,482.01	225	\$ 59,204.74
School Sewerage Remission	0	\$ -		
Excess Water Remissions	0	\$ -		
Total	1,385	346,021	1,414	\$ 351,138.00

TITLE: Local Body Election Matters
ID: A1288315
From: Chris Taylor, Governance Support Manager

Executive summary/Whakarāpopototanga

This report serves a dual purpose:

1. To present the report from Election Services Limited summarising the 2019 local government triennial elections (statistics, costs, upcoming issues); and
2. To enable council to formally consider the electoral system to be used at the 2022 triennial election.

Recommendations

1. That the report 'Local Body Election Matters' by Chris Taylor, Governance Support Manager and dated 19 February 2020, and the report '2019 Triennial Elections' by Elections Services and dated 17 February 2020, be received.
2. That pursuant to Section 27 of the Local Electoral Act 2001, the council resolves to retain the First Past the Post (FPP) electoral system for the 2022 triennial election, and no later than 19 September 2020 give public notice of the right of electors to demand a poll on the electoral system to be used by the council.

Background/Tuhinga

Under the Local Electoral Act 2001 (LEA), every three years a local authority is required to consider the electoral system to be used for the next triennial election - unless the electoral system has recently changed (by resolution or outcome of a poll).

Accordingly, under Section 27 of the LEA, council may resolve by 12 September 2020 to change the electoral system it used at the last triennial election (the First Past the Post (FPP) electoral system), to the Single Transferable Voting (STV) electoral system.

Under Section 28 of the LEA, council must, no later than 19 September 2020, give public notice of the right of 5% of the region's electors to demand that a poll be held on the electoral system to be used at the 2022 and 2025 triennial elections. If a resolution to change the electoral system has been made by 12 September 2020, then this must be included in the public notice.

A brief explanation of the two systems available to the council is as follows:

First Past the Post (FPP) – the council's current electoral system

The Northland Regional Council, along with the Whangarei District Council and the Far North District Council, currently use the FPP electoral system. Electors vote by ticking their preferred candidate(s) and the candidate(s) with the highest number of votes is declared elected.

Single Transferable Voting system (STV) – is an option for the council to consider

The second option available to the council is the STV electoral system. This system is used for the Northland District Health Board (mandatory) and the Kaipara District Council elections in 2019. Under this system, electors rank candidates in their order of preference. The number of votes needed for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes cast. The necessary number of candidates to fill all vacancies is achieved by:

- The counting of the first preferences;
- A transfer of the proportion of votes received by any candidate where the number of votes for that candidate is in excess of the quota; and
- The exclusion of the lowest polling candidates and the transfer of these votes in accordance with the voter's second preferences.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Retain the First Past the Post electoral system for the 2022 triennial election, and no later than 19 September 2020 give public notice of the right of electors to demand a poll on the electoral system to be used by the council.	<ul style="list-style-type: none"> • The system is generally understood by most electors resulting in very few invalid votes (<.5%). • It is a simple and straightforward system for counting votes. 	<ul style="list-style-type: none"> • Once a candidate receives enough votes to be elected – any surplus votes are “wasted”.
2	Change to the Single Transferable Voting (STV) electoral system for the next two triennial elections, and no later than 19 September 2020 give public notice of the right of electors to demand a poll to countermand this decision.	<ul style="list-style-type: none"> • STV attempts to promote proportional representation – the rationale is that when a candidate receives sufficient votes to be elected, any surplus votes are not wasted but are available to other candidates based on the second or subsequent preference of voters. 	<ul style="list-style-type: none"> • In NZ around 10% of votes are invalid due to voters filling out the voting forms incorrectly. • Will require a significant publicity campaign so that people understand the system and know how to vote correctly – increasing the probability that their votes will be valid. • More costly to implement. • Longer time to process and know the outcome of an election.
3	Undertake a poll of electors on whether the First Past the Post (FPP) or the Single Transferable Voting (STV) electoral system should be used.	<ul style="list-style-type: none"> • The electoral system adopted would be a true reflection of the community's preference. 	<ul style="list-style-type: none"> • The cost of the poll is estimated to be \$180,000.

4	‘Do nothing’ apart from publicly notify the right to demand a poll on the electoral system to be used for 2022 triennial elections by 19 September 2020. This option is not recommended, as it is considered good practice for the councils to articulate a position on the matter, plus if a poll is demanded, council would still need to fund it.	<ul style="list-style-type: none"> • None apparent. 	<ul style="list-style-type: none"> • It is best practice for council to articulate a position on the matter. • If a poll is demanded council would still need to fund the estimated \$180,000 cost for a poll.
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The staff’s recommended option is Option 1.

2. Significance and engagement

In relation to Section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council’s Significance and Engagement Policy because it is an administrative matter and part of council’s day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

3. Policy, risk management and legislative compliance

This report complies with Sections 27 and 28 of the Local Electoral Act 2001 in determining the electoral system to be used at the next local authority elections. It also complies with the decision making requirements set out in Sections 76–81 of the Local Government Act 2002.

Further considerations

4. Community views

It is considered that the community will support staying with FFP as it is an easier / less confusing system with a lower level of invalid votes.

5. Māori impact statement

It is considered that Māori will support staying with FFP as it is an easier / less confusing system with a lower level of invalid votes.

6. Financial implications

If the council resolves to adopt option 2, a budget needs to be set aside for a publicity campaign on change from FFP to STV. This would represent unbudgeted expenditure if implemented in the current financial year.

If a poll is required (either by way of a resolution or demand by electors), the \$180,000 cost would represent unbudgeted expenditure if implemented in the current financial year.

7. Implementation issues

There are no implementation issues with the recommended option to stay with First Past the Post. As above, if council elects to move to STV consideration would need to be given to the format and funding of a publicity campaign.

Attachments/Ngā tapirihanga

Attachment 1: Election Services Report - 2019 triennial elections [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 03 March 2020

Election Services

Level 2, 198 Federal Street, Auckland
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Report to the
Northland Regional Council
regarding the

2019 Triennial Elections

From the
Electoral Officer

17 February 2020



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Outline

The 2019 local government triennial elections occurred on Saturday 12 October 2019. The elections for the Northland Regional Council were conducted by the constituent territorial authorities of Far North District Council, Kaipara District Council and Whangarei District Council and were conducted satisfactorily and on time and met all legislative and practical requirements.

This report summaries the electoral process.

Background

Local government elections are required to be conducted every three years, with the 2019 elections occurring on Saturday 12 October 2019. The conduct of these elections is prescribed by legislation and regulation to ensure public confidence and electoral integrity are maintained.

The following preliminary actions/decisions were made:

- (i) during 2018, the Northland Regional Council undertook a representation arrangements review (review of constituencies, boundaries, number of elected members etc). The final proposal retained the existing number of elected members (nine) but with some slightly changed boundaries to the seven constituencies;
- (ii) the FPP (first past the post) electoral system to be used for the Northland Regional Council (as well as for Far North District Council, Kaipara District Council and Whangarei District Council) elections. The STV (single transferable voting) electoral system to be used for the Northland District Health Board election;
- (iii) postal voting to be used;
- (iv) the alphabetical order of candidate names to be used for the Northland Regional Council (as well as for Far North District Council, Kaipara District Council, Whangarei District Council and Northland District Health Board).

The electoral officer appointed by the Northland Regional Council is Dale Ofoske of Election Services.

With the 2019 elections now complete, this report details the various electoral processes undertaken, together with election statistics for the information of Council.

Narrative

Elections Required

Elections were undertaken for:

Northland Regional Council (nine members)

- one member elected from the Coastal Central Constituency
- two members elected from the Coastal North Constituency
- one member elected from the Coastal South Constituency

- one member elected from the Hokianga-Kaikōhe Constituency
- one member elected from the Kaipara Constituency
- one member elected from the Te Hiku Constituency
- two members elected from the Whangārei Urban Constituency

Election Timetable

Key election functions and dates were:

Nomination period

19 July – 16 August 2019

Inspection of Preliminary Electoral Roll

19 July – 16 August 2019

Delivery of voting mailers

20-26 September 2019

Special voting/early processing

20 September – 12 October 2019

Election day

12 October 2019

Preliminary count

13 October 2019

Official count

14-18 October 2019

Return of Electoral Donations & Expenses Form

by 13 December 2019

Electoral Roll

For each constituent territorial authority, the electoral roll comprises two parts, the Residential Electoral Roll and the Ratepayer Electoral Roll.

The Residential Electoral Roll contains parliamentary electors, whose details are maintained and supplied by the Electoral Commission.

Each constituent territorial authority is responsible for compiling its own non-resident Ratepayer Electoral Roll.

To compile the Ratepayer Electoral Roll, two actions are required:

- (i) a nationwide advertising campaign on the criteria of ratepayer elector qualifications and enrolment procedures; and
- (ii) the issuing of Ratepayer Confirmation Forms to all eligible 2016 Ratepayer Electoral Roll electors, and if returned, these along with any new enrolments, form the basis of the 2019 Ratepayer Electoral Roll for each

constituent territorial authority.

A national advertising campaign was undertaken by SOLGM during May 2019 advising readers in all major daily newspapers of the criteria and qualifications required to be eligible for the Ratepayer Electoral Roll. A 0800 free-phone service was again used as a national helpline for ratepayer roll enquiries.

In April 2019 a total of 673 Ratepayer Roll Confirmation Forms were issued to eligible 2016 Ratepayer Electoral Roll electors. A total of 579 non-resident ratepayer electors appeared on the respective constituent territorial authority 2019 Ratepayer Electoral Rolls.

Preliminary and Final Electoral Rolls

The Preliminary Electoral Rolls were available for public inspection at each constituent territorial authority office/service centre and library during normal office hours between 19 July 2019 and 16 August 2019.

Statistics relating to the Final Electoral Rolls are as follows:

Territorial Authority	Final Roll		
	No. Residents	No. Ratepayers	Total
Far North District	42,968	162	43,130
Kaipara District	15,547	259	15,806
Whangarei District	61,454	158	61,612
TOTAL	119,969	579	120,548

The total number of electors in the region was 120,548, being 119,969 resident electors and 579 non-resident ratepayer electors. This is an increase of 8,659 electors to the 2016 Final Electoral Rolls of 111,889 electors (or +7.74%).

Nominations

The nomination period was 19 July to noon 16 August 2019.

Nomination material was available during this period by:

- (i) visiting a constituent territorial authority office/service centre;
- (ii) downloading the material from the Council's website;
- (iii) phoning the electoral office.

A detailed '2019 Candidate Information Handbook' was prepared and made available to all candidates, any interested

party (e.g. media) and placed online. The handbook contained relevant information about the electoral process to potential candidates.

A total of 19 nominations were received for the nine Council vacancies, these detailed as follows:

Constituency	No. Nominations	No. Vacancies
Coastal Central	6	1
Coastal North	4	2
Coastal South	2	1
Hokianga-Kaikohe	1	1
Kaipara	1	1
Te Hiku	2	1
Whangārei Urban	3	2
Total	19	9

For the Hokianga-Kaikohe Constituency and the Kaipara Constituency, the number of nominations received equaled the number of vacancies, and these candidates were duly declared elected following the close of nominations. Refer Notice of Day of Election – **Appendix 4**.

The 19 nominations received was the same number of nominations received for the 2016 election.

Voting Mailers

Voting mailers consisting of an outward envelope, return prepaid envelope, voting document and a candidate profile booklet (which included instructions in English and Māori) were posted to electors by the constituent territorial authorities from Friday 20 September 2019.

The voting mailers were produced by the NZ Post Group and were consistent in design layout to all other local authorities in the country.

Special Voting

Special votes were available from 20 September 2019 to noon 12 October 2019 by:

- (i) visiting one of the constituent territorial authority offices or libraries;

(ii) phoning the electoral office.

Elector Turnout

In total, of the 120,548 electors on the constituent territorial authorities Final Electoral Rolls, a total of 54,928 electors returned their voting document. This represents a 45.56% return and compares to a 44.09% return in 2016.

By constituent territorial authority, voter returns were:

Far North District Council: 47.5%

Kaipara District Council: 42.6%

Whangarei District Council: 45%

A schedule of the number of daily returned voting documents over the voting period for each constituent territorial authority is attached (**Appendices 1-3**).

Of note, the 2019 average nationwide elector turnout is 41.7% compared to 42% for the 2016 election, 41.3% for the 2013 election and 49% for the 2010 election.

Results

With the undertaking of the early processing of returned voting documents during the voting period, progress results were released on election day at around 1pm. Progress results reflected about 95% of votes cast and excluded votes received at constituent territorial authority offices on election day morning. The release of progress results was very successful and avoided an unnecessary wait by candidates on knowing who were provisionally elected.

The preliminary results were released early on Sunday following the receipt and processing of a large number of votes received at the constituent territorial authority offices on election day morning.

Both the progress and preliminary results were released to candidates and placed on Council's website.

The final results (Declaration of Results of Election – see **Appendix 5**) were made on Friday 18 October 2019 and appeared in the Northern Advocate on Monday 21 October 2019.

Issues

Following the public declaration of results, an application for a judicial recount and a judicial inquiry was lodged by an unsuccessful candidate with the Whangarei District Court for the Coastal North Constituency. The applications specifically related to the validity of a nomination received, but just prior to the Court hearing, were withdrawn by the candidate.

Election Costs

The 2019 estimated election cost set in September 2018 was \$172,000 + GST (or for an estimated 122,000 electors, \$1.41 + GST per elector), subject to actual costs incurred.

The 2019 final election cost has now been determined at \$165,411 + GST (or for 120,548 electors, \$1.37 + GST per elector).

The cost decrease from the estimate is largely due to physical elections not being required for both the Hokianga-Kaikōhe and the Kaipara Constituencies, despite significant increases in postage costs in 2019.

Upcoming Issues

Inquiry into the 2016 elections

Parliament's Justice Committee released its report 'Inquiry into the 2017 General Election and 2016 Local Elections' in December 2019.

Recommendations in the report relating to local government elections include:

- centralizing the running of local elections
- aligning DHB boundaries to TAs
- one voting method
- aligning advertising and campaigning rules with general elections
- shifting election day to avoid school holidays
- requiring candidates to provide evidence of citizenship
- requiring candidates to provide evidence of the existence of a political party/affiliation

The report can be viewed at:

https://www.parliament.nz/en/pb/sc/reports/document/SCR_93429/inquiry-into-the-2017-general-election-and-2016-local-elections

Inquiry into the 2019 elections

Parliament's Justice Committee is to undertake its normal inquiry into the conduct of the 2019 local government elections. Submissions have been called for and close on Saturday 29 February 2020. The Terms of Reference include:

- examine the law and administrative procedures for the conduct of the 2019 local elections with particular reference to:
 - low voter turnout
 - licensing trusts
 - role of council staff during election periods around decisions on information release and public statements
 - disclosure of candidate criminal convictions
 - any irregularities that may have compromised the fairness of the elections
- consult stakeholders and the wider public regarding the Justice Committee's recommendations from the 2016 local elections, particularly:
 - giving responsibility of running all aspects of local government elections to the Electoral Commission
 - encouraging or requiring the same voting system to be used in all local elections
 - foreign interference
- examine the law and administrative procedures for the conduct of energy trust elections held since 2016.

Council may wish to consider making a submission to the Committee on the above (by 29 February 2020).

Electoral System Review

Under the Local Electoral Act 2001, any local authority may resolve, before 12 September 2020, to change the electoral system used at the last election, unless a poll on the matter has been held recently.

Should Council wish to consider changing its electoral system (from first past the post to single transferable voting) for the 2022 and 2025 triennial elections, it can do so by resolution no later than 12 September 2020.

However, a public notice must be given by 19 September 2020 providing the right of electors to demand a poll on the matter.

Māori Representation Review

Under the Local Electoral Act 2001, Council may at any time resolve to introduce Māori constituencies. If a resolution is made before 23 November 2020 (to apply for the 2022 and 2025 triennial elections), public notice must be given by 30

November 2020 providing the right of electors to demand a poll on the matter.

If Māori constituencies are to be introduced, a representation arrangements review would be required (mandatory) in 2021.

**Representation
Arrangements Review**

The Local Electoral Act 2001 requires every local authority to undertake a representation arrangements review at least once in every six-year period. As Council last undertook a review in 2018, it is not required to conduct a review until 2024 (unless Māori constituencies are to be introduced).

Summary and Conclusions

The Northland Regional Council's 2019 triennial elections were conducted successfully and met all legislative and practical requirements. No issues or concerns of significance arose from these elections and all tasks were completed satisfactorily and on time.

There are however several electoral issues Council may wish to consider during 2020/21:

- (i) make a submission to the Justice Committee's inquiry into the 2019 local government elections (by 29 February 2020);
- (ii) consider whether Council retains the first past the post electoral system or adopts the single transferable voting electoral system for the 2022 and 2025 triennial elections – by 12 September 2020;
- (iii) consider whether Council establishes Māori constituencies for the 2022 and 2025 triennial elections – by 23 November 2020;
- (iv) undertake a representation arrangements review in 2021, if Māori constituencies are to be introduced.



Dale Ofoske
Electoral Officer // Northland Regional Council
Election Services

APPENDIX 1



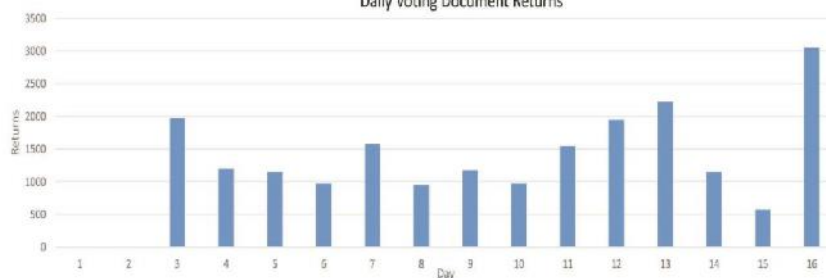
VOTING DOCUMENT RETURNS - 2019 ELECTIONS

CB(SUB)ELECTORS	23-Sep	24-Sep	25-Sep	26-Sep	27-Sep	30-Sep	1-Oct	2-Oct	3-Oct	4-Oct	7-Oct	8-Oct	9-Oct	10-Oct	11-Oct	12-Oct
DOUBTLESS BAY 2593	0	0	100	75	150	75	100	25	100	25	150	175	100	75	75	153
	0	0	100	175	325	400	500	525	625	650	800	975	1075	1150	1225	1378
			3.9%	6.7%	12.5%	15.4%	19.3%	20.2%	24.1%	25.1%	30.9%	37.6%	41.5%	44.4%	47.2%	53.1%
KAIKOHE 4663	0	0	200	150	125	75	175	75	150	75	225	125	225	50	25	439
	0	0	200	350	475	650	725	800	950	1025	1250	1375	1600	1650	1875	2114
			4.3%	7.5%	10.2%	11.8%	15.5%	17.2%	20.4%	22.0%	28.8%	29.5%	34.3%	35.4%	36.9%	45.3%
KAITIAKI 6750	0	0	275	200	150	200	225	175	150	200	250	175	325	125	175	328
	0	0	275	475	625	825	1050	1225	1375	1575	1825	2000	2325	2450	2625	2953
			4.1%	7.0%	9.3%	12.2%	15.6%	18.1%	20.4%	23.3%	27.0%	29.6%	34.4%	36.3%	36.9%	43.7%
KAWAKAWA-MOEREWAI 2516	0	0	150	50	75	75	50	75	50	25	25	100	100	50	25	100
	0	0	150	200	275	350	400	475	625	650	675	675	775	825	850	950
			6.0%	7.9%	10.9%	13.9%	15.6%	18.0%	20.9%	21.9%	22.9%	26.8%	30.8%	32.8%	33.8%	37.8%
KERIKERI 9201	0	0	475	225	225	175	350	175	250	200	325	500	600	275	50	910
	0	0	475	700	925	1100	1400	1625	1875	2075	2400	2900	3500	3775	3825	4735
			5.2%	7.6%	10.1%	12.0%	15.8%	17.7%	20.4%	22.6%	25.1%	31.5%	36.0%	41.0%	41.6%	51.5%
NORTH CAPE 2010	0	0	75	50	75	50	75	75	50	75	100	75	100	75	25	113
	0	0	75	125	200	250	325	400	450	525	600	700	775	875	900	1013
			3.7%	6.2%	10.0%	12.4%	16.2%	19.9%	22.4%	26.1%	29.9%	34.8%	36.6%	43.5%	44.8%	50.4%
NORTH HOKIANGA 1559	0	0	0	75	0	75	25	25	25	50	50	50	50	75	25	65
	0	0	0	75	75	150	175	200	225	275	325	375	425	500	525	590
				4.8%	4.8%	9.8%	11.2%	12.8%	14.4%	17.6%	20.8%	24.1%	27.3%	32.1%	33.7%	37.8%
PAIHIA 3036	0	0	150	75	75	25	175	75	125	100	75	150	225	75	25	193
	0	0	150	225	300	325	500	575	700	800	875	1025	1250	1325	1350	1543
			4.9%	7.4%	9.9%	10.7%	16.5%	18.9%	23.1%	26.4%	28.8%	33.6%	41.2%	43.0%	44.5%	50.8%
RUSSELL-OPHI 2787	0	0	150	75	50	75	100	75	50	50	100	200	150	100	25	148
	0	0	150	225	275	350	450	525	575	625	725	925	1075	1175	1200	1348
			5.4%	8.1%	9.9%	12.8%	16.1%	18.8%	20.8%	22.4%	26.0%	33.2%	36.6%	42.2%	43.1%	48.4%
SOUTH HOKIANGA 2851	0	0	125	100	25	50	100	75	75	75	125	125	150	50	0	278
	0	0	125	225	250	300	400	475	550	625	750	875	1025	1075	1075	1353
			4.4%	7.9%	8.8%	10.5%	14.0%	16.7%	19.3%	21.9%	28.3%	30.7%	36.0%	37.7%	37.7%	47.5%
WHANGAREIA 2849	0	0	150	25	100	50	100	50	50	50	75	125	100	125	50	171
	0	0	150	175	275	325	425	475	625	575	650	775	875	1000	1050	1221
			5.3%	6.1%	9.7%	11.4%	14.6%	16.7%	18.4%	20.2%	22.8%	27.2%	30.7%	35.1%	36.9%	42.9%
WHATUWHIWHI 2315	0	0	125	100	100	50	100	50	100	50	75	125	125	50	75	156
	0	0	125	225	325	375	475	525	625	675	750	875	1000	1050	1125	1291
			5.4%	9.7%	14.0%	16.2%	20.5%	22.7%	27.0%	29.2%	32.4%	37.8%	43.2%	45.4%	46.8%	55.3%
TOTAL 43130	0	0	1875	1200	1150	875	1575	950	1175	975	1550	1950	2225	1150	575	3054
	0	0	1875	3175	4325	5300	6875	7825	9000	9975	11625	13475	15700	16550	17425	20479
	0%	0%	4.55%	7.36%	10.03%	12.25%	15.94%	18.14%	20.87%	23.13%	26.72%	31.24%	36.40%	39.07%	40.40%	47.48%
2016 Returns	6.1%	6.4%	4.58%	7.48%	7.8%	7.35%	10.6%	12.0%	17.7%	20.8%	23.3%	33.5%	43.2%	51.6%	51.6%	58.4%
2013 Returns	6.0%	4.4%	8.2%	10.6%	13.0%	16.1%	19.9%	22.2%	25.3%	28.8%	29.0%	33.4%	36.4%	41.4%	43.2%	48.9%
2010 Returns	3.9%	7.4%	10.2%	12.6%	14.9%	18.8%	20.6%	22.3%	24.1%	25.7%	29.2%	31.6%	36.1%	37.1%	41.7%	47.7%

*Final - incl. Specials

FAR NORTH DISTRICT COUNCIL 2019 ELECTION

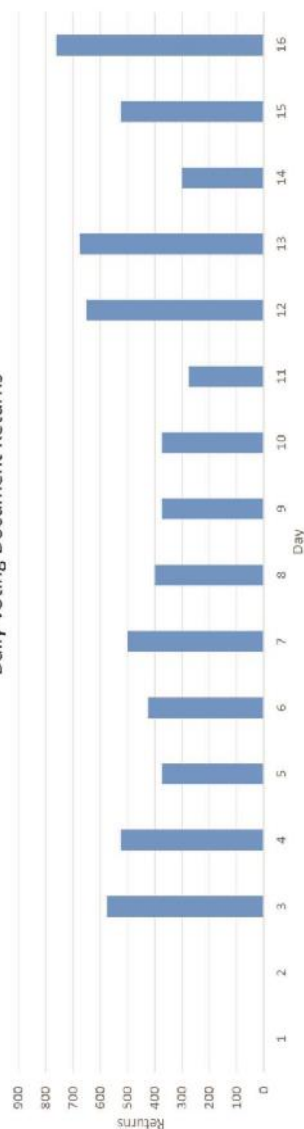
Daily Voting Document Returns



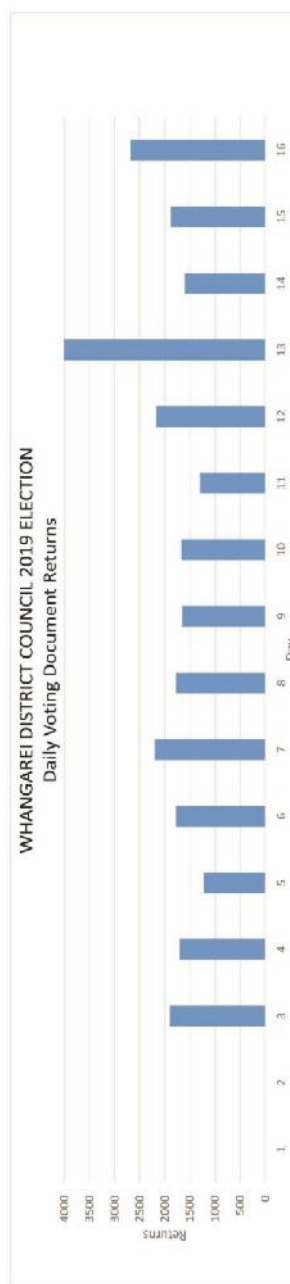
VOTING DOCUMENT RETURNS - 2019 ELECTIONS

[illegible]

KAIPARA DISTRICT COUNCIL 2019 ELECTION
Daily Voting Document Returns




VOTING DOCUMENT RETURNS - 2019 ELECTIONS

[illegible]

APPENDIX 4

NOTICE OF DAY OF ELECTION

for the Northland Regional Council 2019 election



Northland
REGIONAL COUNCIL
Te Kaitiaki a Mōuri o Te Tai Tokerau

Nominations received

Notice is given under section 65 of the Local Electoral Act 2001 that the following persons have been duly nominated as candidates for:

Coastal Central Constituency <i>(one vacancy)</i>	Coastal North Constituency <i>(two vacancies)</i>	Coastal South Constituency <i>(one vacancy)</i>	Whangārei Urban Constituency <i>(two vacancies)</i>
ADAIR, Maureen (Independent)	ROBINSON, Marty (Independent)	LOURIE, David	BAIN, John (Independent)
BUXTON, Maggie	SAMUELS, Dover (Independent)	STOLWERK, Rick	CRAW, Jack (Independent)
DIMERY, Paul	SHEPHERD, Bill	Te Hiku Constituency <i>(one vacancy)</i>	SINCLAIR, David
JONGEJANS, Jeroen	YEOMAN, Jocelyn	FINLAYSON, Mike (Independent)	
MACDONALD, Amy		KITCHEN, Colin Toss	
THEW, Colin Peter			

As there are more candidates than there are vacancies to be filled, an election will be held between the listed candidates on Saturday, 12 October 2019, under the first past the post electoral system by postal vote.

<p>Hokianga-Kaikōhe Constituency <i>(one vacancy)</i></p> <p>BLAIKIE, Justin (Independent)</p> <p>As the number of candidates does not exceed the number of vacancies, Justin BLAIKIE is duly declared elected a member of the Northland Regional Council.</p>	<p>Kaipara Constituency <i>(one vacancy)</i></p> <p>SMART, Penny</p> <p>As the number of candidates does not exceed the number of vacancies, Penny SMART is duly declared elected a member of the Northland Regional Council.</p>
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Issuing of voting documents

Voting documents will be posted to electors by each constituent territorial authority from Friday, 20 September 2019.

Return of voting documents

Voting documents must be returned not later than noon, Saturday, 12 October 2019 to the electoral officer of each constituent territorial authority.



Voting documents can be returned by post or hand delivered at the following council offices between Friday, 20 September 2019 and Friday, 11 October 2019 during normal office hours, and Saturday, 12 October 2019 between 9am – noon:

- Whangārei District Council offices (Whangārei and Ruakaka);
- Far North District Council offices (Kaikōke, Kaitiaki and Kerikeri);
- Kaipara District Council offices (Dargaville and Mangawhai).

Special voting

Special voting in terms of the Local Electoral Act 2001 and the Local Electoral Regulations 2001 may be exercised at the above council offices and times.

A person can apply to enrol as either a residential or ratepayer elector right up to and including 11 October 2019 – the day before the close of voting.

Dale Ofoske, Electoral Officer
Northland Regional Council
36 Water Street, Whangārei

Phone 0800 922 822

DECLARATION OF RESULTS OF ELECTION for the Northland Regional Council 2019 elections



Northland Regional Council

Coastal Central Constituency (one vacancy)	Votes Received
ADAIR, Maureen (Independent)	537
BUXTON, Maggie	829
DIMERY, Paul	1639
JONGEJANS, Jeroen	1354
MACDONALD, Amy	2182
THEW, Colin Peter	373

I therefore declare Army MACDONALD to be elected.

Coastal North Constituency (two vacancies)	Votes Received
ROBINSON, Marty (Independent)	6578
SAMUELS, Dover (Independent)	4229
SHEPHERD, Bill	5641
YEOMAN, Jocelyn	5678

I therefore declare Marty ROBINSON and Jocelyn YEOMAN to be elected.

Coastal South Constituency (one vacancy)	Votes Received
LOURIE, David	2250
STOLWERK, Rick	3522

Blank votes received: 542

Te Hiku Constituency (<i>one vacancy</i>)	Votes Received
FINLAYSON, Mike (Independent)	2652
KITCHEN, Colin Toss	3470

I therefore declare Colin Toss KITCHEN to be elected.

Whangārei Urban Constituency (two vacancies)	Votes Received
BAIN, John (Independent)	5731
CRAW, Jack (Independent)	5647
SINCLAIR, David	4922

I therefore declare John BAIN and Jack CRAW to be elected.



Dated at Whangarei, 17 October 2019
Dale Ofoske, Electoral Officer
Northland Regional Council
36 Water Street, Whangarei

Phone 0800 922 822

TITLE: Māori Representation

ID: A1290120

From: Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement

Executive summary/Whakarāpopototanga

At a workshop on 18 February 2020, councillors had a preliminary discussion about the prospect of establishing Māori constituencies prior to the next election in 2022. Council has no legal obligation to consider this issue at this time as the legislative requirement to conduct a representation review does not apply until the 2025 election. A council can, however, review its representation arrangements at any time and some councillors have indicated their desire to consider this issue at this time.

Councillors are now being asked to indicate whether they would like staff to carry out more detailed investigations into the case for and against establishing Māori constituencies and how this may practically work. A formal decision would then be put to the May 2020 council meeting to establish Māori seats for the 2022 election. Should council decide to establish Māori seats in May, then there is a detailed statutory process to follow to identify the number of seats, constituency boundaries and consultation.

Recommendation(s)

1. That the report 'Māori Representation' by Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement and dated 25 February 2020, be received.
2. That staff undertake further investigation into the establishment of Māori constituencies prior to council making a formal decision at its May 2020 council meeting.
Or
3. That Māori constituencies not be established for the 2022 triennial elections.

Background/Tuhinga

Council conducted its last representation review in 2018 where it resolved not to establish Māori constituencies. At that time, Te Taitokerau Māori and Council Working Party (TTMAC) and Iwi CEOs Forum indicated that they supported the establishment of Māori constituencies and saw this as an opportunity to strengthen council's relationship with Māori and provide a real opportunity for Māori to participate in council decision making. Given how recently this issue has been canvassed with Māori, it is unlikely that their position of support has changed. With new councillors now settled in following the 2019 election, it is an opportune time to check whether council's views on Māori seats have changed.

Should council support further investigation into the establishment of Māori seats, preliminary discussions leading up to the May council decision paper could include:

- More detailed discussion on the case for and against establishing Māori constituencies;
- Experiences / comment from other councils who have already introduced Māori seats;
- Feedback from Taitokerau Māori leaders;
- Options for the number of elected representatives;
- Possible scenario for workable constituency boundaries; and

- Identification of additional cost implications should the council decide to proceed with this work in 2020.

Should the May decision support the establishment of Māori constituencies, the statutory process to develop an Initial Proposal, as prescribed in the Local Electoral Act 2002 (LEA), would commence with a view to being adopted by council before 31 August 2021. An overview of the statutory process and timing is included as Attachment 1.

This matter is now set down for discussion.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Undertake further investigations into the establishment of Māori constituencies for the May 2020 council meeting.	Will provide the new council with more complete information on which to make a well-informed decision on whether they wish to pursue the establishment of Māori seats.	May create tension / divisions within council.
2	Do not establish Māori constituencies for the 2022 triennial elections.	No change to current constituencies. No additional budget required to establish Māori constituencies.	Continued frustration and disenfranchisement of some parts of the Māori community at the continued lack of Māori representation around the council table. No certainty that there will be Māori representation on regional council through local body elections. The council currently has no Māori councillors. A continued lack of Māori representation increases the likelihood that council decision making does not reflect the views and outcomes sought by Māori. Unable to quantify the opportunity cost of the lack of diversity at governance / decision making level of council.

The staff's recommended option is option 1.

2. Significance and engagement

The decision sought today is only to conduct further investigations into the establishment of Māori constituencies, not the final decision as to whether they will be created. In addition, the decision sought by this report is only one step towards a longer legislative process under the Local Electoral Act which provides for specific provision for community engagement and input into the decision at a later stage in the process. For these reasons, council is able to make this decision without undertaking further community engagement at this time.

3. Policy, risk management and legislative compliance

The decisions sought meet the Electoral Act 2001 requirements, and in particular section 19Z. This decision is also compliant with council's decision making requirements as specified under the Local Government Act 2002. Should council decide to conduct further investigations into the establishment of Māori seats, a full risk assessment will be completed at that time. The risks of deciding not to establish Māori seats are outlined in the options section of this report.

Further considerations

4. Community views

Should council decide to proceed with the establishment of Māori seats, views from the wider community will be sought as part of the public consultation process required under the Local Electoral Act 2001.

5. Māori impact statement

As a result of previous discussions with Māori on this issue, it is anticipated that their indication of support for the establishment of Māori seats has not changed. Should council decide to investigate this issue further, part of that work will involve seeking comment from Taitokerau leaders to be taken into consideration in future decision-making.

6. Financial implications

Conducting investigations into the issues surrounding the establishment of Māori constituencies can be completed from existing resources. Should council decide to proceed, the ongoing financial implications will form part of the report to be presented to a future council meeting.

7. Implementation issues

Should council decide not to establish Māori constituencies and retain the status quo, there are no further implementation issues to consider. Alternatively, should council resolve to establish, then the legislative process outlined in the Local Electoral Act 2001 will need to be followed and an Initial Proposal prepared for public consultation by 31 August 2021.

Attachments/Ngā tapirihanga

Attachment 1: Statutory process and timing (A1291607) [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 10 March 2020

Maori representation - Statutory process and timing

By 23 November 2020	A local authority MAY resolve to introduce Māori representation for the next triennial election.	Section 19Z of LEA
By 30 November 2020	IF a resolution has been made by a local authority to introduce Māori representation, a local authority MUST give public notice of the right of 5% of the electors to demand a poll on Māori representation.	Section 19ZA of LEA
By 28 February 2021	IF a resolution has been made by a local authority to introduce Māori representation, a certain period MUST be given following the public notice on Māori representation allowing electors to gather sufficient signatures to demand that a poll be held on Māori representation for the next two triennial elections. This is the last date for the council to receive a valid demand for a poll on Māori representation for the 2022 election.	Section 19ZC of LEA
By 28 February 2021	A local authority MAY resolve to undertake a poll of electors on a proposal that Māori representation be introduced for the next two triennial elections.	Section 19ZD of LEA
By 21 May 2021	If a successful demand has been received by 28 February 2021 to hold a poll or a local authority has made a resolution by 28 February 2021 on Māori representation, then a poll MUST be held within 82 days of notification. This is the last date to conduct a poll on Māori representation for the 2022 elections.	Section 19ZF of LEA
By 31 August 2021	Representation Arrangements Review completed by the local authority.	Section 19H of LEA
By 8 September 2021	A local authority MUST give public notice of the resolution containing the representation arrangements review proposals, including the proposed number, names and boundaries of constituencies. One month submission period.	Section 19M of LEA
By 8 October 2021	Close of submissions.	Section 19M of LEA
By 19 November 2021	Submissions heard by the local authority.	Section 19N of LEA

By 19 November 2021	A local authority MUST give further public notice of its proposals. One month appeals/objection period.	Section 19N of LEA
By 19 December 2021	Close of appeals/objections to "final" representation arrangements.	Section 19O of LEA
By 11 April 2022	Determination by Local Government Commission.	Section 19R of LEA
October 2022	Local Body Elections	

TITLE: Authority to Develop a Proposal for an Inter-regional Marine Pest Pathway Plan

ID: A1291665

From: Justin Murfitt, Strategic Policy Specialist; Don McKenzie, Biosecurity Manager and Kathryn Lister, Biosecurity Officer - Marine

Executive summary/Whakarāpopototanga

The Top of the North Biosecurity Partnership (a collaboration between Waikato, Northland, Bay of Plenty, Gisborne and Hawkes Bay Regional Councils, Auckland Council, Biosecurity New Zealand and the Department of Conservation) has assessed a range of options and identified the management of biofouling on vessels as the preferred option. This report seeks authority from council to develop a formal proposal for an inter-regional marine pest pathway plan under the Biosecurity Act 1993 to manage the spread of marine pests in a consistent manner across the Northland, Auckland, Waikato and Bay of Plenty regions. If council approves this step, staff would develop the proposal and supporting information required under the Biosecurity Act 1993 for council consideration later this year.

Recommendation(s)

1. That the report 'Authority to Develop a Proposal for an Inter-regional Marine Pest Pathway Plan' by Justin Murfitt, Strategic Policy Specialist; Don McKenzie, Biosecurity Manager and Kathryn Lister, Biosecurity Officer - Marine and dated 28 February 2020, be received.
2. That council authorises staff to develop a formal proposal for an inter-regional marine pest pathway plan under the Biosecurity Act 1993 in conjunction with project partners.
3. That council authorises staff to engage with Māori and key stakeholders in developing the proposal.
4. That staff bring the proposal back to council for consideration later in 2020, including the supporting information required under the Biosecurity Act 1993 and the results of further consultation with Māori and key stakeholders.

Background/Tuhinga

Marine pests pose a major threat to the ecological, cultural, economic and recreational values of the marine environment of the Top of the North (TON) regions. They can out-compete, smother, predate on or otherwise adversely affect native species and impact marine habitats, with consequential impacts on ecological, cultural, economic and recreational values. Once established, marine pests are extremely difficult to eradicate or contain and prevention methods are far more effective.

Most marine pests are predominantly introduced to New Zealand waters by 'hitchhiking' on incoming vessels and can be subsequently spread through domestic vessel movements. These marine pest 'pathways' are typically hull biofouling (the build-up of marine organisms on hulls) and the discharge of ballast and bilge water. Scientific evidence to date indicates that biofouling on

vessels is the most common and highest risk pathway for the spread of marine pests.¹ For vessels coming from overseas, there are national rules in place to manage the risk of marine pests being introduced to New Zealand (under the Craft Risk Management Standards managed by Biosecurity New Zealand). However, there are no equivalent national rules that apply to domestic vessel movements. It is estimated that the four main TON regions are home to approximately 50% of New Zealand's domestic 'fleet'. This, in combination with the wide variety of relatively benign habitats available, means the wider TON area is particularly vulnerable to marine pest incursions.

To address these risks, the TON Biosecurity Partnership (a collaboration between Waikato, Northland, Bay of Plenty, Gisborne and Hawkes Bay Regional Councils, Auckland Council, Biosecurity New Zealand and the Department of Conservation) has been assessing options for better managing marine pests in the upper North Island. This included the release of a discussion document seeking feedback on a range of options to manage marine pests released in March 2019 - 'Better ways to stop marine pests? Ētahi tikanga pai atu mō te ārai orotā ō te moana?' The discussion document focused primarily on options for consistent management of the 'pathways' for marine pest spread across the four key TON regions (Northland, Auckland, Waikato and Bay of Plenty). The consultation results were reported to the July 2019 council meeting. The consultation indicated there is a good level of support for more action to prevent the spread of marine pests. Council subsequently authorised staff to develop a preferred option for managing marine pests across the four regions in conjunction with the TON partnership.

The options considered and preferred approach with supporting rationale are discussed below.

The options assessment is summarised in Table 1 below. Note: the inclusion of rules under the Biosecurity Act 1993 for bilge and ballast water discharges were initially considered but were not pursued on the basis of a lack of information and implementation difficulties (implementation and associated difficulties is a key consideration in the Biosecurity Act plan making process).

Table 1

	Options			
Criteria	Option 1 Status quo – each council continues with its own programmes	Option 2 Develop consistent inter-regional pathway rules requiring biofouling thresholds for craft be met <u>at all times</u>	Option 3 Develop consistent inter-regional pathway rules requiring biofouling thresholds for craft be met <u>when moving*</u>	Option 4 Develop consistent inter-regional pathway rules requiring biofouling thresholds for craft be met <u>when moving into / between designated places</u>
Consistency	X	✓✓	✓✓	✓✓
Efficiency (including compliance costs)	✓	X	✓✓	✓

¹ Cranfield et al., 1998. Adventive marine species in New Zealand. NIWA Technical Report 34. ISSN 1174-2631; Kospartov et al. 2008. Non-indigenous and cryptogenic marine species in New Zealand – current state of knowledge: interim report. NIWA MAFBNZ Project BNZ10740.

Effectiveness (across regions)	X	✓✓	✓✓	✓
Ability to implement, monitor and enforce	✓	✓	✓✓	✓

*moving = when not moored or berthed at a structure designed and authorised for that purpose

The preferred approach recommended by the project partners is: a joint marine pest pathway plan applying within the coastal marine area of all four regions that sets a requirement for all craft to meet biofouling standards when moving (i.e., when they are not moored or berthed). The rationale for this recommended approach is:

- The movement of biofouled craft / vessels is the primary mechanism for the spread of marine pests.
- Requiring craft to comply with a specified level of fouling is proactive in that it manages risk without relying on detecting pest species on craft / vessels (i.e., compliance action can be taken in relation to fouled craft / vessels without needing to confirm the presence of marine pests which can be costly / problematic in many cases).
- The four regions of Northland, Auckland, Waikato and Bay of Plenty have a high proportion of New Zealand's vessel fleet and therefore face the greatest risk from this pest pathway.
- The approach is generally consistent with the controls that already apply to craft / vessels entering New Zealand under the international craft risk management standards.
- There is a precedent established through the Fiordland and Northland marine pest pathway plans and the Biosecurity Act 1993 provides for pathway plans to be jointly prepared and implemented by councils.
- Requiring vessels to meet a biofouling standard at all times is likely to be cost-prohibitive (Option 2 is likely to have very high compliance costs).
- Tracking vessel movements between designated places can be problematic (Option 4 relies on establishing a vessel has moved between places).
- The status quo will not lead to consistency and is complex for boat owning public (with different rules / standards in each region).

Initial cost / benefit analysis indicates Options 3 and 4 are more likely to result in net benefits than Options 1 and 2 (Note: the cost / benefit analysis uses upper and lower 'bounds' to test variations in costs and benefits rather than generating a single net cost / benefit figure). Table 2 below represents an average of the upper and lower bounds for each option. The results of the initial cost / benefit analysis are summarised in Table 2 below:

Table 2 - Initial Northland benefit cost analysis² for inter-regional marine pest management pathway options³

Variable by upper and lower bound		Option 1. Status Quo	Option 2. All the time	Option 3. When moving	Option 4. When moving into/ between designated places
Average across upper and lower bounds	Benefit (\$M)	\$3.3	\$22.7	\$24.8	\$23.6
	Private costs (\$M)	\$0.0	\$19.9	\$11.5	\$7.1
	Public costs (\$M)	\$5.4	\$8.9	\$8.4	\$7.9
	Total Cost (\$M)	\$5.4	\$28.8	\$19.9	\$15.0
	Net benefit (B-C) (\$M)	-\$2.1	-\$6.1	\$4.9	\$8.6
	Benefit/Cost ratio	0.6	0.8	1.2	1.6

While Option 4 is more likely to have a better net benefit (largely due to lower private costs of compliance and slightly lower public costs), experience to date with the Northland Marine Pest Pathway Plan indicates ability to monitor and enforce (implementation) is another key factor for decision making – Option 3 is likely to be simpler for all parties and easier to monitor and enforce as it does not rely on monitoring movement between places.

If council were to authorise development of a formal proposal (as recommended) and subsequently make an inter-regional pathway plan based on the preferred option outlined above, there would need to be an amendment to the current pathway rules in Northland. However, this is a relatively simple procedural matter. Implementation approaches and costs are expected to remain much as they are currently, with the exception that the change would likely mean monitoring and compliance is simpler.

Next steps

If council approves the development of a proposal for an inter-regional marine pest pathway plan, staff would present the formal proposal (with supporting information required under the Biosecurity Act 1993) to council for consideration later in 2020. Council (and the other partner councils) would then consider the proposal against six key steps in the Biosecurity Act 1993. The process for making an inter-regional marine pest pathway plan can effectively be condensed into two sets of decisions. These are summarised in Table 3 below.

Plan making step	Section of the Biosecurity Act
Steps 1 – 3	<ul style="list-style-type: none"> Initiate the plan by proposal under section 90 BSA; Assess the draft against the requirements of section 91 BSA; and Decide to publicly notify the proposal for a submissions and hearings process under section 92 BSA. This step would also decide on the nature of that process.
Steps 3 – 6	<ul style="list-style-type: none"> Achieve satisfaction on consultation under section 92 BSA after the public submissions and hearings process; Approve preparation of the plan and decide the management under section 93 BSA;

² Numbers in the table are the cumulative ten-year present value of benefits and costs using a 4% discount rate.

³ For each management option, consideration was given to the extent to which it would reduce both the introduction and spread of marine pests in Northland.

	<ul style="list-style-type: none"> Assess the plan against the requirements of section 94 BSA (which includes satisfaction that there will be adequate funding for the implementation of the plan for the shorter of its proposed duration and five years; and Decide on the plan under section 95 BSA by producing a report which sets out the reasons for accepting or rejecting submissions, and the decided form of the plan.
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The development of the 'proposal' itself is not expected to require significant resource and for the most part can be progressed by the project partners in-house and on a cost-sharing basis (as has been the case to date). In the event the proposal is pursued, submissions could be heard by independent commissions or a panel of elected representatives from each council to ensure consistent recommendations back to each partner council.

Staff recommend that council authorise the development of an inter-regional marine pest pathway proposal on the basis of Option 3 as outlined above. Once developed, the proposal would be put to council for consideration and a decision on whether or not to proceed further (i.e., public notification and submission processes). It is also recommended that staff / project partners be authorised to undertake targeted engagement with Māori and key stakeholders⁴ in further developing the proposal and preferred option. The results of this consultation would be reported to council.

Considerations

Options

No.	Option	Advantages	Disadvantages
1	Maintain the status quo (do not authorise development of a formal proposal).	No further resourcing requirements.	No further progress is made to develop a consistent approach to managing the risk of marine pests spreading across (and beyond) the four regions.
2	Delay the decision to proceed with a formal proposal.	Opportunity for further consultation / analysis.	Risk losing stakeholder and agency support for improved rules. Risk that partner councils proceed without Northland Regional Council.
3	Authorise staff to develop a formal proposal for an inter-regional marine pest pathway plan under the Biosecurity Act 1993 in conjunction with project	Further progress is made on the consistent management of marine pests across the top of the North Island.	Staff resources will be needed to manage the project.

⁴ Key stakeholders include TON partnership agencies, iwi representatives, marinas and haul-out facilities, regional harbourmasters, science partners (Cawthron institute, NIWA, Universities, independent experts), boating and fishing clubs, and community groups.

	partners (targeting the movement of bio-fouled vessels).		
4	Develop a proposal based on another option (e.g., require biofouling thresholds be met at all times).	Further progress is made on the consistent management of marine pests across the top of the North Island.	Likely to be inconsistent with partner regions / agency recommendations. Staff resources will be needed to manage the project.

The staff's recommended option is **Option 3** as per the recommendation in this item. This will provide staff with the authority to prepare the proposal, refine the cost / benefit analysis, engage with Māori and wider stakeholders and bring the formal proposal back to council for consideration. Council can then make a decision on how to proceed.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities. The decision to develop a formal proposal for a pathway plan under the Biosecurity Act 1993 does not commit council to a particular course of action at this time. Once a formal proposal has been developed council can then decide on the need for further engagement / consultation or analysis and the process by which this should occur (and in fact council is required to consider these matters under the Biosecurity Act). This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions on this matter without undertaking further consultation or engagement. The development of a proposal for a joint pathway plan under the Biosecurity Act 1993 has been the subject of consultation across the four subject regions and further engagement will be undertaken in development of the proposal.

3. Policy, risk management and legislative compliance

The decision to authorise the development of an inter-regional marine pest pathway plan proposal is the first step in meeting the requirements of section 90 and subsequent sections of the Biosecurity Act 1993 relevant to the making of Regional Pathway Plans. The decision is therefore consistent with the relevant legislation. The legislative steps in the Biosecurity Act 1993 will also be applied should council decide to proceed further, including the requirement that council is satisfied consultation / engagement has been adequate.

Further considerations

4. Community views

The results of the public discussion document during 2019 indicated there is a good level of support for more action to prevent the spread of marine pests, and in particular ensuring consistent rules are put in place. While there are also known sectors of the community who oppose (further) controls, much of this concern relates to how costs are apportioned rather than the pathway rules. However, specific consultation on the preferred option outlined in this item has yet to be undertaken. The Biosecurity Act process of making the Pathway Plan (subject to future council decisions) requires council to be satisfied consultation has been

adequate and this decision on whether to develop a formal proposal in itself does not impact on any stakeholders staff are aware of.

5. Māori impact statement

Engagement with Māori to date (through Te Taitokerau Maori and Council Working Party and the Māori Technical Advisory Group) indicates a good level of support for more action to prevent the spread of marine pests. Also, past submissions received from iwi, whānau and hapu have supported rules aimed at preventing the spread of marine pests. However, specific consultation on the preferred option outlined in this paper has yet to be undertaken. The Biosecurity Act process of making the Pathway Plan (subject to future council decision) requires council to be satisfied consultation has been adequate and this decision on whether to develop a formal proposal in itself does not impact on any stakeholders staff are aware of.

6. Financial implications

Costs for developing the proposal can be met within existing budgets and are shared across partner agencies. The financial implications of implementing a joint pathway plan (if such were to proceed) are more significant but likely to be similar in scale to those associated with the current pathway plan. Staff also consider there would likely be some efficiency gains in implementing a joint pathway plan across four regions – more detail on implementation and costs will be provided with the formal proposal.

7. Implementation issues

There are no anticipated issues in developing the proposal other than coordination with multiple partners. If a joint pathway plan is pursued, each region has discretion over how it would be implemented in its jurisdiction. There is a risk that available resources or implementation challenges (e.g. a high number of vessels) will lead to inconsistent implementation across the regions. However, it is likely an agreed approach to implementation will be developed to ensure a level of consistency is provided for council and public certainty.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Bruce Howse
Title: Group Manager - Environmental Services
Date: 10 March 2020

TITLE: Draft Council Submission on Proposed NES Outdoor Storage of Tyres

ID: A1292030

From: Justin Murfitt, Strategic Policy Specialist

Executive summary/Whakarāpopototanga

This report seeks the approval of a draft submission on a Proposed National Environmental Standard for the outdoor storage of tyres (Proposed NES). The Proposed NES aims to provide a consistent regulatory approach for outdoor storage of tyres. The primary risks associated with stockpiled tyres are fire risk and leachate. Currently each council is responsible for developing rules on tyre storage as appropriate (i.e. there are no national standards/rules). Staff have developed a draft submission for consideration by council (**attached**). Submissions close on 25 March 2020.

Recommendation(s)

1. That the report 'Draft Council Submission on Proposed NES Outdoor Storage of Tyres' by Justin Murfitt, Strategic Policy Specialist and dated 2 March 2020, be received.
2. That council approves the submission and that it be lodged with the Ministry for the Environment before 25 March 2020.
3. That council authorise the Chief Executive Officer to make minor typographical, formatting or grammatical changes prior to it being lodged with the Ministry for the Environment.

Background/Tuhinga

Outdoor storage of tyres has the potential to create fire hazards and associated discharge of toxic / carcinogenic compounds that in the past have required evacuation of nearby residents – contaminants resulting from fires (and fire suppressants) can also enter soil and water. Poorly stockpiled tyres can, over time, leach contaminants such as cadmium, lead, aluminium, manganese and zinc that can enter soil and water. Stockpiled tyres can also provide habitat for pests (such as mosquitos and rodents), and impact on amenity values. Removal of abandoned tyre stockpiles has created significant financial liabilities that in some cases have been borne by landowners and councils. There are currently no national standards, regulations or rules that apply to the outdoor storage of tyres and each council develops rules as needed – this has led to tyres being moved between jurisdictions to avoid stringent rules / enforcement action.

The Proposed NES aims to manage the risk from harm to human health and the environment from the outdoor storage of tyres and establish a nationally consistent regulatory regime. The key features are summarised as follows:

- A permitted activity rule for outdoor tyre storage less than the discretionary activity threshold (with conditions, including setbacks from water and the national grid).
- A threshold for when consent is required for outdoor tyre storage – two options are being consulted on 100m³ and 200m³ (discretionary activity). Note: Tyres used for weighting silage piles would be exempt from the consent process, but the permitted activity conditions would apply.
- Regional councils would be responsible for implementing and administering the NES on the basis that the key risks are more aligned with the regional council functions than those of

district councils – it also means the issue of existing use rights would not apply to existing stockpiles (existing use rights do not apply to regional plan rules).

Staff have developed a draft submission for council consideration. The key points are summarised below:

- Support for the intent of the Proposed NES;
- Support for a discretionary activity consent process with a threshold volume for outdoor storage of 200m³ threshold;
- Support for permitted activity standards to be applied to outdoor storage of between 40m³ and 200m³ (with controls on setbacks from water, the national grid and plantation forestry);
- Support for implementation / administration of the NES by regional councils (given the issues related to the outdoor storage of tyres are a better fit with the functions of regional councils than districts and regional consenting negates the effect of existing use rights); and
- Support for the exemption from consenting for tyres used for silage (provided they are subject to permitted activity standards).

The Proposed NES is likely to provide an efficient and effective response to the issues associated with the outdoor storage of tyres experienced by multiple councils – especially the phenomenon where storage relocates to more lenient jurisdictions. A draft submission is attached for consideration of council. The consultation period closes on 25 March 2020.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Council does not submit on the consultation document / Proposed NES	No staff time required.	The Ministry does not receive council's views on the proposals.
2	Council submits on the consultation document / Proposed NES	The Ministry receives council's views on the proposals.	Minor staff time required.

The staff's recommended option is Option 2.

2. Significance and engagement

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

3. Policy, risk management and legislative compliance

The decision is consistent with policy and legislative requirements and is considered low risk.

Further considerations

4. Community views

It is likely the subject matter is of some interest to sectors of the community, but no consultation has been undertaken on this specific issue. However, the council submission does not impact adversely on these groups, and in fact is likely to represent a balanced view on the issue.

5. Māori impact statement

It is likely the subject matter is of interest to Māori but there are no known particular impacts which are different from the general Northland community.

6. Financial implications

There are no financial implications with council lodging a submission. Financial implications of implementing the NES (associated with consenting and compliance) are expected to be minor.

7. Implementation issues

There are no significant implementation issues anticipated.

Attachments/Ngā tapirihanga

Attachment 1: Draft NRC submission - Proposed NES on outdoor storage of tyres [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 03 March 2020



Submission

To: Ministry for the Environment

By: Northland Regional Council

On: Proposed National Environmental Standard for the outdoor storage of tyres

1. Introduction

- 1.1. Northland Regional Council (NRC) is grateful for the opportunity to comment on the Proposed National Environmental Standard for the outdoor storage of tyres (proposed NES). NRC's submission is made in the interest of promoting the sustainable management of Northland's natural and physical resources and the social, economic, and cultural wellbeing of its people and communities. Council welcomes the intent of the Proposed NES and considers it will be an improvement over the status quo.

2. Background

- 2.1. NRC generally supports the Proposed NES and considers the issue warrants intervention in the form of national standards given a consistent regulatory framework will provide an efficient means to resolve a number of issues across NZ. Although we do not have a complete understanding of the scale of the issue in Northland, we have experienced several examples of tyres stored in inappropriate locations or in a manner that has the potential to cause environmental harm in our region – these tend to be on the smaller scale (around 50m³) but have been found close to waterbodies, the coastal marine area or in flood plains posing potential risks of impacts on water quality.
- 2.2. NRC would like to acknowledge the Ministry's contribution to upgrading the infrastructure at Golden Bay Cement near Whangarei to enable use of tyres in the manufacturing of cement as this provides an innovative method of disposal. We anticipate the Proposed NES will generally encourage use of end of life tyres at Golden Bay Cement but would be concerned if it added administrative costs / burden to this initiative (i.e. storage associated with use of tyres at the site were subject to unnecessary controls). We comment in more detail on the Proposed NES below.

3. Submission

- 3.1. **Regional council function:** We agree that administration and implementation of the NES should be primarily a regional council responsibility. This is largely on the basis that risks are primarily related to water quality and the fact that 'regional rules' negate the effect of

existing use rights available under Section 10 RMA. If the function were left to district councils under district rules, the Proposed NES could not be applied to existing stockpiles, leaving a significant gap in regulation.

- 3.2. **Definition of site:** We agree that thresholds (for permitted activity and consented volumes) should apply cumulatively per 'site' to avoid the situation where multiple storage piles are created on a property to avoid the volume thresholds. We support using the same definition of 'site' as used in National Planning Standards.
- 3.3. **Thresholds:** In our view it is the larger stockpiles that are the real concern and we therefore consider the threshold for a discretionary activity consent of 200m³ is appropriate and do not see a need for consenting volumes below 200m³ – lowering the threshold to 100m³ would expose significantly higher number of parties to consenting costs for what we expect would be minimal benefit. This view is predicated on the basis that a permitted activity standard also applies to smaller volumes (40m³ – 200m³) to ensure the activity is managed appropriately. In other words, we consider permitted activity standards are adequate to manage stockpiles below 200m³ and see no need to reduce the consenting threshold below 200m³. We therefore support Option B in the consultation document.
- 3.4. **Permitted activity rule:** We strongly support the inclusion of a permitted activity standard for outdoor tyre storage of between 40m³ and 200m³. Storage of tyres at this scale is common in Northland – primarily associated with the making of silage and with tyre retail outlets / auto industry. The conditions of the permitted rule appear sound and we strongly support the setbacks from the coastal marine area (50m), freshwater (20m) and the national grid. The exemption from water setbacks where storage is on impermeable surfaces with bunds to collect contaminants is logical but would benefit from a requirement that any discharge from the storage site must be managed (i.e. discharged to a wastewater network or treated to an acceptable standard prior to discharge to land or water). We would also suggest adding a setback of at least 100m from plantation forestry to mitigate fire risk – a similar requirement for setbacks from residential zoned land (or habitable dwellings) may also be worth considering.
- 3.5. **Exemption for tyres used for silage:** We support an exemption for the storage of tyres used for farm silage from the consenting requirements in the Proposed NES. This is the most common tyre storage activity in Northland and while most would not exceed 50m³ or so, there is some potential for adverse effects on water quality if not managed appropriately. For these reasons we support storage of volumes of 40m³-200m³ being subject to permitted activity standards (subject to the comments above).
- 3.6. **Processing end-of-life tyres:** It is increasingly likely that new uses for old tyres will be found (such as use at Golden Bay Cement) and that this will require some form of processing such as chipping / shredding. The Proposed NES as it stands appears to be silent on the outdoor storage of chipped / shredded tyres (although this may be clarified in definitions). While there is the potential for discharges to exacerbated once tyres are chipped / shredded (given larger surface area) in our experience it is more likely that this material would be

stored in containers and present far less water quality and /or fire risk. On this basis we do not consider there is a need for the Proposed NES to address this activity.

- 3.7. **Guidance:** We support the development of guidance to support implementation of the Proposed NES. In our view this should focus on assisting those likely to fall within scope of the permitted activity rules (E.g. farmers, tyre dealers and auto wreckers) – in Northland these parties will be the cohort most affected and likely to require the most support to achieve compliance.

4. Conclusion

- 4.1. We thank the Ministry for opportunity to comment of the Proposed NES. As noted above we support the intent and proposals in the consultation document (subject to the comments above) – our preference is for Option B to be applied in the Proposed NES (200m³ threshold for resource consent and permitted activity standards applied to volumes of 40m³ – 200m³), with exemption from consenting for storage of tyres used for silage.

Signed on behalf of Northland Regional Council

Malcolm Nicolson (Chief Executive Officer)

Dated: XX March 2020

TITLE: Northland Water Storage and Use Project: Additional Project Funding

ID: A1292235

From: Darryl Jones, Economist and Andrew Carvell, Project Development Manager

Executive summary/Whakarāpopototanga

At its meeting on 16 April 2019, council formally endorsed the Northland Water Storage and Use Project and authorised the Chief Executive to finalise and sign the contract with Ministry of Business, Innovation and Employment (MBIE) to secure up to \$18.5 million in funding from the Provincial Growth Fund (PGF). Council subsequently applied for further funding from the PGF and have been successful in securing an additional \$12 million in funding for the project.

The purpose of this additional funding is to allow schemes in both the Kaipara and Mid-North option areas to proceed past the current Pre-feasibility Phase. The additional PGF funding requires a commensurate lift in the co-funding requirement, but all other conditions of the existing signed funding agreement remain the same. The additional funding and co-funding requirements were discussed at the council workshop on 25 February 2020, after which the Chief Executive Officer signed the funding variation agreement in order to expediate the agreement with MBIE so that the funding would be available for the Feasibility Phase which will commence in April.

This paper seeks retrospective approval for the Chief Executive Officer to sign the funding variation agreement associated with the Northland Water Storage and Use Project.

Recommendation(s)

1. That the report 'Northland Water Storage and Use Project: Additional Project Funding' by Darryl Jones, Economist and Andrew Carvell, Project Development Manager and dated 3 March 2020, be received.
2. That council gives retrospective approval to the Chief Executive Officer to sign the Funding Variation Agreement with MBIE to secure the additional \$12 million in funding from the Provincial Growth Fund for the Northland Water Storage and Use Project.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Authorise the CEO to sign the funding variation agreement.	Provides an additional \$12 million in central government funding, bringing their total funding commitment to \$30.5 million.	Requires council to secure additional co-funding.
2	Not authorise the CEO to sign the funding variation agreement.	Keeps co-funding commitment at current level.	Limits the opportunity to proceed with developing viable scheme options in

			both Kaipara and Mid-North areas.
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The staff's recommended option is Option 1.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it does not qualify as a significant decision when considered against the criteria in the 2018/28 LTP. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

3. Policy, risk management and legislative compliance

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

Further considerations

4. Community views

As part of the methodology used in the scoping of water use scheme options report, the project team identified and spent time with a selected group of stakeholders in both the Kaipara and Mid-North communities. During the current Feasibility Phase of the Project public meetings have been held in these communities, as well as meetings with many individuals and interest groups. Positive feedback has been received from these meetings. A Project Advisory Group, consisting of land owners, tangata whenua representatives, local community representatives, NGOs, and industry, has been established and they are providing valuable insight into the process.

5. Māori impact statement

Māori representatives are participating on the Project Advisory Group. Approximately 20% of land in the two Mid-North study areas is Māori freehold land. A specific plan to engage with Māori landowners to determine likely demand for water storage and use infrastructure is being developed.

6. Financial implications

As discussed, the additional \$12 million in funding from the PGF will require a commensurate increase in the co-funding requirements for the various project phases going forward (Table 1). The total co-funding requirement for the remainder of the pre-construction phases (Feasibility and Commitment Phases) has increased from \$1.2 million to \$1.75 million, an increase of \$550,000.

Table 1. PGF and co-funding requirements by project development phase

		Pre-feasibility	Feasibility	Commitment	Construction	Total
Indicative timing (fiscal year)		2019/20	2020/21	2021/22	2022 onwards	
PGF funding	Original	\$3M	\$2M	\$2m	\$11.5M plus whatever is left over	\$18.5M

	Revised	\$3M	\$2.5M	\$3M	\$22M plus whatever is left over	\$30.5M
Co-funding requirement	Original	\$100,000 (3.2%)	\$200,000 (9.1%)	\$1.0M (33.3%)	To be determined	\$1.30M
	Revised	\$100,000 (3.2%)	\$250,000 (9.1%)	\$1.5M (33.3%)	To be determined	\$1.85M

For the next phase of the Project, the Feasibility Phase, the co-funding requirement has increased from \$200,000 to \$250,000. Council is seeking funding from the Far North and Kaipara District Councils to assist with this co-funding requirement. In the meantime, council's one-third share has been allocated from the Investment and Growth Reserve Project Development category by the board of Northland Inc. For the Commitment Phase, it is intended that a good portion of the funding requirement would be secured from the private sector, proving that there is a commercially viable scheme option developed.

7. Implementation issues

The additional funding will require council to proceed with developing a viable water storage and use scheme option in both Kaipara and mid-North areas. Council has been able to engage several contractors to support this project. The additional funding allocation from the PGF is a signal that central government is confident that council can deliver the Project based on work done to date.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 10 March 2020

TITLE: LGNZ Remits

ID: A1292387

From: Linda Harrison, Organisational Project Manager

Executive summary/Whakarāpopototanga

The purpose of this report is to confirm council's approval to submit two remits to the next Zone 1 and Regional Sector meetings with a view to gaining the support needed to take the remits to the LGNZ AGM in July 2020.

Recommendation(s)

1. That the report 'LGNZ Remits' by Linda Harrison, Organisational Project Manager and dated 3 March 2020, be received.
2. That council support the submission of the remit to extend the electoral cycle from three to four years to the next Zone 1 and Regional Sector meetings and subsequently the LGNZ AGM.
3. That council support the submission of the remit to request LGNZ provide video conferencing capability to the next Zone 1 and Regional Sector meetings and subsequently the LGNZ AGM.

Background/Tuhinga

It was resolved at the February council meeting to make a remit to Local Government New Zealand (LGNZ) to extend the electoral cycle from three to four years. Following that decision, further investigation into the process for doing this has been clarified and explained later in this report. In addition, council has indicated that they would also like to make a remit to LGNZ to provide video conferencing capability for both elected representatives and staff.

LGNZ HQ has no video conferencing capability. Informal requests to provide this service have been made previously but no progress has been made. The lack of video conferencing capability puts the sector at complete odds with global and national priorities on reducing emissions and mitigating the impacts of climate change. Providing councils with no option but to undertake travel, often for only a few hours of meeting benefit, also puts LGNZ at direct odds with its own position on climate change and its own submission on the Climate Change Response (Zero Carbon) Amendment Bill. This council is of the opinion that LGNZ must live up to its own stated vision of enabling best practice and providing the maximum value possible for its members.

Copies of both remits are attached to this report for council's final confirmation or amendment.

LGNZ has a detailed format and process that must be followed to make a remit at their AGM which will be held in July 2020. Included in these requirements is that remits must have the formal support of at least one zone or sector group or five councils prior to them being submitted for the AGM agenda. Consequently, it is proposed to take these two remits to the next Zone 1 and Regional Sector Group meetings.

This matter is now set down for discussion.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Submit remits to Zone 1 and Regional Sector Group meetings to gain the formal support needed to include these items on the agenda for the LGNZ AGM	Councils will have the benefits of a longer term in office before elections.	Every three elections, local government elections will occur in the same year as national elections – unless the national election cycle is also extended to four years.
		Councils will have the opportunity to reduce their carbon emissions by reducing travel to national meetings.	Council's will lose the perceived benefits of meeting face to face instead of via technology.
2	Do not submit remits	There will be no change.	Councils will not have the benefits of a longer term in office before elections.
			Councils will not have the opportunity to reduce their carbon emissions by reducing travel to national meetings.

The staff's recommended option is option 1.

2. Significance and engagement

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

3. Policy, risk management and legislative compliance

The activities detailed in this report are part of the normal operating of the governance function and as such have been approved in the 2018–28 Long Term Plan approved in accordance with the council's decision-making requirements of sections 76-82 of the Local Government Act 2002.

Further considerations

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

Attachments/Ngā tapirihanga

Attachment 1: Remit - Electoral Cycle [↓](#)

Attachment 2: Remit - Video Conferencing [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 10 March 2020

Remit to LGNZ Zone 1 meeting.
March 2020

Name of member proposing the remit
Northland Regional Council Contact: Penny Smart, Chairperson, Northland Regional Council pennys@nrc.govt.nz
Proposed remit
That the local government electoral cycle be extended from three to four years.
Background
The election cycle, or term of office, refers to the number of years an elected representative serves between local government elections. In New Zealand, the length of the term of office of a local government elected representative is three years. At a meeting of Northland Regional Council on 18 February 2020, it was agreed to seek formal support for this remit from Zone 1 as a pre-requisite for proposing at the LGNZ 2020 AGM.
Nature of the issue being raised
Advocates for extending the election cycle to four years would say that a longer electoral term: <ul style="list-style-type: none">• Promotes longer term thinking and decision making by councillors. An example of this would be a longer electoral cycle would encourage councillors to lengthen their investment horizon when making financial investment decisions;• Allows for more time to implement a local government vision by extending the productive working time of a council and reducing councillor turnover;• Gives more time for new councillors to learn and conduct their duties thereby increasing councils' overall productivity as councillors spend more time governing and less time campaigning;• Reduces voter fatigue and in turn may result in increased voter turnout;• Reduces the administration costs of setting up and inducting a new council thereby increasing operational efficiency – particularly of governance staff;• Provides more opportunity to direct energy and provide certainty for longer term planning and more significant activities such as large capital projects;• More stable decision-making framework for council through greater opportunity for long term planning;• Enables implementation of longer term council policies within a single term of office;• Less pressure on new councillors to get up to speed;• Longer terms have the potential to be more conducive to stable governance; and• Provides cost savings by reducing the number of elections. The cost of the last election was approx. \$180,000 – a four year cycle would save this complete amount each third electoral cycle. Opponents would say that: <ul style="list-style-type: none">• A longer electoral term is a barrier to participation as potential councillors must make a longer commitment to their term in office;• There is additional expense to educate the public of the change as New Zealanders are very accustomed to three year electoral cycles for both local and national government;

- The shorter term enforces more accountability on elected representatives who face getting voted out if they don't perform as expected;
- Elected representatives must engage more frequently with constituents as they seek to stay top of mind for the next election;
- A longer term may be seen by some as reducing accountability as the community must wait a year longer to judge their council's performance through the voting process; and
- A longer time between elections gives voters less opportunity to express their opinions on the performance of their elected officials.

Implications

Extending the local government electoral cycle from three to four years would result in local government and central government elections being held in the same year once every three years. If this was considered to be an issue, then the central government electoral cycle could also be extended to four years. Similar advantages and disadvantages to the change would apply.

Outcome wanted

Formal support from this Zone 1 meeting for the remit to be proposed at the 2020 LGNZ AGM. The deadline for submitting a remit to LGNZ is 11 May 2020.

Remit to LGNZ Zone 1 meeting.
March 2020

Name of member proposing the remit
Northland Regional Council Contact: Penny Smart, Chairperson, Northland Regional Council pennys@nrc.govt.nz
Proposed remit
That LGNZ provide access to video conferencing facilities to allow staff and elected representatives to attend meetings remotely.
Background
<p>LGNZ HQ has no video conferencing capability. Informal requests to provide this service have been made previously but no progress has been made.</p> <p>The lack of video conferencing (VC) capability puts the sector at complete odds with global and national priorities on reducing emissions and mitigating the impacts of climate change. Providing councils with no option but to undertake travel, often for only a few hours of meeting benefit, also puts LGNZ at direct odds with its own position on climate change and its own submission on the Climate Change Response (Zero Carbon) Amendment Bill. LGNZ must live up to its own stated vision of enabling best practice and providing the maximum value possible for its members.</p>
Nature of the issue being raised
<p>The lack of VC means the price of participation in sector business disproportionately impacts smaller and/or more remote councils. Travel distances often mean that air travel is more resource efficient than driving. With domestic air travel responsible for 43% of this council's total carbon emissions, LGNZ's lack of a VC option is not only a barrier to our continued participation in the sector, but also a barrier to our ability to "do our bit" for climate change and reduce our emissions. This is an uncomfortable position for any council wanting to provide a leadership example on climate change with their communities, and particularly so for a regional council at the forefront of sustainable environmental management.</p>
Implications
<p>All councils have an obligation to deliver better value to ratepayers and the wider community. Providing a means of sector participation that in turn allows council's to save money and emissions should be a foregone conclusion. Undertaking extensive land and air miles to often attend a meeting for only a few hours is a luxury of the past.</p> <p>It is no longer good enough for us to only "talk the talk" – we all must "walk the walk". LGNZ must provide a level playing field for all councils to participate in our sector and demonstrate "responsive leadership and a holistic approach to climate change" as a matter of urgency. <i>Quote: Page 2 LGNZ position statement on climate change, July 2017.</i></p>
Outcome wanted
Formal support from this Zone 1 meeting for the remit to be proposed at the 2020 LGNZ AGM. The deadline for submitting a remit to LGNZ is 11 May 2020.

TITLE: Regional Software Holdings Limited - Six Month Report to 31 December 2019

ID: A1292399

From: Dave Tams, Group Manager, Corporate Excellence

Executive summary/Whakarāpopototanga

Regional Software Holdings Limited (RSHL) produce a six month report for shareholders each year (**Attachment 1**).

Recommendation(s)

That the report 'Regional Software Holdings Limited - Six Month Report to 31 December 2019' by Dave Tams, Group Manager, Corporate Excellence and dated 3 March 2020, be received.

Background/Tuhinga

Six Month Report to 31 December 2019

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

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

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

Of note is the financial report that they are at risk of not meeting their financial target of operating within 5% plus or minus of its approved shareholder budget (P4).

- At Risk spend on capital development has been reduced in favour of operational spend to identify the eventual replacement of IRIS,
- ReCoCo activity continues to be unpredictable, although this does not impact on RSHL balance sheet. All variations to budget have been approved by the board.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Receive the six month report.	Shareholder updated on financial performance.	No material disadvantage.
2	Do not receive the revised RSHL six month report.	None.	Shareholder not undertaking appropriate governance.

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 when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long Term Plan. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

Policy, risk management and legislative compliance

The decision is consistent with policy and legislative requirements.

Further considerations

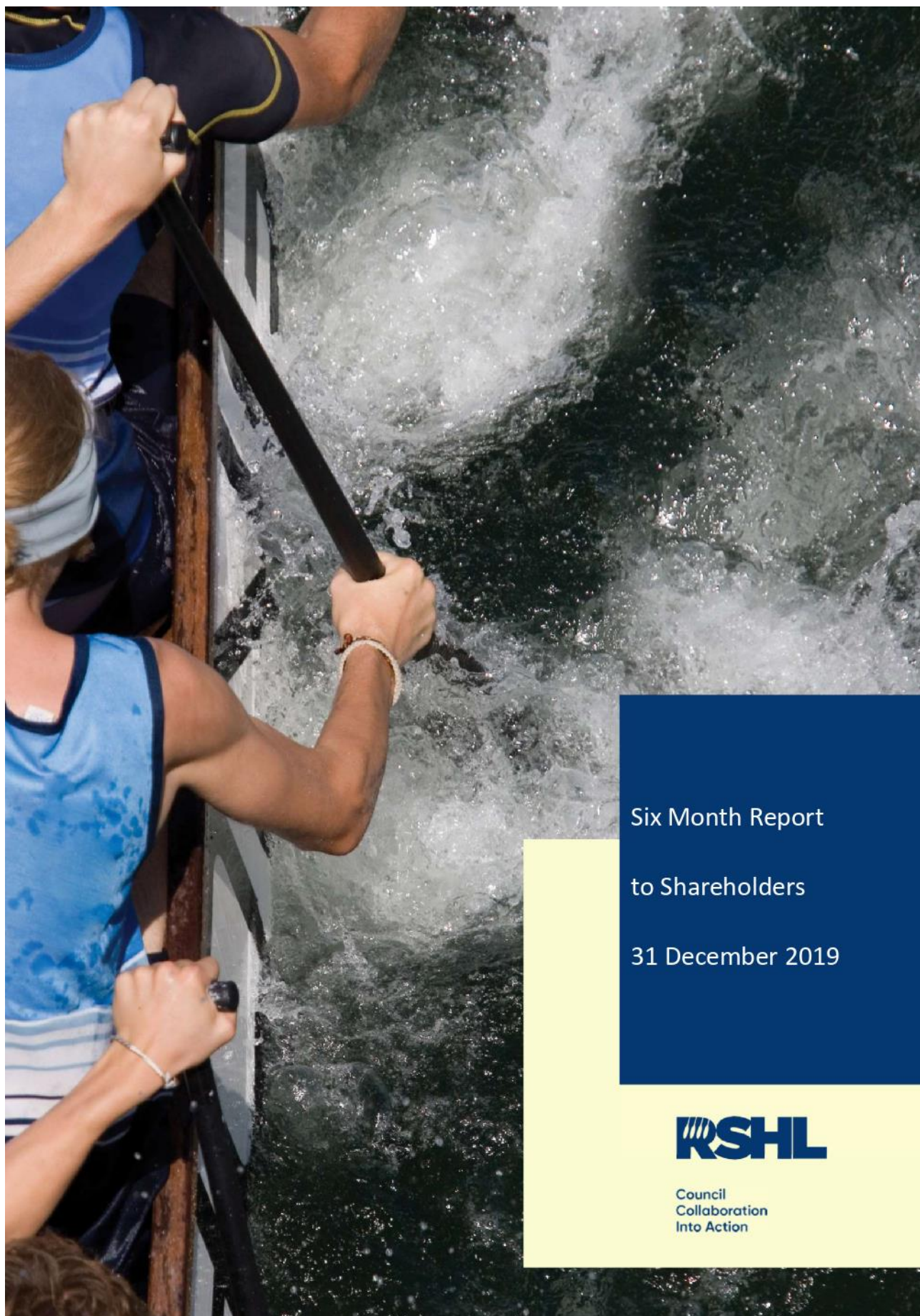
Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable.

Attachments/Ngā tapirihanga

Attachment 1: RSHL Six Month Report to Shareholders 31 December 2019 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 03 March 2020



Six Month Report
to Shareholders
31 December 2019

RSHL

Council
Collaboration
Into Action

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



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Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Introduction

Regional Software Holdings Limited (RSHL) was incorporated in October 2012. This report covers the 6 months from 1 July 2019 to 31 December 2019 as required by Section 66 of the Local Government Act 2002. RSHL has no subsidiaries or joint ventures.

Type of Entity and Legal Basis

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

Structure of the Company

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

Main sources of RSHL's Cash and Resources

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

Nature and Scope of Activities to be Undertaken

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

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

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

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

Vision

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

Mission

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

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Values

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

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

Objectives

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

The secondary objective of RSHL is to:

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

Service Performance

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

Items of significance during the six months include:

- Two IRIS releases have been successfully delivered in the current year to date. This included four major enhancements, four minor enhancements and twenty-one support fixes funded by RSHL; plus two minor enhancements funded by individual councils.
- RSHL initiated the process to find the eventual replacement for the IRIS software platform. Staff from 10 councils are participating in this process which is expected to take 2 years.
- RSHL continues to receive funding from across the sector to deliver collaborative projects that are put forward by sector Special Interest Groups (SIGs) as part of the ReCoCo¹ initiative. The initiative aims to leverage RSHL as the 'vehicle' for delivering common and consistent processes across the sector. RSHL currently has 7 initiatives under management and several initiatives in development with the SIGs.
- RSHL completed a branding exercise to position the company for the future. RSHL had previously operated without a defined brand. Branding enables the company to better position itself and deliver greater value to shareholders and the sector.

Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2019-20 financial year.

¹ Regional Council Collaboration

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Performance Measures		For the period ending 31 December 2019
Non Financial	Undertake an annual survey of users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Baseline to be developed following the completion of the first survey.	Complete. The first annual survey was undertaken in July 2019. The next survey will be in July 2020.
	Develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. Draft annual roadmap presented to the Board by 31 December of each year for the following year. Adoption by the Board by 30 June of each year.	On Track The product roadmap for IRIS was presented, discussed and agreed at the board meeting in December 2019.
	Major Enhancement projects identified on the Annual Roadmap are all completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	On track
	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group.	On Track
	User Groups and business representatives are engaged in the development of the Major Enhancement Annual Roadmap.	On Track Representatives from all IRIS councils have been actively involved in developing the enhancement roadmap.
Financial	RSHL will operate within 5% (plus or minus) of its shareholder approved annual budget.	At Risk Spend on capital development has been reduced in favour of operational spend to identify the eventual replacement for IRIS. ReCoCo activity continues to be unpredictable, although this does not impact on RSHL balance sheet. All variations to budget have been approved by the board.
	Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	On track
	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL. <i>(Applies once in 3 year period)</i>	On Track ReCoCo has helped to extend the customer base of RSHL with all 16 councils in the sector engaged in one or more projects. In addition, 10 councils are working with RSHL to identify the eventual replacement for IRIS.

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Performance Measures		For the period ending 31 December 2019
	Consider, evaluate and, if appropriate, implement new service areas or areas outside of the current scope of IRIS ²	On Track This is largely being achieved through the ReCoCo initiative.
	Be a service delivery agent for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the Regional Council Corporate Services SIG.	On Track RSHL currently has 7 ReCoCo initiatives under management and several initiatives in development with the SIGs. The Sector business plan led by the RCEOs Group identifies multiple ReCoCo projects for RSHL to deliver.

² Consider does not mean commit to do, but to identify & evaluate one or more opportunities

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



RSHL Financial Position

Revenue is tracking favourable to budget due to other income for members reimbursements being invoiced ahead of schedule.

Operating expenditure is tracking unfavourable to budget with additional costs not previously budgeted such as Promotional Costs and external contractor costs. These costs are necessary to deliver on the RSHL strategic direction.

The cash position is not as favourable to budget due to the unbudgeted expenses discussed above.

ReCoCo revenue is \$34,826 behind budget. It is expected that this situation will continue for the remainder of the year. RSHL held \$161K of ReCoCo funding at the start of the year and the fund is topped up only "as-required".

It is expected that the cash position will improve by year end however with the third and fourth quarter members contributions to come and additional ReCoCo income.

Shareholdings & Directors

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

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

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

Director Appointed By	
Mike Nield (Chairman)	Taranaki Regional Council
John Crane	Waikato Regional Council
Malcolm Nicolson	Northland Regional Council
Ged Shirley	Horizons Regional Council
Les Gibbs	West Coast Regional Council
Neil Selman	Southland Regional Council
Asbjorn Aakjaer	Independent.

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Financial Statements

Statement of Financial Performance

For the Six Month Period Ending 31 December 2019

	Notes	31-Dec-19 6 Months Unaudited \$	31-Dec-18 6 Months Unaudited \$	30-Jun-20 12 Months SOI \$	30-Jun-19 12 Months Audited \$
Regional Software Holdings Activity					
Income					
Members contribution		569,963	838,183	1,139,931	1,210,458
User funding		75,716	117,939	151,432	-
Interest income		103	155	600	391
Other income	1	84,616	72,312	65,905	218,064
Total Income		730,398	1,028,589	1,357,868	1,428,913
Expenses					
Administration & Technical Support	2	13,175	15,925	38,520	32,330
Audit fees		-	-	5,900	5,250
Personnel Costs		45,865		155,000	24,046
Datacom support charges		114,164	103,456	208,260	172,653
Management fees		47,192	65,394	50,400	125,926
Environmental Charges		11,794	5,556	20,000	14,258
Implementation Costs		-	4,575	-	6,551
Technical Services		90,231	-	150,000	-
External Contractors and Consultants		9,327			
Other Direct Software Expenses		61,590	67,358	77,905	207,097
Travel, meeting & promotional costs		11,629	3,532	10,600	8,897
Independent Director		15,000	15,000	30,600	30,000
Depreciation		438,113	397,878	827,855	817,721
Total Expenses		858,080	678,674	1,575,040	1,444,729
Operating Surplus from RSHL Activities		- 127,682	349,915	- 217,172	- 15,816
ReCoCo Activity					
Income					
Regional sector shared services		51,875	220,000	210,000	51,059
Total Income		51,875	220,000	210,000	51,059
Expenses					
Regional sector shared services		86,701	15,956	110,000	41,595
Total Expenses		86,701	15,956	110,000	41,595
Operating Surplus/-Deficit from ReCoCo Activities		- 34,826	204,044	100,000	9,464
Total Operating Surplus/-Deficit		- 162,508	553,959	- 117,172	- 6,352
Taxation					
					-
Net Profit/-Loss After Tax		- 162,508	553,959	- 117,172	- 6,352

- The accompanying notes form part of these financial statements.

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Statement of Financial Position

For the Six Month Period Ending 31 December 2019

	Notes	31-Dec-19 6 Months Unaudited \$	31-Dec-18 6 Months Unaudited \$	30-Jun-20 12 Months SOI \$	30-Jun-19 12 Months Audited \$
Assets					
Current assets					
Bank Accounts and Cash	3				
RSHL		362,739	286,728	513,548	282,355
ReCoCo		121,604	204,044		
Debtors and Prepayments	4	139,956	422,088		383,469
GST Receivable			-		-
Withholding Tax Paid		109	130		115
Total Current Assets		624,408	912,990	513,548	665,939
Non-Current Assets					
Property, Plant and Equipment	5	4,681,376	4,990,914	4,703,489	4,885,346
Non-Current Assets		4,681,376	4,990,914	4,703,489	4,885,346
Total Assets		5,305,784	5,903,904	5,217,037	5,551,285
Liabilities					
Current Liabilities					
Creditors and Accrued Expenses	6	91,519	88,543	-	182,054
Revenue in Advance ReCoCo		161,441			161,441
GST		16,648	56,367	-	9,106
Income Tax			-	-	
Total Current Liabilities		269,608	144,910	0	352,601
Total Liabilities		269,608	144,910	0	352,601
Net Assets		5,036,176	5,758,994	5,217,037	5,198,684
Represented By:					
Equity					
Equity		5,149,150	5,149,150	5,149,150	5,149,150
Current Year Earnings	-	162,508	553,959	- 117,172	- 6,351
Retained Earnings		49,534	55,885	185,059	55,885
Total Equity	7	5,036,176	5,758,994	5,217,037	5,198,684

The accompanying notes form part of these financial statements.

MJ Nield - Chairman
Xx xx xx

G Shirley – Director
Xx xxx xx

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Statement of Financial Cashflows

For the Six Month Period Ending 31 December 2019

Notes	31-Dec-19 6 Months Unaudited \$	31-Dec-18 6 Months Unaudited \$	30-Jun-20 12 Months SOI \$	30-Jun-19 12 Months Audited \$
Cash flows from Operating Activities				
Cash was provided from:				
Receipts from Members	890,957	886,893	1,595,770	919,615
Interest	103	155	-	391
Other Income	106,364	-	-	180,948
Total Operating Receipts	997,424	887,048	1,595,770	1,100,954
Cash was applied to:				
Payments to Suppliers	- 521,604	- 347,315	- 867,678	- 589,313
Net GST Movement	38,686	24,855	-	7,346
Interest/Withholding Tax	- 4	-	-	-
Total Operating Payments	- 482,922	- 322,460	- 867,678	- 596,659
Net cash from operating	514,502	564,588	728,092	504,295
Cash flows from Investing Activities				
Cash was applied to:				
Purchase of Fixed/Intangible Assets	- 312,516	- 379,510	- 950,000	- 740,133
Total Investment Payments	- 312,516	- 379,510	- 950,000	- 740,133
Net cash from investing	- 312,516	- 379,510	- 950,000	- 740,133
Cash flows from Financing Activities				
Cash was provided from:				
Capital raised	-	-	-	-
Total Financing Receipts	-	-	-	-
Net cash from financing	-	-	-	-
Net increase (decrease) in cash flow for the year	201,986	185,078	- 221,908	- 235,838
Opening Cash Balance	282,356	305,693	513,548	305,693
Closing Cash Balance	484,342	490,771	291,640	69,855
Made up of:				
Westpac Current Account	404,225	130,796	25,000	102,261
Westpac Online Saver Account	80,118	359,976	267,241	180,095
	484,343	490,772	292,241	282,356

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



Statement of Accounting Policies

Reporting Entity

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

The financial statements are those of RSHL, for the six months ended 31 December 2019, and were authorised for issue by the Board of Directors on 20 February 2020.

Public Benefit Entity Simple Format Reporting

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

Basis of Preparation of the Financial Statements

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

Statement of Compliance

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

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

These financial statements comply with PBE Standards.

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

Changes in Accounting Policies

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

Summary of Significant Accounting Policies

Revenue

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

- a) Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.
- b) Interest revenue is recorded as it is earned.

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received. Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

Bank Accounts and Cash

Cash and cash equivalents includes cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts. Bank overdrafts are presented as a current liability in the Statement of Financial Position.

Debtors

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

Inventories

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

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

Depreciation

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

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



The carrying value is depreciated on a straight-line basis over its useful life. The useful life and associated depreciation rate for the IRIS software suite is 10 years and 10%. Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

For this financial year one staff member was employed by RSHL.

Remuneration Bracket	Staff
100,000-110,000	0
110,000-120,000	0
120,000-130,000	0
130,000-140,000	0
140,000-150,000	0
150,000-160,000	1
160,000-170,000	0
170,000+	0

The audit fee for the six months period is expected to be \$nil (GST exclusive) paid to Audit New Zealand.

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



Notes to the Financial Statements

For the Six Month Period Ending 31 December 2019

1. Other Income

	31-Dec-19 6 Months Unaudited	31-Dec-18 6 Months Unaudited	30-Jun-20 12 Months SOI	30-Jun-19 12 Months Audited
Recovery of other direct software expenses	84,616	67,946	67,289	57,750
Hawkes Bay Regional Council Reimbursements	-	4,366		5,259
User Funding - Hawkes Bay Regional Council	-	-		155,055
Total Other Income	84,616	72,312	67,289	218,064

2. Administration Costs

	31-Dec-19 6 Months Unaudited	31-Dec-18 6 Months Unaudited	30-Jun-20 12 Months SOI	30-Jun-19 12 Months Audited
Administration Support	1,507	520	9,125	449
Accounting & Technical Support	9,327	13,171	29,395	29,756
Legal expenses	-	-	-	-
Insurance	2,230	2,125	-	1,866
External contractors	-	-	-	-
Bank Fees	111	109	-	259
Total Administration Support	13,175	15,925	38,520	32,330

3. Bank Accounts and Cash

	31-Dec-19 6 Months Unaudited	31-Dec-18 6 Months Unaudited	30-Jun-20 12 Months SOI	30-Jun-19 12 Months Audited
Current Account	404,225	130,796	25,000	102,261
Savings Account	80,118	359,976	267,241	180,095
Total Bank Accounts and Cash	484,343	490,772	292,241	282,356

4. Debtors and Prepayments

	31-Dec-19 6 Months Unaudited	31-Dec-18 6 Months Unaudited	30-Jun-20 12 Months SOI	30-Jun-19 12 Months Audited
Debtors	139,956	422,088	-	383,469
Prepayments	-	-	-	-
Total Debtors & Prepayments	139,956	422,088	-	383,469

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



5. Property, Plant and Equipment

IRIS Software Intellectual Property

Carrying amount as of 01 July 2018	4,986,203
Additions	744,903
Depreciation Expense	- 813,341
Work in Progress written off/impaired	- 70,028
Carrying Amount as of 30 June 2019	4,847,737
Carrying amount as of 01 July 2019	4,847,737
Additions	234,143
Depreciation Expense **	- 433,632
Carrying Amount as of 31 December 2019	4,648,248

* WIP includes individual Council funded for Hawkes Bay
Regional Council Funded \$7,719

E-learning Software

Carrying amount as of 01 July 2018	39,690
Additions	-
Depreciation	- 4,252
Carrying Amount as of 30 June 2019	35,438
Carrying amount as of 01 July 2019	35,438
Additions	-
Depreciation expense	- 4,252
Carrying Amount as of 31 December 2019	31,186

Computer Hardware

Carrying amount as of 01 July 2018	-
Additions	2,299
Depreciation	- 128
Carrying Amount as of 30 June 2019	2,171
Carrying amount as of 01 July 2019	2,171
Additions	-
Depreciation expense	- 229
Carrying Amount as of 31 December 2019	1,942

Total Asset Carrying Amount as of 31 December 2019	4,681,376
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6. Creditors and Accrued Expenses

	31-Dec-19	31-Dec-18	30-Jun-20	30-Jun-19
	6 Months	6 Months	12 Months	12 Months
	Unaudited	Unaudited	SOI	Audited
Creditors	76,009	79,434	-	156,272
PAYE Payable	5,908	-	-	3,939
Employee Entitlements	-	-	-	7,408
Accrued expense – Waikato Regional Council Dec 201	9,602	9,109	-	-
Accrued Expense – Audit NZ	-	-	-	5,250
Accrued expense – ReCoCo Shared Services	-	-	-	9,185
Total Creditors and Accrued Expenses	91,519	88,543	-	182,054

Regional Software Holdings Ltd—Six Month Report to 31 December 2019



7. Equity

	31-Dec-19 6 Months Unaudited	31-Dec-18 6 Months Unaudited	30-Jun-20 12 Months SOI	30-Jun-19 12 Months Audited
Contributed Capital				
Balance at 01 July	5,149,150	5,149,150	5,149,150	5,149,150
Capital Contribution	-	-	-	-
Balance at 30 June	5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Surpluses				
Balance at 01 July	49,534	55,884	185,059	55,885
Surplus/(Deficit) for the year	- 162,508	553,959	- 117,172	- 6,351
Balance at end of period	- 112,974	609,843	67,887	49,534
Total Equity	5,036,176	5,758,993	5,217,037	5,198,684

8. Commitments

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

9. Contingencies

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

10. Related Party Transactions

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

Related Party Transactions Significant to RSHL Requiring Disclosure:

RSHL purchased management services from Waikato Regional Council (WRC) (32.75% shareholder) to the value of \$37,590 (including GST) (Dec 2018: \$83,330 (incl. GST)).

RSHL purchased administrative services from West Coast Regional Council (WCRC) (4.0% shareholder) to the value of \$5,866.25 (Horizons Regional Council Dec 2018 \$11,799) (including GST).

Regional Software Holdings Ltd—Six Month Report to 31 December 2019





Council
Collaboration
Into Action



C/- West Coast Regional Council, PO Box 66, Greymouth 7840

TITLE: Regional Software Holdings Limited Draft Statement of Intent for 2020-2022

ID: A1292456

From: Dave Tams, Group Manager, Corporate Excellence

Executive summary/Whakarāpopototanga

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

Regional Software Holdings Limited (RSHL), in which council has a 16.75% shareholding, updates its Statement of Intent annually. The 2020–2022 Statement of Intent is presented for review as **Attachment 1**. RSHL draft statement of Intent 2021- 2023

Attachment 2. RSHL Covering letter for Draft 2020 -21 Statement of Intent

Recommendation(s)

That the report 'Regional Software Holdings Limited Draft Statement of Intent for 2020-2022' by Dave Tams, Group Manager, Corporate Excellence and dated 3 March 2020, be received.

Background/Tuhinga

Statement of Intent (SOI) for 2020–2022

RSHL submitted their draft SOI to council for review.

- RSHL is committed to ensuring that the IRIS software solution is based on a fully supported and future-facing technology platform. As part of this commitment, RSHL is intending to invest in a technology refresh programme that will see capital investment shifting from the current platform towards the design and delivery of a future technology platform. As the roadmap for this technology refresh is developed the investment profile and level of member contributions will be reviewed and reflected in the future SOI's.
- This decision is reflected in changes to the mix of capital and operating expenditure in 2020-21 along with an increase in investment in subsequent years to prepare the next generation IRIS platform.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Receive the revised RSHL Statement of Intent	Compliant with legislative requirements. Revised SOI has the potential to create	No material disadvantage.

		additional value to council's investment.	
2	Do not receive the revised RSHL Statement of Intent	No advantage through not receiving the SOI.	Not compliant with legislative requirements. Potentially destroys council's value in our CCO.

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 when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long Term Plan. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

3. Policy, risk management and legislative compliance

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

Further considerations

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

Attachments/Ngā tapirihanga

Attachment 1: Reginal Software Holdings Limited Draft Statement of Intent 2021-2023 final [↓](#)

Attachment 2: Regional Software Holdings Limited Covering Letter for Draft 2020-21 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 03 March 2020



Regional Software Holdings Limited

Draft Statement of Intent 2021/2022/2023

February 2020
Version 1.0

1 Introduction

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

RSHL has no subsidiaries or joint ventures.

1.1 Vision

To provide a high-quality shared service for the regional¹ council sector (and associated agencies) that delivers value to customers, shareholders and the sector.

1.2 Mission

Deliver shared solutions to the regional council sector along with collaborative outcomes through sector special interest groups to achieve:

- Consistent, good-practice regional council specific processes and functions
- Value through economies of scale
- Reduced risk through ensuring continuity of supply and control of the destiny of regional council sector specific software
- Greater influence for the sector with central government through cohesion and collaboration

1.3 Nature and Scope of Activities to be Undertaken

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

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

RSHL activities are currently grouped into two key programmes of work:

IRIS	The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils.
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¹ Including unitary authorities

	<p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>IRIS Next Generation</p> <p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 3-5 years.</p> <p>The intention is that IRIS NextGen will be cloud based with better online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>Along with the software solution, we anticipate implementing consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will identify:</p> <ul style="list-style-type: none"> • The IRIS NextGen solution. • A transition plan for existing users • A growth plan to attract new councils to the programme. <p>The indicative budgets for 2021/22 and 2022/23 include increased member contributions for the creation of IRIS NG. These contributions are subject to shareholder approval in the 2021/22 and 2022/23 SOI. By February 2021 we will have better information about costs, and options for financing these - however councils are encouraged to consider inclusion of these indicative costs as part of their LTP budgeting process.</p>
ReCoCo	RSHL delivers collaborative technology projects for groups of regional councils under the ReCoCo Programme. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.

1.4 Values

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

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

1.5 Possible Opportunities for Growth

RSHL has extended its collaboration framework and service delivery beyond the scope of the IRIS software product.

- RSHL will deliver collaborative outcomes through the sector special interest groups.

- RSHL will work alongside the special interest groups to agree and deliver the collaborative work programme and this will operate on a cost recovery basis.
- RSHL will provide a vehicle for delivering shared solutions and services to the sector in order to achieve consistent, good practice regional sector specific processes.

RSHL seeks to increase the value delivered to customers, shareholders and the sector.

RSHL will do this by attracting more councils to participate in collaborative projects under the IRIS and ReCoCo programmes of work. New opportunities will be identified, and priorities set in the Business Plan. Other opportunities may arise and be investigated on a case by case basis. New activities will require explicit Board approval.

RSHL will attract new councils to participate in defining and procuring the eventual replacement for IRIS.

The potential market for RSHL to offer products and services is New Zealand Regional Councils and Unitary Authorities.

2 Objectives

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

The secondary objective of RSHL is to:²

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

3 Board's Approach to Governance

Members of RSHL's Board of Directors are appointed by the shareholders to govern and direct RSHL's activities. The Shareholders Agreement states that each shareholder has the right to appoint one Director, and that person will be the CEO, or a person nominated by the CEO.³ The Constitution allows each Director to appoint an alternative director.⁴ The Constitution also allows the Shareholders to appoint independent directors.⁵ The Constitution requires that the Board collectively must have relevant knowledge and experience of finance, public bodies, management, governance, and IT management.⁶

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

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

- The role and fundamental obligations of the Board

² From: Constitution of regional Software Holdings Ltd, Section 1.1

³ RSHL Shareholders Agreement clause 4.1

⁴ RSHL Constitution clause 8.3

⁵ RSHL Constitution clause 8.4

⁶ RSHL Constitution clause 8.6

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

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

4 Ratio of Consolidated Shareholder's Funds to Total Assets

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

5 Accounting Policies

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

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

Appendix 1 includes RSHL's Accounting Policies

6 Performance Targets and Other Measures

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

		2020/21	2021/22	2022/23
Non Financial	Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Applies each year		
	Develop, approve, communicate and refine the product strategy for IRIS and IRIS NG. Draft strategy presented to the Board by 31 December 2020	Applies in the 2020/2021 year only.		
	Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Applies each year		
	Major Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Applies each year		
	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively	Applies each year		

	managed by the Advisory Group and the General Manager	
Financial	RSHL will operate within approved budget, with any material variations approved by the Board	Applies each year
	Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Applies each year
Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies each year
	Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector.	Applies each year
	Be a service delivery vehicle for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the ReCoCo Advisory Group.	Applies each year

7 Distribution of Profits to Shareholders

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

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

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

8 Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within two months of the end of the financial year the following audited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its

⁷ Shareholders Agreement, clause 7.4

objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.

- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Shareholder Councils the ability to include any changes in Annual Fees, or any other form of financial impact, in their budget processes. The Board are to approve the business plan by the end of March prior to the commencement of the new financial year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council's shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

9 Procedures for Major Transactions and Other Acquisitions and Disposals

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

10 Procedures for Issue of Shares

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

11 Activities for Which Compensation Is Sought

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

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

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

12 Estimate of Commercial Value of The Shareholder's Investment

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

⁸ RSHL Subscription & Shareholders Agreement Section 5.1 (b)

The technologies used to develop the IRIS product will eventually reach the end of their useful life. From time to time, RSHL will need to reinvest to ensure the underlying technology remains fit for purpose and current. In the next three years, RSHL will identify the technologies for the next iteration of IRIS and the level of re-investment required. Future statements of intent will provide for this reinvestment. The impact on the residual value of the existing IRIS product will be reassessed at that time.

13 Shareholding

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

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

Statement of Intent 2020-2021

Regional Software Holdings Limited

Statement of Financial Performance

For the 12 Months to 30 June

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
Income				
1,139,931	Members Contribution	1,196,928	1,747,514	2,516,420
1,139,931		1,196,928	1,747,514	2,516,420
Other Income				
600	Interest Received	600	600	600
	Saas	0	0	0
	Cognise & Elearning licences	0	0	0
65,905	Council Specific Funding	125,163	127,692	130,271
151,432	User Funding	154,612	157,735	160,921
	Sundry Income	0	0	0
1,357,868	Total Income	1,477,303	2,033,541	2,808,213
Expenditure				
Administration costs				
9,125	Administration costs	10,322	10,373	10,420
29,395	Accounting & Technical Support	27,264	57,336	28,015
5,900	Audit & Legal fees	5,900	6,019	6,141
208,260	Datacom Support Services	212,815	217,284	221,847
150,000	Technical Services	524,200	978,698	1,121,645
20,000	Environment Charges	22,000	22,444	22,898
50,400	Management Fees	190,400	190,400	190,400
155,000	Personnel Costs	158,255	161,452	164,713
1,600	Promotional Costs	16,000	1,600	1,600
30,600	Independent Director's Fees	30,630	31,249	31,880
9,000	Travel & Meeting Costs	18,750	18,750	18,750
77,905	Other Direct Software	125,163	127,692	130,271
1,042,970	Total administration costs	1,341,699	1,823,297	1,948,581
Sundry other costs				
786,423	Depreciation	900,438	920,438	990,438
1,829,393	Total expenditure:	2,242,137	2,743,735	2,939,018
Surplus/ (Deficit) from RSHL Activities		(764,834)	(710,194)	(130,806)
ReCoCo Activity				
Income				
210,000	Regional Sector Funding	220,000	220,000	220,000
	Total Income	220,000	220,000	220,000
Expenses				
110,000	Regional Sector Share Services Expenditure	220,000	220,000	220,000
	Total expenditure:	220,000	220,000	220,000
Operating Surplus for ReCoCo Activities		0	0	0
(471,525)	Surplus/(Deficit) before Tax	(764,834)	(710,194)	(130,806)
Income Tax Expenses				
(471,525)	Surplus/(Deficit) after Tax	(764,834)	(710,194)	(130,806)

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

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
	ASSETS			
	Current assets			
137,932	Bank Accounts and Cash	630,630	140,874	50,506
	Debtors and Prepayments			
	Non Current Assets			
5,202,007	Property, Plant & Equipment	3,518,909	3,298,471	3,258,034
<u>5,339,939</u>	Total Assets	<u>4,149,539</u>	<u>3,439,346</u>	<u>3,308,540</u>
	LIABILITIES			
	Current liabilities			
	Creditors and Accrued Expenses	0	0	0
	Income Received in Advance	0	0	0
<u>0</u>	Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<u>5,339,939</u>	NET ASSETS	<u>4,149,539</u>	<u>3,439,346</u>	<u>3,308,540</u>

REPRESENTED BY:

2019/20 Budget		2020/21 SOI	2021/22 Indicative	2022/23 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(0)	Current Year Earnings	(764,834)	(710,194)	(130,806)
190,790	Retained Earnings	(234,777)	(999,611)	(1,709,805)
<u>5,339,939</u>	Total Equity	<u>4,149,539</u>	<u>3,439,345</u>	<u>3,308,540</u>

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

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
Cashflows from Operating Activities				
Cash received from:				
361,432	Receipts from customers	374,612	377,735	380,921
1,205,836	Shareholder contributions	1,322,091	1,875,206	2,646,691
600	Interest	600	600	600
	Income Tax Paid (refunded)	0	0	0
1,567,868	Total Operating Receipts	1,697,303	2,253,541	3,028,213
Cash applied to:				
857,185	Payments to suppliers	1,561,699	2,043,297	2,168,581
	Income Tax Paid (refunded)	0	0	0
	Interest W/holding tax paid	0	0	0
857,185	Total Operating Payments	1,561,699	2,043,297	2,168,581
710,683	Net cash from operating	135,604	210,244	859,632
Cashflow from Investing Activities				
Cash received from:				
0	Sale of Fixed Assets	0	0	0
	Investment Maturities	0	0	0
0	Total Investment Receipts	0	0	0
Cash applied to:				
600,000	Purchase of Fixed/ Intangible assets	200,000	700,000	950,000
	Investment deposits	0	0	0
600,000	Total Investment Payments	200,000	700,000	950,000
(600,000)	Net cash from investing	(200,000)	(700,000)	(950,000)
Cashflow from Financing Activities				
Cash received from:				
0	Capital contributions	0	0	0
0	Investment maturities	0	0	0
0	Total Financing Receipts	0	0	0
Cash applied to:				
	Capital repaid			
0	Total Financing Payments	0	0	0
0	Net cash from financing	0	0	0
110,683	Net increase (decrease) in cash-flow for the year	(64,396)	(489,756)	(90,368)
402,865	Opening cash balance	695,026	630,630	140,874
513,548	Closing cash balance	630,630	140,874	50,506
Made up of:				
25,000	Current account	25,000	25,000	25,000
488,548	Auto-call account	605,630	115,874	25,506
513,548		630,630	140,874	50,506

Appendix 1: Accounting Policies

1 General Information

Reporting Entity

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

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

Public Benefit Entity Simple Format Reporting

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

Basis of Preparation of the Financial Statements

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

Statement of Compliance

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

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

These prospective financial statements comply with PBE Standards.

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

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

2 Summary of Significant Accounting Policies

Revenue

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

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

Interest revenue is recorded as it is earned.

Expenditure

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

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

Bank Accounts and Cash

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

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

Debtors

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

Inventories

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

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

Depreciation

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

The carrying value is depreciated on a straight-line basis over its useful life. The useful life and associated depreciation rate for the IRIS software suite is 10 years and 10%. Revising changing to 20% over five years

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

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

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



Council
Collaboration
Into Action

—
28 February 2020

RE : RSHL Statement of Intent 2020-21

Please find attached the Regional Software Holdings Limited draft Statement of Intent (SOI) for 2020-21, as adopted by the Board.

The SOI is required to be received by 1 March 2020 for review and approval by shareholding councils. The Board looks forward to receiving the shareholding councils' views on the draft Statement of Intent before 1 May 2020.

The 2020-21 SOI budget and the indicative budgets for 2021-23 reflect a change in focus for RSHL. It is the right time to plan for the eventual replacement of the IRIS software package. This decision is reflected in changes to the mix of capital and operating expenditure in 2020-21 along with an increase in investment in subsequent years to prepare the next generation IRIS platform.

This is a draft SOI for discussion with member councils, and the expectation is that we will collaborate to find the best way forward. On the following pages are an outline of the approach that underpins the budget in this SOI.

Sincerely

A handwritten signature in black ink, appearing to read 'M Donnelly', with a large, sweeping flourish underneath.

Mark Donnelly
General Manager

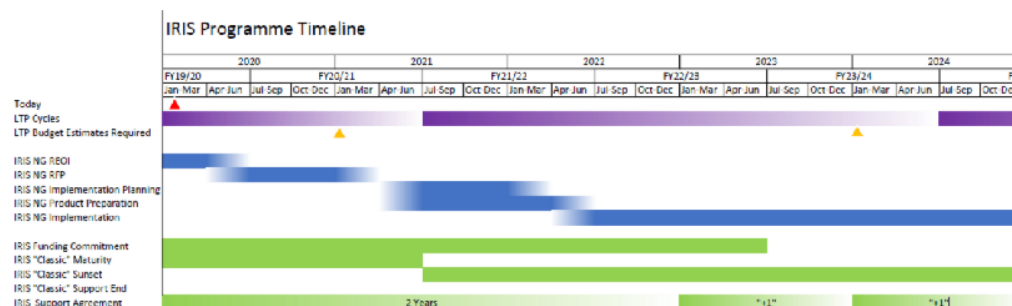
C/- West Coast Regional Council
PO Box 66, Greymouth, 7840

—
Into
action.



SOI Budget Notes.

In February 2020, the board of RSHL discussed a timeline for the transition from the current IRIS software package to a new solution.



- This timeline assumes that the procurement process for IRIS NextGen can be concluded in the 2020-21 financial year, with a vendor or vendors engaged in FY2021-22 to prepare the IRIS NextGen solution.
- While there are a significant number of unknowns regarding the progress and form of IRIS NextGen this timeline is reasonable, but optimistic.
- Based on this timeline the indicative budget for FY 2021-22 and 2022-23 includes additional vendor costs to prepare IRIS NextGen.
- That investment in the Next Generation IRIS platform would require an increase in member contributions.
- These additional contribution is included in the SOI 2021/22 and 2022/23 indicative budgets. When approving this SOI, the shareholders are approving the 2020/21 budget only.

Budgeting Assumptions

Administration.

Administration costs are based on 19/20 budgeted costs, with the following exceptions:

- Addition of \$16K in 20/21 to complete a branding exercise for IRIS NextGen.
- A provision of \$30K in 21/22 for consultant advice relating to funding models for IRIS NextGen

Resourcing Expenditure

- Resourcing Expenditure are based on 19/20 budgeted costs, with the following



exceptions:

- \$160K OPEX for Business Analyst resource in 2020/21 to support IRIS NextGen. This was unbudgeted expenditure in 19/20. (Taken from the CAPEX budget). This increases to \$260K in 21/22 and 22/23, to include a provision for process analysis to support IRIS NextGen.
- From 2020/21, \$140K for seconded resources from councils to fill business roles on the IRIS NextGen initiative. These will include a business lead and other SME resources when required.

Direct Costs

The following items are not expected to change:

- We expect that Datacom will provide support for IRIS for the next three years. We have budgeted accordingly. This includes providing support/test environments.
- Objective/Cognise expenditure will continue. Note that this expense is on-charged and so is a net zero impact on the RSHL available cashflow and result.
- Expenditure on ReCoCo will be in line with ReCoCo revenue. This is a net zero impact on RSHL available cashflow and result.
- The following are significant changes:
 - IRIS Minor Enhancement and Major Enhancements are treated as an operating cost, reflecting that IRIS has a shelf life of five years.
 - Major Enhancements are minimised and cease after 2021/22.
 - Minor Enhancements are minimised and cease after 2022/23.

Capital Expenditure

- From 2020 onwards Capital expenditure on IRIS is limited to:
- The BI platform in 2020/21
- Data Migration Tools in 2021/22-2022/23.
- A component of IRIS NextGen expenditure should be capitalised from 2021 onwards with the expectation that it will be depreciated from 2022/23.
- From 2021 we anticipate significant expenditure on IRIS NextGen. This includes both potential software customisation and development of consistent, good practice process.
- With the IRIS NextGen initiative still at the REOI stage, it is extremely difficult to predict the type and scale of this expenditure. However we consider it prudent to signal the significant additional spend and the resulting increase in contributions from 2021/22.
- We note that the 19/20 SOI already included \$950K CAPEX in 2020/21 and \$1M in

Page 4



2021/22. However these figures assumed no capital development of IRIS and did not consider the process development aspect of IRIS NextGen.

Revenue

- The Revenue budget is not expected to change in 2020/21 other than to allow for inflation.
- Existing revenue and cash reserves are sufficient to support the IRIS development programme and IRIS NextGen RFP in 2020/21,
- In 2021/22 forward, member contributions will need to increase to support IRIS NextGen expenditure. This had been modelled on worst case assumptions.
 - That IRIS NextGen expenditure in 2021/22 increases quickly to \$800,000
 - That no additional revenue from outside of the existing members is secured.
In fact we intend to secure additional funding from the sector for process development and additional council users of the IRIS NextGen platform.
 - Better information will be available at the end of 2020, which can be incorporated into the next SOI. However, that timeframe is too late for member LTP budget planning, and so we recommend a provision be made now.

Balance Sheet

Treating most IRIS development as an OPEX cost, in tandem with ongoing depreciation of IRIS assets has a significant effect on the balance sheet. This is in line with the discussion with the at the board strategy day that it is appropriate at this point in the lifecycle of the IRIS asset and RSHL for the book value of the IRIS asset to reduce more rapidly.

[illegible]

TITLE: Chair's Report to Council

ID: A1290994

From: Penny Smart, Chair

Purpose of Report

This report is to receive information from the Chair on strategic issues, meetings/events attended, and correspondence sent for the month of February 2020.

Recommendation

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 28 February 2020, be received.

Strategic issues

As I write the big dry in Northland continues. Our Northland Regional Council (NRC) staff, our District Council counterparts and many other agencies have been working tirelessly to make sure that all of Northland continues to have access to water. The commitment and standard of care that is being exhibited by the staff and agencies is second to none. NRC is also monitoring and will be reporting back to council on the effects of this drought on our precious fauna and flora. There will be many lessons learnt and changes made in the short to medium term in order to be better prepared for future droughts.

I was very pleased to be present at the recent opening of the NRC Dargaville pop up office in Victoria Street, Dargaville. While NRC very much appreciated being able to operate from Kaipara District Council offices it will be great to be more visible and accessible to Kaipara ratepayers in the main street until we move to our permanent premises on Hokianga Road next year.

The NRC Annual Plan and Fees and Charges are out for consultation. The Long Term Plan forecast was for a 4% increase in rates. What we are consulting on is a further increase of 4.6%. This money will be used to increase our work in areas that we would otherwise fall behind in if we did not increase our spending. Information and how to submit on the proposed Annual Plan increases and our Fees and Charges is available on the NRC website.

Council and councillors are six months into this triennium and work streams are going well. The councillors are working very well together with everyone contributing to good discussion and debate. Working Parties and Sub Committees have all met and set their priorities for the term. We have a lot to cover this triennium and I am confident that we have a high calibre of skills around the council table, and also in our CEO and NRC staff.

Meetings/events attended

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Mayors, Chair, and CEOs meeting with Minister of Local Government in Kerikeri.
 - Regional Sector Group meeting.
 - Northland Mayoral Forum held at Whangarei District Council.
 - Philippa Fourie, Mike Borrie and Rowan Hartigan, Fonterra.

- Meeting with Kiwi Rail – Marsden Point line land acquisition. Strategic Projects Manager, Phil Heatley, and Property Officer, Alicia Juricish, also attended.
- Blessing for the new interim Kaipara Service Centre.
- Northland wide water strategy discussions with Mayors, Chair, CEOs and Councillors from the four Northland councils.
- Ko Waitangi Te Awa Trust launch at Te Tii Waitangi Marae.
- An evening programme honouring Māori service in the Armed Forces at Waitangi Treaty Grounds.
- Regular Mayors/Chair teleconference calls.
- Tai Tokerau Northland Economic Action Plan Advisory Group meeting at Northland Inc.
- Karen Adair, Deputy Director-General Agriculture and Investment Services, MPI – adverse events.
- Regional Sector dinner and breakfast meetings.
- Mayors/Chair only session prior to Northland Mayoral Forum.
- Luke Beehre and Vaughan Cooper, Northland Inc. – E350. Councillors Justin Blaikie and Jack Craw also attended.
- LW Nelson Charitable Trust – annual meeting for 2020.

Correspondence

During February I sent out the following correspondence:

Date	Addressed To	Subject
04.02.20	Klaus-P Kurz Northland Mooring Owners and Ratepayers	Answering questions from letter of 26 January 2020
11.02.20	Mr S J Ashby	Resource Consent Application APP.040976.01.01
14.02.20	Klaus-P Kurz Northland Mooring Owners and Ratepayers	Issues with biosecurity charge and MPMP policy in general
26.02.20	John Schwartfeger	Presentation to council workshop
28.02.20	Parliamentary Commissioner for the Environment	Investigation into effectiveness of marine biosecurity

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

ID: A1277003

From: Malcolm Nicolson, Chief Executive Officer

Recommendation | Tūtohutanga

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 29 February 2020, be received.

7.2.1 AREAS OF FOCUS

Water Use

Water management continues to be a high priority with the ongoing drought being experienced in Northland, placing significant pressure on monitoring staff, albeit alleviated by everyone helping each other out where they can.

Rivers / Rain Situation

At our long operating river flow stations, the lowest seven-day mean flows on record occurred in the Awanui (since records began in 1958), Whakapara (since records began in 1959), Maungaparerua (since records began in 1967), Ngunguru (since records began in 1969) and the Wairua (since records began in 1960) Rivers, and second lowest on record in the Hikurangi and Ahuroa Rivers.

What's notable is how much lower these rivers are than they have ever been recorded, with seven-day mean flows in the Awanui being 30% lower than the previously recorded; in the Whakapara they are 170% lower than the previously recorded; the Maungaparerua 50% lower and the Wairua 24% lower than previously recorded.

7.2.2 CEO'S OFFICE

Council Property Update

The Project Control Group for Kensington Crossing is maintaining pressure to ensure construction remains on track to meet the May 2020 target for handover of the medical precinct tenancies to Kensington Health. Opening is scheduled for Thursday 4 June, 2020.

The Kaipara Service Centre 'Registration of Interest' is being tendered on GETS. The detailed design, budget and KDC lease is now being finalised for May 2020 Council consideration.

Kiwirail, Investment and Property Subcommittee Chair, Cnr Stolwerk, the Chief Executive and the Property Team met to discuss the transfer of Marsden Point Rail Link properties from Council to full Kiwirail ownership. The ability for Council to retain ownership of the Flyger Road poplar nursery land was canvassed and agreed in principle.

Carter Holt Harvey have formally advised Council of their intention to exit the Council-owned 27-45 Union East Street and 50 Union East Street sites. Council are in discussion with them regarding the termination date, 'making good' on exit and future easement arrangements for both parties.

Shared Services

Prioritising of four 2019-2022 Triennium Priority Projects (i.e. Economic Development, Four Waters, Climate Change and Refinement of the NTA) is being considered by councils. The deferment of current and future Northland Forward Together (NFT) projects would occur, however, 'business as usual' NFT projects, and the PGF initiative and Digital Enablement program, would continue.

Current Legal Proceedings

Department	Description	Status
Consent decision appeal	Replacement consents for, and new consents for an expansion of, Doug's Opuā Boat Yard in Walls Bay, Ōpua.	No further progress to report.
Consent decision appeal	Replacement discharge consents for East Coast Bays Wastewater Treatment Plant (Taipā)	Pre-hearing conference has been set for 12 March 2020.

7.2.3 CORPORATE EXCELLENCE

INFORMATION TECHNOLOGY

Procurement of IT Hardware

Due to coronavirus, there is a lot of panic buying of computers occurring around the globe. Long delays now being experienced in delivery of orders placed earlier this year, with laptops ordered in January now not expected to be received until May. This is placing additional pressure on current stock levels with all spares now also deployed to staff, and the greatest pressure point being the request for laptops.

Cyber Security

Cyber security training continues to be provided for staff, with 141 staff having now completed the course.

FRAUD DECLARATION

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

7.2.4 REGULATORY SERVICES

Consents in Process

During February 2020, a total of 110 decisions were issued. These decisions comprised:

- Moorings 6
- Coastal Permits 35
- Air Discharge Permits 0
- Land Discharge Permits 11
- Water Discharge Permits 3
- Land Use Consents 26
- Water Permits 16
- Bore Consents 13

The processing timeframes for the February 2020 consents ranged from:

- 154 to 2 calendar days, with the median time being 53 days;
- 89 to 2 working days, with the median time being 20 days.

Thirty-nine applications were received in February 2020.

Of the 112 applications in progress at the end of February 2020:

- 49 were received more than 12 months ago (most awaiting further information from the applicant);

- 15 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 48 less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in February 2020.

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

The current level of notified application processing activities at the end of February 2020 is (by number):

• Applications Publicly/Limited Notified During Previous Month	0
• Progress on Applications Previously Notified	3
• Hearings and Decisions	0
• Appeals/Objections	2

COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 29 February 2020 (and year-to-date figures) are summarised in the following table and discussed below.

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Air discharges	29	26	1	1	0	1
Coastal permit	59	55	2	1	0	1
Discharge permit	91	75	10	4	1	1
Land use consent	29	23	4	1	0	1
Water permit	127	68	26	31	0	2
Total	335	247	43	38	1	6
Percentage		73.7%	12.8%	11.3%	0.3%	1.8%
YTD	5,592	4289	532	374	184	213
Percentage		76.7%	9.5%	6.7%	3.3%	3.8%

Coastal

The majority of consents monitored during the reporting period related to coastal discharges and coastal structures.

Water, Waste, Air and Land Use (WWALU) Compliance Monitoring

- *Aupōuri Groundwater Monitoring*

Irrigation has commenced and monitoring staff are dealing with a lot of enquiries from both the public regarding the commencement of irrigation, and the 17 consent holders regarding the monitoring processes and costs. Our new Compliance Specialist is taking a lead on the project to ensure we are managing and meeting our monitoring obligations.

- *Air Monitoring*

Monitoring staff were involved in discussions with Horticulture NZ throughout February about the rules in the Proposed Regional Plan.

- *Land Use*

Dust mitigation is a serious issue at present. With water availability becoming an issue throughout the region, many earthworks sites are struggling to manage dust. Monitoring officers are encouraging sites to change operational practices onsite to reduce dust without using large volumes of water.

- *Waste Management*

Six incidents involving the discharge of hazardous substances and 14 enquiries regarding contaminated land were received and responded to. 475kg of hazardous waste was disposed of during the reporting period.

Environmental Incidents

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

ENFORCEMENT

Abatement notices, infringement notices and formal warnings

The following enforcement actions were taken during the period:

	Infringement Notice		Abatement Notice		Total*	
Nature of Offence	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices
Burning and smoke nuisance	0	0	1	1	1	1
Illegal activity in coastal marine area	1	1	1	1	1	2
Illegal take, dam or diversion of water	0	0	1	1	1	1
Illegal use of lake bed or river bed	0	0	1	1	1	1
No offence	0	0	3	3	3	3
Sediment	0	0	2	3	2	3
Sewage	0	0	1	2	1	2
Water abstraction	0	0	2	2	2	2
Total	1	1	12	14	12	15

**An infringement notice and an abatement notice may be issued for the same offence. This means that in the above table, Column 5 (Total No. Offences) is not necessarily the sum of Column 1 (Infringement Notice No. Offences) + Column 3 (Abatement Notice No. Offences).*

Other Enforcement

- *Enforcement Order – Paihia wastewater treatment plant*

Following a pre-hearing conference/settlement conference held on 4 March 2019, the Environment Court issued Enforcement Orders against the Far North District Council (FNDC) on 20 March 2019. The orders set out milestones to complete an upgraded wastewater treatment plant. FNDC have met the first four milestones – achieving the fourth one ahead of schedule.

- *Farm dairy effluent – Pūrua*

Charges were laid against a farm owner and his company, as well as the farm manager and his company for offences which occurred in August 2019. There are five charges against each of the

four defendants. The farm has a poor history of compliance with regional rules for animal effluent disposal. Disclosure has not yet been done.

- *Sand dune removal – Tokerau Beach*

Charges have been laid against two parties – an individual and his company for offending which occurred in July 2019. The alleged offences include the removal of a sand dune at Tokerau Beach. There are four charges against each of the two defendants. Disclosure has not yet been done.

- *Water Shortage Directions (WSDs)*

WSDs were issued during February in relation to the following water resources:

- Awanui River catchment
- Awanui River (Kaitiāia public water supply)
- Wairoro Stream and Monument Hill groundwater (Kaikohe public water supply)
- Waiotemarama and Waiarohia streams (Opononi and Ōmāpere public water supply)
- Petaka Stream (Rāwene public water supply)
- Hātea River (Whangārei city public water supply).

- *WDC interim Enforcement Orders – waste removal from Sustainable Solvents site*

The Group Manager Regulatory Services provided an affidavit to support the Whangarei District Council's application for interim Enforcement Orders against Sustainable Solvents Limited, Brian Thomas Smith, Solvent Services NZ Limited, John Manus Pretorius and Aaron Geoffrey Baldwin.

COASTAL / WATER QUALITY FIELD OPERATIONS

- The recreational bathing programme has continued and weekly sample results were reported on the LAWA website.
- Monthly cyanobacteria samples were collected at the four lakes we routinely sample and at an additional lake – Lake Rotopotaka or Coca Cola Lake – was sampled following notification of an algal bloom. Results for Lake Rotopotaka identified very high cyanobacteria levels and as such the Northland District Health Board issued a public health warning and 'closed' the lake.
- Our monthly water quality sampling programmes were completed (four coastal runs, 13 freshwater quality and periphyton runs, and 7 continuous monitoring "validation" visits) and 27 lakes were monitored as part of our quarterly lake monitoring programme.
- Fortnightly sampling was carried out at two locations, Hātea River Falls and Waiotu river, as part of a national sampling programme. The Ministry for the Environment is commencing a review of the recreational bathing guidelines. This programme aims to ensure the national guidelines remain fit for purpose, having not been reviewed for 20 years.
- On 3 March 2020, a telemetered coastal monitoring buoy was deployed in Lake Omapere to assist with assessing the water quality in real time for an emergency water supply to Kaikohe township.

HYDROLOGY

Groundwater

The latest round of conductivity readings at coastal bores are similar to previous readings and indicate no saline intrusion with the current low groundwater levels. Groundwater levels continue to decline. Many coastal aquifer levels are at or near lowest recorded since monitoring commenced in the early 1990s.

- Water shortage directions have been issued for the small East Coast aquifers and consent holders taking water from these aquifers have been individually contacted.

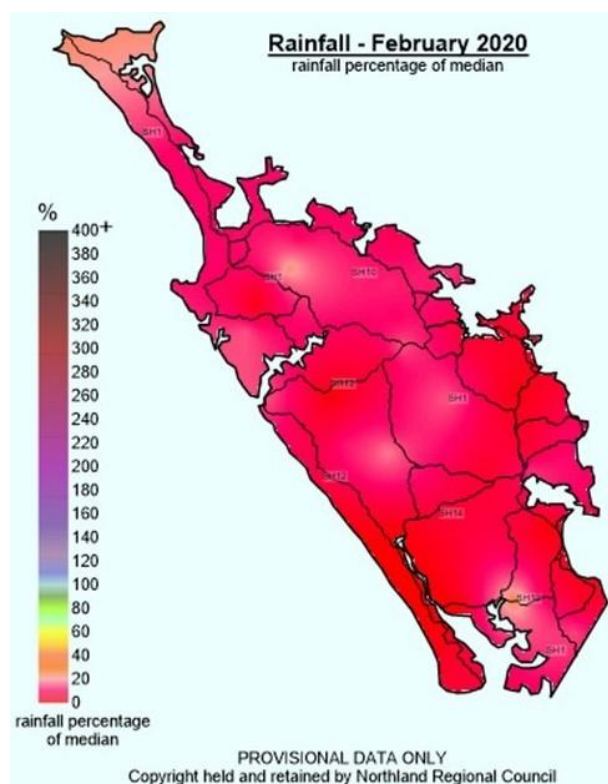
- Monthly groundwater quality sampling of the state of environment monitoring bores in coastal aquifers commenced, with initial results expected to be available early in March 2020. More frequent (fortnightly) sampling is being planned for the Ruawai and Russell aquifers because of the risk of saline intrusion into those aquifers. Additional bores in the Russell township will also be sampled as a result of consistently low groundwater levels in the sentinel bore located near the Russell foreshore.

Hydrology Projects

- A low flow and water quality/ecology survey of the Waitangi catchment was conducted in late February 2020.
- A low flow survey of the Otaika and Ruakākā catchments was also done. This data is important to build a picture of the impact of the drought and for later analysis and modelling.

Rivers / Rain Situation

- February 2020 has been another very dry month, with most gauges recording only around 0.5 to 10 mm, whereas just over 70 mm would be expected normally.
- The highest rainfall of 19 mm was recorded in the Opouteke and Te Puhi Catchments, but overall the region was very dry throughout, with periodic showers producing small rainfall totals.
- The dry February follows a very dry January with rainfall records showing that the last two months of rainfall was the driest two-month period on record at Kerikeri, second driest at Whangārei and third driest two-month period on record in Kaitiāia.



NATURAL RESOURCES DATA

- Implementation of the biological database (KiECO) continues. The Data Team is currently focused on the import of “taxonomy trees” and formatting historical data.
- During 2016, 25 water level and temperature sensors were installed in lakes in the Aupōuri and Poutō region. The data recorded by these sensors is being processed and imported into our database.
- A number of data requests linked to the drought response are being processed and the Data Team has also been providing assistance to the Civil Defence Emergency Management Team.
- Set up is being carried out for automatic data transfer of level recorders installed in specific rivers to assist with compliance monitoring of water takes (i.e. Ahuroa at WDC weir, Wairoro at FNDC weir, etc.).
- Electronic data collection: A drought catchment survey was developed to enable data collection of low-flow, ecological and water quality field measurements. Work was also done on a new electronic form to complete calibration and validation of meters in the laboratory.

- Coordinating LAWA requests: LAWA Groundwater Quality Module – Final review and edits are scheduled in February and March. The module is scheduled to “go live” on 27 March 2020.

NATURAL RESOURCES SCIENCE

- Development of the science strategy and environmental monitoring network review has slowed as the Science Team has been involved in our drought response.

Freshwater Ecology

- On 19 February 2020, a drought ecological impact survey was conducted in the Waitangi catchment in conjunction with the Hydrology Team which has been undertaking low flow gaugings. Twenty-seven sites were surveyed for periphyton growth, macrophyte growth and several physiochemical variables.
- As Lake Ōmāpere has a number of pest plant and fish, macrophyte and fish surveys were conducted in the Wairoro Stream at the Kaikohe water supply intake on 26 and 27 February 2020 to assess the current status of pest plants and fish at the site. This information will be used to assess what mitigation measures could be put in place to reduce the risk of introducing ‘new’ pest fish and plants into the Wairoro Stream if lake water is used to supplement flows in the stream.
- The Science Team is working to identify a number of sites around the region for the deployment of further continuous dissolved oxygen (DO) and temperature loggers, with priority being given to water allocation priority catchments and catchments/sites where record low flows are being experienced. This will increase the data we are currently receiving from the eight sites which have these in place. Continuous DO and temperature are key indicators of ecosystem health.

Marine Ecology

- Samples were collected from Ahipara, Waipapakauri, Rarawa and Paihia beaches for microplastics analysis. Microplastics include all plastic beads, fibres and fragments less than 5mm. This work is part of an ESR led MBIE Endeavour Fund 5-year project, “Aotearoa Impacts and Mitigation of Microplastics”, which aims to assess the levels of microplastics in different environments, including the water, sediments and biota, so that we can better understand the risks that they pose to ecosystem health and primary industries. This project is a unique opportunity to collect important baseline information about the levels of microplastics at some of our Northland beaches, that we wouldn’t otherwise have had the budget to test for currently.

Air Quality

- Ambient PM₁₀ monitoring results for January 2020 for the Whangārei and Marsden Point airsheds and Kawakawa township show that compliance was met with the National Environmental Standards for Air Quality. PM_{2.5} monitoring results for Whangārei were within the Ambient Air Quality Guideline value.
- Elevated PM₁₀ and PM_{2.5} averages, recorded at our monitoring sites in November and December 2019, are back to normal in January 2020. Australian bushfires and normal particulate monitoring results at NRC’s monitoring sites confirm that the elevated result was due to the bushfires.
- Unsealed road PM₁₀ monitoring started in January 2020, with monitoring being undertaken at three sites to date.

Freshwater Quality

- Freshwater microplastic sampling: A NIWA research scholar, Jen Drummond from the University of Birmingham, undertook river microplastic sampling from our SoE monitoring site “Hātea River at Mair Park” on 17 February 2020. The microplastic sample from the Hātea River is one of the few samples from five rivers in New Zealand, which will contribute to a global study known as

“100 Microplastic Rivers”. The objective of this study is to understand the transport and fate of microplastics in riverine systems.

- We are currently reviewing our water quality data and are in the process of identifying sites that fail the national bottom line under the NPS-FM. We will work with the Land Management Team to provide details for each site as to what the results are, what the issues are, what is currently being done about them and what else could be done to improve the situation.

Freshwater Quantity

- A report on current drought and comparable drought events in the past has been drafted and is expected to increase understanding of the current drought characteristics and tendencies over time.

7.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Farm Plan and Environmental Fund Update

Farm Environment Plans 2019/2020		Environment Funds 2019/2020	
FEP's Commenced 2019/20	FEP's Completed 2019/20	No of Environment Funds Granted	Amount Granted
99	105	147	\$1,010,755*

*This includes MfE fund proportion of Hatea projects.

Waimā Waitai Waiora – Freshwater Improvement Fund

Objective	Status
Te Kawa Waiora	Two research positions could not be recruited as there were no suitable candidates. Reconnecting Northland are looking at how they can meet the project requirements with available skills. The first wānanga is scheduled for 4 April in the upper catchment.
Farm Environment Plans	Ten Farm Environment Plans (FEP's) have been completed in the catchment this calendar year bringing the total to 31 of a target of 40 this financial year.
Landowner grants	No further updates.
Communication and engagement	The first video on Mātauranga Māori is in its' final production stage. This video aims to enrich discussion on improving freshwater ecosystems and the solution it has to offer to reduce the impact of land use.
Water quality monitoring	The first monitoring wānanga in January was a success, and the team is now looking at how it can support hapū to continue this work in identified areas.

Sustainable Hill Country and Regional Priorities

Milestones	Status
Research	
Coastal erosion buffers	A project plan has been developed and work has started on some of the objectives.
Mature poplar/ willow	A project plan has been prepared and costings are being determined. Some poplar has been milled for treatment and lab testing.

Farm Environment Plans	
	There are 89 completed plans of the 112 required in the 2019-20 year.
Stakeholder Engagement	
	An engagement strategy has been developed. The review of existing publications and preparation of new material (publications and website) is underway. Organisation is also underway for the first stakeholder field day event, planned for some time in March-April.
Land Treatments	
Retirement fencing	Thirteen fencing projects with retirement fencing of highly erodible land have been approved, with a forecast fence length of 13.9 km. The fencing projects have a total value of \$59,450.
Contractor capacity development	A list of contractors has been prepared. There is a contractor field day event scheduled in March-April.

Hātea Project

The changed funding deed to extend the project until September still has not come through from the Ministry for the Environment (MfE) but is expected soon. The final three fencing contracts are expected to be signed off within the next month.

Letters of appreciation have been sent from the Whangārei Harbour Catchment Group to the owners of two of the larger blocks in the Hātea catchment to thank them for their efforts to improve water quality. Both landowners fenced over 3km of waterway each.

BIODIVERSITY

FIF Dune Lakes Project

Objective	Status
Aquatic weed and pest fish control	8,655 tench were removed from Lake Kapoai (west of Te Kōpuru) over three nights, with >99% of those caught juveniles. Two large adult fish were also captured.
Sediment and nutrient mitigation	Planning continues for this work which will occur over the next two years. A meeting held with landowners at Lake Waihopo (Ngataki, Far North) to discuss options. Northland Light Detection and Ranging (LiDAR) mapping of sub-catchments has begun using provisional data.
Māori Lakes Strategy	A second iwi partner wānanga rescheduled for 24-25 February to progress the Māori Lakes Strategy was postponed for the second time because of staff secondment to assist Civil Defence with the drought response. The second of five dune Lake Education Days was held with more than 55 senior students at Lake Ngatu. This event was moved to Lake Ngatu (Karikari peninsula) from Lake Rotopotaka (Awanui, Far North) because of a toxic algal bloom. Once again, this event was successful.
Fencing	Plans to complete a short section of fencing at Lake Ngatu are underway. A draft agreement between the Department of Conservation (DOC) and the Far North District Council (FNDC) to fence the road reserve was drawn up and is with DOC for signoff. Works will commence after the agreement is signed.

Lakes

The dry summer has highlighted risks around using high value dune lakes for firefighting operations. Biodiversity staff have met with Fire and Emergency New Zealand and are working on protocols for reducing risks such as moving pest weeds and fish between waterbodies and water quality impacts.

Biodiversity and Biosecurity staff attended a council display at the Pōto Lighthouse Challenge event focusing on vehicles in dunes, dune restoration and prevention of spreading freshwater pests to lakes which included the Check, Clean, Dry message.

Terrestrial

Biodiversity staff assisted the Patuharakeke Iwi Trust with seed collection of more than 30 native species for a kauri dieback resistance testing project as part of a training day to increase kaitiaki capability in identifying forest plant species.

CoastCare

The Far North Kaitiaki programme has been running over the summer in partnership between council, FNDC, DOC and local hapū/iwi organisations.

A team of 16 paid kaitiaki rangers and 8 youth volunteers representing their specific marae and the Ngāti Kahu, Ngāi Takoto and Te Rarawa Iwi have been patrolling popular coastal and responsible camping destinations.

After the success of last year's Karikari Peninsula programme, locations were extended to other holiday hotspots at Taipā, Kaimaumau and Ahipara including a stretch of Te Oneroa-a-Tōhē (Ninety Mile Beach) up to Hukatere.

Site visits and meetings with CoastCare groups have been held to plan dune restoration work. CoastCare staff attended the Waitangi Day event at Waitangi.

BIOSECURITY INCURSIONS AND RESPONSE

Myrtle Rust – Update

Myrtle rust has rapidly spread around the world in the last 40 years and is now established as a pest in many countries, including South Africa, China, Indonesia, Hawaii, New Caledonia and along Australia's eastern and northern seaboard. It was found for the first time on the New Zealand mainland in May 2017, in a Kerikeri nursery (likely carried to New Zealand by strong winds from Australia). Since then, myrtle rust has been found throughout most of the North Island, and across the top and on the west coast of the South Island.

Biosecurity New Zealand is no longer collecting, analysing, or reporting myrtle rust data. Given the widespread distribution of the disease, targeted surveillance and control activities have ceased and the focus is firmly on:

- Research to build our understanding of myrtle rust.
- Research to identify possible tools, treatments, and future management options.
- Supporting landowners to minimise the impacts of myrtle rust on their plants, through advice on the myrtle rust website.

Further information can be found at <https://www.myrtlerust.org.nz/>.

KAURI DIEBACK

Management Plans

Kauri dieback management plans continue to be developed for all positive sites as well as those that are identified as medium – high risk sites. All site occupiers receive advice and a basic management plan about how to best protect their kauri and forest from kauri dieback and other diseases.

Kauri Dieback Sampling

Potentially infected kauri are identified by both aerial surveillance and concerned landowners, and staff are visiting these properties to take samples for laboratory analysis of kauri dieback disease. Results received between November 2019 – February 2020 are detailed in *Table 1*.

Table 1: Kauri Dieback Sampling Results (2019-2020 Year to Date)

	Individual Sample Sites	Properties Involved *
Samples	54	28
Results received	8	8
Positive result obtained	4	4

* Multiple sample sites are often present on a single property.

Community Engagement

Staff attended the Broadwood A&P show and engaged with landowners and the wider community about the importance of hygiene in preventing the spread of kauri dieback.

The council stand at the Broadwood A&P show attracted a steady stream of landowners and public seeking information on kauri dieback and other pest control issues.



WILD ANIMAL CONTROL

Deer Skin Sighting

Biosecurity staff have responded to a report of deer skins hanging on a bridge barrier in Ōkaihau. The skins have been confirmed as fallow deer and the skin condition placed hanging time within a 10-day period. There have also been anecdotal reports from pig hunters of fallow deer sightings and fallow deer skins hanging on fences within the Ōkaihau /Puketī area.

The Puketī area is currently under surveillance by the deer response contractor whose range has now been extended to include the new site and surrounding landscape. Council staff are also conducting follow up enquiries with farmers located near the site.

Sika Deer Eradication

Biosecurity staff and the deer response contractor have met with a manager and lessee of two large farm blocks bordering the Ngaioitonga reserve (adjoining Russell Forest) with an objective to eradicate Sika Deer in the area. After the discussions, surveillance and control plans for sika deer have been requested for both properties.

Feral Pigs

There have been several requests for pig traps. In particular, small block landowners with heavily covered wooded areas, dams, or swampy conditions are havens for mobs of feral pigs. These pigs cause destruction to regenerating areas of under growth. A rise in pig numbers and public requests are expected this autumn, so provisions are being made to employ a pig contractor to assist with the response.

A Rāhiri landowner has designed a pig trap with potential to catch and hold mobs of five or more pigs. Biosecurity and Department of Conservation staff are working with the landowner to develop the trap into a modular design for the ease of transportation.

Feral Cattle

Council staff are continuing to assist multiple land owners in Pākanae (South Hokianga) to deal with feral cattle. A local farmer to setting up a facility on one of the properties to attempt a muster of the cattle for removal.

Check, Clean, Dry

Biodiversity staff and the Check, Clean, Dry Advocate attended the Poutō Lighthouse Challenge on 15 February. The challenge is an 18 km run, walk, bike (or combination) return trip from Waikaretu Marae to the Poutō Lighthouse. The event was well attended with approximately 150 participants and spectators – many of whom visited the Check, Clean, Dry Stand.

The Check, Clean, Dry stand at the Poutō Lighthouse Challenge.



PARTNERSHIPS

Kiwi Coast Trust

The Kiwi Coast Trust's main highlights for the month included:

- *Backyard Kiwi Release:* The trust supported the release of five kiwi at Pārua Bay.
- *Kiwi Listening Blitz:* Analysis of data from the second Kiwi Listening Blitz fieldwork is progressing. The Blitz investigated changes in Northland kiwi distribution and will be used to map changes in kiwi distribution.
- *Trap Catch Data:* The response to the trust's request for 2019 trap catch data (from all groups and projects involved in the trust) has been excellent. The seven-year trap catch tally is already well over 300,000 (with more data still to be added).



Hancock the kiwi at the Backyard Kiwi release. Hancock was named after Hancock Forestry who are doing sterling work protecting kiwi in Northland.

Tutukaka High Value Area

Highlights include:

- *Predator Control:* Trap catch data for the start of the 2020 calendar year is detailed in Table 2. Stoat and rat catches are declining in the start of the year whilst there is a steady increase in possum catches.

Table 2: Trap Catches by Tutukaka Landcare 2020 Calendar Year

Species	Jan - Feb 2020	Total Catch 2019
Possum	110	727
Rat	59	1,467
Stoat	6	68
Weasel	2	48
Cat	1	16
Hedgehog	14	151

- **Public Awareness and Education:** The annual Trapper's Workshop was hosted at Tawapou (Matapouri) on 8 February with excellent attendance by around 60 community members. A comprehensive (and entertaining) overview of the importance of predator trapping with useful advice for those setting up voluntary trap stations was given by a Predator Free 2050 affiliate. Tutorials on the various trap types were held generating a stream of questions. Around 20 SnapE box traps were distributed to the eager members for them to get started in trapping operations.



The Tutukaka Landcare Chairman addresses a large crowd at the annual Tawapou Trapper's Workshop.

- **School Awareness and Education:** Two half day sessions were attended at Ngunguru School teaching the senior classes on subjects including:
 - Food chains and invasive animals.
 - Setting up and maintaining school rat traps safely, hygienically, and effectively.
 - Logging of trapping data into Trap.NZ.
 - Tutukaka Landcare internship positions were also opened to the Ngunguru School year 7 students Cameron with 8 responses to date. The Landcare is currently working with the school's teachers to select the two successful applicants for the 2020 year.
- **Weed Control:** The core Specialist Weed Assistance Team (SWAT) have put in over 60 hours in the month focused mainly on community events including the Trappers Workshop at Tawapou, and a stand at the Tutukaka Twilight Market.

Piroa-Brynderwyn High Value Area

The group is continuing to extend the coverage of the Celium remote trap monitoring network. The trap monitoring devices (nodes) are placed on predator traps throughout the landscape and communicate to a base station called a hub. The hubs then transmit the data via satellite or a cellular network. The group is investigating the installation of a second Hub on the high point of the Brynderwyn range that will enable predator traps to be monitored on both sides of the range and possibly extend over 50 km as far north as the Whangarei Heads.

Whangārei Heads High Value Area

Once again Backyard Kiwi received huge support with their kiwi release. Over 400 people turned up to see the release of 5 kiwi into the Pārua Bay area and hear about the protection of kiwi. These kiwi will be roaming between the Kiwi Link and Whangārei Heads High Value areas.



Over 400 people attended the Backyard Kiwi Release at Pārua Bay.



Centre of attention! An NRC Biosecurity Officer introducing a soon-to-be-released kiwi to the crowd.

Mid-North High Value Area

- **Predator Control:** More stoat and possum traps have been deployed in the field with some impressive results. Huge pest kill numbers have been recorded in the 2019 calendar year from new groups where pest control has been limited in the past including 2,968 possums from one group and 3,221 from another. Momentum is continuing to increase with skill building a key part in getting more people involved and confident in trapping.
- **Distressed Kiwi:** Kiwi are stressed with the dry weather and are being spotted more often in the daytime.



Daytime kiwi. An unusual and upsetting sight, kiwi stressed from the dry conditions are being spotted more frequently in daytime...

Western Northland Pest Control

- **Predator Control:** Ground based possum control using Feratox has been completed by community members in the Wekaweka Landcare Community Pest Control Area (CPCA). Work has started on marking bait station lines for possum and rat control in the Te Toa Whenua CPCA project area along the Waipoua river. Pūpūrangi Nature Sanctuary volunteers have begun installing 200 "bait safe" bait stations received through their CPCA agreement. These stations prevent rat interference with baits increasing the amount of bait available to kill possums.
- **Wilding Conifer Control:** Planning for wilding conifer control at the Kai Iwi Lakes is well underway with operational work to begin in March.
- **Paparoa A&P Show:** The 144th annual Paparoa A&P show was held on 1 February. The council stand (empathising pest animals and weeds) attracted a steady flow of enquiries from landowners seeking information and assistance with various pest issues.

Predator Free 2050

Planning for this landscape scale project continues. Activities included:

- **Whangārei Predator Free Project Plan:** The plan and milestones continue to be refined with input from key project partners – this plan will be used to finalise the contract agreement with Predator Free 2050 Ltd.
- **Ngunguru Marae Hui:** Council staff hosted a hapū representative's hui at Ngunguru Marae. The proposed predator free program of work was openly discussed and opportunities for hapū and whanau identified. Engagement with further hapū representatives will continue over coming months.
- **Communication and Engagement Workshop:** A workshop was held with representatives of key project partners. Output of the workshop will be used in the development of the Whangārei Heads Predator Free Communication and Engagement Plan.

Tānekaha CPCA

Kiwi Microchipping: Local support in the Tānekaha CPCA continues to grow, staff completed a kiwi chick microchipping and education event on 28 January. Over 70 members of the public attended where they got to meet two kiwi chicks up close.

Kauri Landcare

Local involvement and engagement has formed a new landcare group at Kauri. The Kauri Landcare group was spurred on by the enthusiasm of Fonterra staff who have been actively trapping on their farm site in the last 6 months. The group will encourage the wider area to become involved in predator control, and their early priorities are expected to involve setting up a trapping workshop to upskill local residents on trapping/pest control tools.

MARINE BIOSECURITY

Hull Surveillance Programme

In the month to 20 February 2020, the 2019/2020 Hull Surveillance Programme surveyed 186 vessels (refer *Table 3*). There were three incidents; all were of *Sabella spallanzanii* (Mediterranean fanworm) – one on a vessel at anchor in Whangaruru Harbour and two vessels on moorings in Mangonui Harbour. Two were resolved rapidly via diver removal, and the third was directed for an immediate haul-out and clean. Two *Sabella* were also found on the substrate beneath one of the infected vessels in Mangonui.

Marine biosecurity staff alongside Biosecurity New Zealand are currently conducting an assessment of the surrounding area to determine the extent of this possible incursion; however, it is highly likely these had recently dropped off the vessel in question and do not indicate a local population. Staff will keep the local community and wider public apprised of this situation as the assessment progresses.

Table 3: Hull Surveillance Programme Results (21/01/2020 – 20/02/2020)

Hull Surveillance Programme Results (21/01/2020 – 20/02/2020)	Total this period	Total YTD
Number of vessels surveyed this period	186	1,329
% Pathway Plan Compliance*	46%	54%
Vessels found with Marine Pests		
<i>Sabella spallanzanii</i> (fanworm)	3	64
<i>Styela clava</i> (clubbed tunicate)	0	169
<i>Undaria pinnatifida</i> (Japanese kelp)	0	1
<i>Eudistoma elongatum</i> (Australian droplet tunicate)	0	2
<i>Pyura doppelganger</i> (sea squirt)	0	0

* This is the percentage of vessels surveyed that complied with the acceptable level of 'light fouling' as defined in the Marine Pathway Plan. Note: actual compliance is higher given not all these vessels will move from one designated place to another.

Top of the North (TON) Marine Biosecurity Partnership

The Top of the North Marine Biosecurity Partnership (TON) group have been very active in recent months. The group met formally in Auckland on the 20 February, to arrive at a preferred option for managing the risks of invasive marine species in the Northland, Auckland, Waikato and Bay of Plenty regions. The option has been agreed on and indicative regional cost-benefit analyses conducted with the support of economists and science staff from across the regions. The option will be presented to the four councils between March and May 2020 and next steps decided on (Item 6.3). The TON group also continues to set a powerful example of collaborative management investing widely in engagement and research

Maritime and Marine Biosecurity working closely together

The Marine Biosecurity Manager spent the day out with councillors in and around Ōpua on the 5 February, alongside maritime staff. This was a great opportunity to discuss critical issues facing both maritime and marine biosecurity staff working to protect Northland's marine environments.

Marine Biosecurity and maritime staff have also been finding ways to collaborate and work effectively together to mutually support each other as we work in the challenging marine environment. Staff from both teams spent a day conducting a preliminary assessment on a vessel that had sunk on a mooring as well as conducting hull surveillance checks in Whangaruru Harbour.

PEST PLANTS

Exclusion Plant – *Houttuynia cordata*

Follow up inspection undertaken at the two known *Houttuynia cordata* sites. Regrowth was observed at both sites and treated. In addition, an extensive survey involving four staff was conducted at the newly discovered incursion site in Whangārei to ensure the full extent of the infestation had been identified. No further infestation areas were identified.

Eradication Plants – Batwing Passionflower

The third and final area of grid searching in the Kamo reserves and associated private forest areas was undertaken by contractors. This area is the furthest from the core of the infestation and the interior areas were found to be relatively clean. However, new sites were located at the margins indicating that additional surveillance on properties to the west and south west is required.

Eradication Plants – Evergreen Buckthorn

Abseiling work undertaken to control evergreen buckthorn on the coastal cliffs at Sandy Bay. The infestation levels have been significantly reduced from the previous year.

Eradication Plants – Spartina

A new spartina infestation was reported and confirmed in the Mangawhai estuary. This is the first known site in this harbour. Staff have undertaken an initial delineation and will begin discussions with landowners and iwi about undertaking control. Wider aerial surveillance may also be required.

Kaipara Harbour: 17 spartina management sites visited and extended survey undertaken. These sites were prioritised for surveillance as they were either considered historic or had incomplete records. Of the prioritised sites:

- 5 had no plants observed upon survey.

- 4 had undocumented infestations of reasonable size.

Encroaching spartina growing under mangroves in the Kaipara Harbour.



FRESHWATER PESTS

Lake Kapoai Tench Netting

Netting at Lake Kapoai in late January removed 8,655 tench (*Tinca tinca*) whilst 19,075 native common bullies (*Gobiomorphus cotidianus*) were caught and released back into the lake. This work involved a collaboration of council Biodiversity and Biosecurity staff working with the local Fish and Game Ranger to count the 27,500+ fish.

*Large tench taken from Lake Kapoai.
The large fish on the right is a gravid female.*



Dune Lakes Education Events

The second of five dune lake education events was held at Lake Ngatu on 20 February. Some 50 students from three kura (Te Rangi Āniwaniwa, Te Hāpua, Ngātaki) learned about pest and native fish, tuna, water quality testing, and lake plants. These events provide an opportunity for council to demonstrate the importance of not releasing unwanted pets like turtles and goldfish into the wild, while educating students about pest fish species and their impact on New Zealand's water ways. These events are part of the FIF Dune Lakes project, administered by the Ministry for the Environment, and in conjunction with Enviroschools and Te Aho Tū Roa.

Royal Society Te Apārangi, Science Teaching Leadership Programme

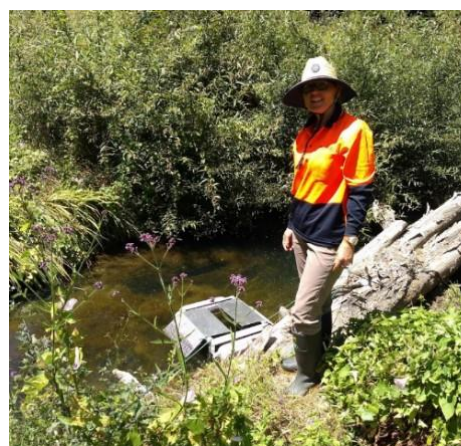
This month saw the commencement of a Royal Society Te Apārangi Science Teaching Leadership placement. The Council is a host for a participating teacher from Whangarei Girls High School who will be based in the Biosecurity Pest Plant and Freshwater team until early July.

This programme provides opportunities for nominated science teachers to enhance the teaching of science within school communities, by experiencing roles that incorporate 'science in action' and building links between schools and industry. Participating teachers are placed with a host for six months then return to school to work with their colleagues to improve science teaching and student learning.

Work experience will involve observing and participating in science used in pest management and biodiversity protection in Te Tai Tokerau, as well as collaborative activities with local communities, iwi/hapū, landowners, scientists, and central government agencies. The placement is expected to lead to more community engagement opportunities for council.

Activities so far have included assisting with koi surveys, turtle trapping, and setting up for Dune Lake Education Events.

Science field work in action – setting a trap to catch an invasive red-eared slider turtle



Inter-Regional Collaboration – New Zealand Biosecurity Institute Northland/Auckland Branch

Members of the Biosecurity team attended the New Zealand Biosecurity Institute (NZBI) Northland/Auckland Branch at Unitec, Auckland on 19 February. These meetings offer valuable knowledge sharing opportunities to connect people and organisations working in Biosecurity. The

meeting was well attended with members from council, Ministry for Primary Industries, Auckland Council, and the Department of Conservation. Presentations included:

- Monitoring Invasive Species (Manaaki Whenua Landcare Research)
- Biocontrol in Auckland (Auckland Council)
- Journal: Perspectives in biosecurity (Unitec)
- Back to Basics: Predator traps that work (Northland Regional Council)
- Northland Hull Surveillance Programme (Northland Regional Council)

There was also a presentation from the Auckland Council Environmental Services team on their new structure and discussion on how the councils can work more collaboratively. NZBI meetings are an important opportunity for staff from neighbouring regions to network and work closely together on shared issues. The forum is being promoted vigorously.

RIVERS

Long Term Plan Projects

Rivers	Comments
Awanui	Works kicked off on 24 Feb at the Juken New Zealand spillway. Landowner engagement is progressing, however, approximately 30% of landowners did not return emails or calls. The team will look at Public Works Act provisions to progress engagement.
Kawakawa – Taumārere	The New Zealand Transport Association is tendering the project and expected to start works mid-March. Staff met at Ōtīria Marae on 19 February to present the project timeline to the committee.
Whāngārei	Woods Road Flood Wall asphalt re-surfacing is scheduled for April.
Panguru	Practical completion of major works, with topsoil and re-grassing on hold for rain.
Kaihū	The second helicopter spraying of Manchurian Rice Grass is scheduled for early March.
Kerikeri-Waipapa	The design work for the Whiriwhiritoa flood mitigation work has been awarded.

NATURAL HAZARDS

Work Streams	Status	Comments
Awanui Flood Model	95%	Review identified 3 breakout points on the Tarawhataroa Stream. We are investigating options to mitigate this flooding.
Coastal erosion hazard mapping	20% complete	Site visits for 10 new erosion assessment locations were undertaken by Tonkin and Taylor during January.
	40% complete	Auckland University (co-funded by the National Science Challenge) is undertaking mapping of Northland historic shorelines which will give a picture of erosion risk across Northland.
Coastal flood hazard mapping	Project is 50% complete	DHI New Zealand are developing a hydrodynamic flood model for the Northern Kaipara harbour, which will produce coastal flood maps for the harbour. The model builds on an existing model developed by Auckland Council. Tonkin and Taylor have been awarded the tender for the region-wide coastal flood hazard assessment. The project will involve coastal flood hazard mapping for entire coastline, at a range of sea level rise scenarios, to be used for regulatory hazard maps and climate change adaptation planning.
Region-wide flood mapping	Planning Phase	Project to develop area-specific design storm rainfall characteristics to improve the accuracy of flood models is being led by Auckland University. The tender to develop a hydro-enforced digital elevation model will be advertised early March. The tender for a region wide river flood model will be advertised shortly, with the project to begin at the start of June.

Climate Change Response

- *National Climate Change Risk Assessment workshops:* Council staff have attended these National Risk Assessment workshops in both Wellington and Auckland.
- *Northland Climate Change Risk Assessment:* Council staff are also conducting a risk assessment for Northland. The data collation phase is nearly complete and involved two days of staff workshops held in mid-February. Over 50 staff and Māori representatives from across the region attended the workshops. A spatial risk mapping process will now be undertaken over the next three months. A tender for GIS services was advertised recently and preliminary results are expected by the end of April, with final deliverables due end of May. The climate change risk assessment will feed into the regional adaptation strategy due in August 2020.
- *Regional Adaptation Group:* The next group meeting will take place at council on 5 March and will focus on integrating climate change adaptation into the long term plan for all councils and developing the adaptation strategy.
- *Chief Executive's Forum:* Council staff presented to the Chief Executive's Forum last month and as a consequence put forward a paper to the Mayoral forum recommending the formation of an inter-council joint committee on climate change adaptation. This will be consulted on with iwi and hapū and will be presented at the next Northland Forward Together meeting at the end of March.
- *Council Climate Change Working Party:* Staff are reporting to the council Climate Change Working Party and developing options for the declaration of a climate change emergency.
- *Long Term Plan:* Staff are including council's climate change adaptation work programme in the Natural Hazards Management Activity area for the long term plan.

Northland Light Detection and Ranging (LiDAR) Capture

After review, some small areas required re-capture and flying of these sites finished 23 February. Data has been couriered to Australia for processing, and results are expected in early April.

7.2.6 STRATEGY, GOVERNANCE AND ENGAGEMENT

PROPOSED REGIONAL PLAN

There are 23 appeals (to the Environment Court) against the council's decision on the Proposed Regional Plan for Northland (Proposed Plan).

The Council circulated a reporting memorandum to the Court and appeal parties on 28 February 2020. This outlined that through mediation, the parties have managed to reach consensus on a large number of appeal points. The council has drafted consent memorandum documents for topics/sub-topics where multiple appeal points have been resolved and these documents have been circulated to parties to sign.

There remain a number of appeal points that are unresolved but resolution is possible. Discussions on these provisions are ongoing. There are a number of appeal points that require case management towards hearings. A Pre-Hearing Conference is set down for 12 March to discuss procedural issues around the identified provisions. The Presiding Judge has also directed that a hearing be set down for unresolved air quality provisions in April and a hearing be set down for unresolved mangrove management provisions in May.

Additionally, Court-assisted mediation on the appeal relating to GE/GMO occurred on 24 February 2020. Discussions between the parties are ongoing with regards to this appeal.

CORPORATE PLANNING

Council has two LGA Section 17A service delivery reviews underway. Consultants have been engaged to conduct reviews on both the maritime and investment property activities. Drafts of both reviews are due at the end of February. No other services are due for review in the 2019/2020 financial year.

NATIONAL INITIATIVES

Proposed Amendments to the National Environmental Standards for Air Quality

The Government is seeking feedback on its proposed amendments to some provisions of the National Environmental Standards for Air Quality. The aim of the amendments is to better control the release of fine particles into our air.

The proposed amendments also include controls on mercury emissions. These would help New Zealand meet our obligations under the Minamata Convention on Mercury.

The closing date for submissions is 5.00pm on Friday 24 April 2020. A draft submission will be put to the 21 April Council meeting for consideration.

Proposed National Environmental Standard for Outdoor Storage of Used Tyres

The Government is seeking feedback on its proposed national environmental standard for the outdoor storage of tyres. The proposed standard builds on an earlier consultation in 2017.

Three key variations to the original NES proposal:

1. Responsibility for the NES - It is now proposed regional councils be responsible for administering the NES.
2. Threshold for consent - Feedback is now sought on two potential NES thresholds for requiring discretionary resource consents for the outdoor storage of tyres. These are the option consulted on in 2017 (200m³) and a new option of 100m³, which is intended to provide a stronger framework for mitigating key environmental and public health risks.

3. Permitted activity rule with requirements - Introducing a permitted activity rule with requirements for outdoor tyre storage between 40m³ and the volume threshold for discretionary resource consent.

Submissions close at 5.00 pm on Wednesday 25 March 2020. A draft submission is included in the council agenda (Item 6.4).

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
Resources Enterprise Limited (REL)	High Court not prepared to grant judgement based on documents alone, set date for hearing from parties.	Continue to work with lawyers and REL on repayment of money owed. Court hearing date scheduled for 3 March 2020.
Northland Water Storage and Use	Final draft reports received from consultants on water resources and scheme design and costings. Planning for next phase has begun.	Final Pre-feasibility reports and recommendation on Feasibility work to MBIE by end of March.
Manea Footprints of Kupe	Invoice for second tranche of funding received. Seeking additional information.	Payment of second tranche once conditions of funding meet.
Hundertwasser Art Centre (Whangārei)	Letter received from WAM requesting additional funding to complete HAC. Request passed to Northland Inc for assessment.	Recommendation from Northland Inc. on additional funding request due in April.
Extension 350	Quarterly report for period ending 31 December received and third quarter payment made.	
Extended Regional Promotion	Six monthly report for period ending 31 December received and first half year payment made.	

ONLINE CHANNELS

Most popular content on Facebook for February – An education post urging those saving water by bathing in our rivers, to leave soap and detergents at home. When river levels are low and not flowing like they normally do, the effect of soap, shampoos and detergents is even greater. The post reached more than 29,000 people and engaged with over 700.

*Engaged – number of people who ‘reacted’, commented or shared the post

Key Performance Indicators	Oct-19	*Nov-19	Dec-19	Jan-20	*Feb-20
WEB					
# Visits to the NRC website	23,500	25,300	28,452	31,900	35,500
E-payments made	12	8	13	5	12
# subscription customers (cumulative)	1,159	1,160	1,171	1,172	1,176
SOCIAL MEDIA (CUMULATIVE)					
# Twitter followers	1,486	1,488	1,493	1,503	1,515
# NRC Facebook fans	9,053	9,131	9,163	9,231	9,976
# NRC Overall Facebook Reach	128,300	72,900	94,591	250,500	327,700
# NRC Engaged Daily Users	8,900	8,842	6,995	6,132	23,500
# CDEM Facebook fans	17,100	17,200	17,300	17,400	18,000

# CDEM Overall Facebook Reach	44,200	68,000	96,064	75,500	404,200
# CDEM Engaged Daily Users	3,626	6,752	12,428	5,969	42,500
# Instagram followers	960	977	991	1,033	1,103

**November 2019 report was for 29 days, February 2020 for 28 days (usually 30-day reports)*

ENVIROSCHOOLS / EDUCATION

Ngā Tupuranga o Te Taitokerau

On 11 February, a training session was held at the Northtec Marae in preparation for the youth leadership course to be held at the end of March. Content included experiential learning, behaviour change and the sustainable development goals.

New Early Childhood Enviroschools

On 18 February, a 'Welcome to Enviroschools workshop' was held for ten early childhood centres and five kindergartens. Participating teachers and centre managers explored the Enviroschools resources, tried out experiential learning activities and shared environmental mahi.

Dune Lakes Education Day

On 20 February, a 'Getting to know your dune lake' day was held at Lake Ngatu (Waipapkauri). The day included four action stations: pest and native fish, dune lakes plants, tuna (eels), and water quality testing. Tamariki from Ngataki and Te Hapua Schools and Te Rangi Aniwanawa took part in this Freshwater Improvement Fund Dune Lakes Project education initiative.

Hokianga Festival for Change

On 28 February, one of council's Enviroschools Facilitators participated in the Hokianga Festival for Change with a display and activities. Connections were made with Enviroschools from Hōreke, Kohukohu, Mangamuka, Omanaia, Opononi, Panguru and Rāwene. This is the first year that staff attended this Rawene based festival providing information on pest animals and kauri dieback.

MARKETING AND ENGAGEMENT

Waitangi Day

NRC attended the Waitangi celebrations with a display in the lower treaty grounds (adjacent Te Tii marae). In 2019 this was where other environmental groups were based, so it was thought that this would be a more suitable location than with the food and market stalls in the upper sports field. Coast Care and Maritime were present, along with messages on NRC Scholarships and Environmental Awards.

North Hokianga A&P Show

NRC attended the Broadwood show with information on pest trapping, land management and kauri die back. Staff had a number of enquiries in each area and felt that some useful conversations were held.

LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Month	LGOIMA requests received 2018/19	LGOIMA requests received 2019/20
July	15	15
August	20	22
September	7	16
October	5	29
November	10	11
December	9	12
January	11	14
February	15	21

Month	LGOIMA requests received 2018/19	LGOIMA requests received 2019/20
March	9	
April	12	
May	19	
June	11	
TOTAL LGOIMA REQUESTS RECEIVED	143	140
Total LGOIMA requests not responded to within 20 working days*	1	7

- * REQ.598078 The staff member was busy responding to drought matters and did not respond in 20 working days. Further clarification is required and has been sought.

REQ.598045 This was the second request by the same person for the same information that council does not hold on its database, so it was not able to be provided. The staff member was on leave and did not respond in 20 working days.

7.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

CUSTOMER SERVICES

Telephone Inbound Call Statistics & Enquiries

	February 2020	Target
Call volume via Customer Services	2,841	
Conversion rate	98.7%	>95%
Average wait time	4 sec	
Calls answered in under 30 sec	97.7%	>90%

In February, call volumes were 30% up on normal levels with many calls relating to the drought situation. Most civil defence calls bypass the switchboard, so the increase is predominately from members of the public. As the drought has progressed, the type of enquiries has changed from requests for information about water restriction to more calls reporting incidences of potential unauthorised water take.

Satisfaction Monitoring

- Feedback Cards, Compliments and Complaints*

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

Compliments received	Total
Service provided by a specific person <ul style="list-style-type: none"> P Dickson - Maritime H Giles – Monitoring 	2
Overall service <ul style="list-style-type: none"> Consents 	2
Total compliments recorded	4
Complaints received	Total
Standard of service provided <ul style="list-style-type: none"> Transport - Bus Service x2 Transport - BeeCard 	3

Disagree with decision or process <ul style="list-style-type: none"> • Maritime • Monitoring 	2
Lack of information or communication <ul style="list-style-type: none"> • Biosecurity 	1
Staff / contractor behaviour or attitude <ul style="list-style-type: none"> • CDEM • Monitoring • Transport - Bus Service 	3
Total complaints recorded	9

Four of the complaints related to various aspects of the bus service, for example bus running early, bus driving past bus stop, frustration with setting up BeeCard. All bus complaints have been acknowledged.

Two customer complaints were about driving and cite lack of courtesy in merging. Both complaints mention the drivers being in a hurry (not speeding) and are most likely an indication of the current pressures on our staff as both were attending to drought-related activities. The relevant managers have been advised of the complaints for follow-up with their staff.

The two complaints where there is a disagreement with council decision are ongoing. All other complaints have been closed.

Interim Kaipara Office

A small blessing ceremony was held for our new Kaipara office at 100 Victoria Street, Dargaville. The office will be open to customers from Monday 2 March and will be an interim base for our Kaipara staff until the new building in Hokianga Road is ready.

TRANSPORT

Regional Transport Committee

The Regional Transport Committee (RTC) met on 12 February, where the following was covered:

- Regional Land Transport Plan 2018/2021 funding assistance uptake by the regions approved transport authorities;
- Waka Kotahi NZ Transport Agency (NZTA) quarterly regional update;
- Regional Road Safety quarterly update;
- Update on the progress of the "Investigation into the Needs and Availability of Total Mobility, Disability Transport and Services in Northland";
- A request from the Far North District Council to vary a project in the Regional Land Transport Plan 2018/2021; and
- A progress report on the Draft Regional Land Transport Plan 2021/2027.

The next RTC meeting is scheduled for 8 April.

Government Policy Statement 2021/2027

The Government Policy Statement 2021/2027 which was to be released in December 2019 will now be released to the public on 10 March 2020. The engagement period is 11 March to 24 April 2020.

Regional Land Transport Plan and Regional Passenger Transport Plan

The compilation of the Draft Regional Land Transport Plan (RLTP) and the Draft Regional Passenger Transport Plan (RPRP) is on schedule.

Staff are in the process of securing the service of an accredited facilitator to undertake an Investment Logic Mapping (ILM) workshops to identify and agree Northlands transport related

Objectives, Problems and Actions that need to be addressed. It is planned to hold this workshop in either March or April 2020.

The ILM is a requirement of NZTA when applying for funding assistance through the National Land Transport Programme. The ILM will also serve to support a business case for transport related projects or services when national subsidy is applied for.

In addition to the above, the NZTA are re-assessing a number of their funding related policies and procedures in an effort to make the compilation and of RLTP's and RPTP's easier and make funding applications less onerous. Local and regional government have been kept up to date on the progress of the above.

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 Budgeted Expend	Monthly Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Annual Variance
Jan 2020	1607	\$17,171	\$25,000	-\$7,829	\$137,641	\$175,000	-\$37,359

BusLink Operational Statistics

Bus Link stats for January (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted	Year to Date Variance
City Link Passengers	21,194	24,592	-3,398	204,671	198,808	+5,863
CityLink Revenue	\$31,987	\$33,199	-\$1,213	\$266,542	\$268,391	-\$1,849
Mid North Link Passengers	149	144	5	1,225	1,074	151
Mid North Link Revenue	\$561	\$720	-\$159	\$4,644	\$5,370	-\$726
Hokianga Link Passengers	51	72	-21	389	540	-151
Hokianga Link Revenue	\$477	\$939	-\$462	\$3,790	\$7,042	-\$3,252
Far North Link Passengers	408	580	-172	3,449	4,066	-617
Far North Link Revenue	\$1,051	\$1,598	-\$547	\$8,191	\$11,086	-\$2,895
Bream Bay Link Passengers	57	24	33	396	150	246
Bream Bay Link Revenue	\$355	\$86	+\$269	\$2,383	\$540	+\$1,843

The abnormality between actual and budgeted passengers carried and farebox revenue received can be attributed to the reduced cash fares introduced during the implementation of the new electronic ticketing system.

ROAD SAFETY UPDATE

Regional Road Death/Serious/Minor Injury Crashes – Comparison Year to Date

	2020			2019		
	D	S	M	D	S	M
Far North	1	11	35	3	10	34
Whangārei	2	7	27	2	13	33
Kaipara	0	3	9	0	2	8
Northland	3	21	71	5	25	75
National	41	328	1,219	5	0334	1,488

Ride Forever (R4E) Rider Training Update

One hundred and sixty-five motorcyclists have undertaken the ACC initiated R4E training courses held in Northland since 1 July 2019. Forty riders successfully completed the Bronze Course, 93 the Silver Course and 32 the Gold Course.

Communities at Risk

At a recent Road Safety Action Planning meeting, the annual 'Community at Risk Register' was released. This register compares the trend in High, Medium & Low death and injury related crashes between 2018 and 2019. It highlights the priority issues and factors in Northland across both the State Highway and local road networks.

The 'Evidence Based' issues identified will be used to update the Regional Road Safety Action Plan and will result in a targeted approach to road safety initiatives by Northland's road safety partners.

MARITIME

Twelve cruise ships called to the Bay of Islands, with the run of good weather continuing. Amendments to vessel itineraries due to the corona virus outbreak are also resulting in some additional bookings being made.

Thirty incidents were received over the month of February. Most incidents were minor in nature, with minor offenses against the bylaw, Aid to Navigation light failures and mooring related incidents. More seriously, one collision was reported between a vessel returning to Marsden Cove Marina during hours of darkness and a moored yacht.

The NRC Maritime Operator Safety System (MOSS) underwent a periodic audit by Maritime New Zealand at the Ōpua office. No deficiencies were found, however, points for improvement were noted and will be incorporated. Overall the council vessels were found to be managed to a high standard.

The Maritime Department has been working through a section 17 review. A preliminary summary of the review was received on 25 February, with the final report due by 6 March.

The regular Whangārei harbour safety meeting was also held on 25 February.

Two new Harbour Wardens have been appointed and inducted - one for Whananaki and the other for Kai Iwi lakes. These two areas have proven to be challenging to monitor and enforce bylaws in the past. Both wardens are already proving to be valuable support to the maritime team.

The councillors had the opportunity to visit the council vessel *Waikare* as part of their induction and take a tour of the Bay of Islands. It was an opportunity to demonstrate and discuss the function of the maritime team, with members of marine biosecurity, coastal consents and planning also taking the opportunity to discuss the work being carried out in that sector.

The initial phase of the pile mooring project (40 moorings) in Kerikeri has been completed successfully. These moorings constituted a safety hazard with the piles in a decrepit state. Phase 2 will require further surveying prior to progressing. General feedback thus far has been very positive.

CIVIL DEFENCE EMERGENCY MANAGEMENT

Due to high priority being given to the drought situation in the Far North region, the Northland CDEM group are unavailable to provide an update at the time this paper was due.

Council have been provided with weekly updates of the situation via document uploading to the council Hub.

Attachments/Ngā tapirihanga

Nil

**TITLE: Northland Inc. Limited: Second Quarter 2019/20 Reporting
Against Statement of Intent 2019-2022**

ID: A1290452

From: Darryl Jones, Economist and Simon Crabb, Finance Manager

Executive summary/Whakarāpopototanga

Council has received the second quarter report for the 2019/20 financial year from Northland Inc. Limited against the Key Performance Indicators (KPIs) in its Statement of Intent 2019-2022 (**Attachment 1**). Staff have assessed the information provided for the 16 KPIs. Reporting for two is not possible at this early stage (Investment recommendations are accompanied by a robust business case, and Client satisfaction score for Māori businesses). Most are on track to be met, with one target already met for the year (Value of NZTE and Callaghan Innovation grant funding facilitated for Māori business). A few others are behind target, but these are expected to catch-up in quarter three or four, although the impact of Covid-19 and the Australian bush fires may impact on tourism spending.

The Northland Inc. financial performance for the six months to 31 December 2019 is tracking ahead of budget, with a favourable operating surplus variance of \$72,880. The forecasted year end operating surplus is \$5,750 which is also favourable compared to the budgeted year-end surplus of \$769. Northland Inc's cash position at 31 December 2019 is \$556,539, which is well ahead of its December 2019 forecasted financial position of \$375,002, and there appears to be no cashflow management issues for the period to 30 June 2020.

Representatives from Northland Inc. will attend the council meeting.

Recommendation

That the report 'Northland Inc. Limited: Second Quarter 2019/20 Reporting Against Statement of Intent 2019-2022' by Darryl Jones, Economist and Simon Crabb, Finance Manager and dated 26 February 2020, be received.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc. Limited reporting against SOI - Quarter 2 2019/20 [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 03 March 2020

Northland Inc reporting against SOI – 1 July 2019 – 30 June 2020 – December reporting

*Work program area	How we measure	2018/19 result	2019/20 Target	Actual Dec 19	Comment	GAR
Investment and PGF	Percentage of IGR business case decisions (by the Board) made within 90 days of receiving application	100%	100%	100%	1/1- Mokau Quarry Applications for business case and feasibility have declined due to projects focusing on securing funding through the Provincial Growth Fund. There are pipeline projects that will be applying in the next quarter.	
	Number of inward delegations hosted	4	4	0	Inward delegations have slowed as potential investors wait for announcements regarding key infrastructure projects	
	Investment recommendations are accompanied by a robust business case	100%	100%	n/a		
	Number and value of high impact projects that are implemented	3	3	2	Rail investment \$94.8 Northland Soft Berryfruit \$2.37m	
Māori Economic Development	Number of unique Māori businesses assisted	33	50	29		
	Number and value of high impact projects that are implemented	1	1	0		
	Value of NZTE and Callaghan Innovation grant funding facilitated for Māori businesses	\$56,350	\$25,000	\$65,436	The BIG team has been working on filling the gap left by George Riley's departure their work is now reaping rewards.	
	Client satisfaction (Net Promoter Score for Māori businesses)	Not Available	75% (NPS 50)	N/A	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.	

Northland Inc reporting against SOI – 1 July 2019 – 30 June 2020 – December reporting

*Work program area	How we measure	2018/19 result	2019/20 Target	Actual Dec 19	Comment	GAR
Engagement Collaboration and Visibility	Number of unique businesses assisted (by TA and industry)	263	230	105	Running slightly below target at the ½ year but the BIG team are confident that we will still achieve target.	
	Value of NZTE and Callaghan Innovation grant funding facilitated	\$842,672	\$1M	\$307,647		
	Client satisfaction (as measured by Net Promoter Score)	91% (NPS 53)	90% (NPS 50)	96% (NPS71)		
	Orchard occupancy rate	84.2%	85%	83.46%	Figures are based on an increase in capacity from 29 permanent desks to 47 permanent desks from mid-September	
Regional promotion and tourism	Visitor spend from target markets	\$1,115M	\$1,175M	\$1,119M	This is a 12-month rolling forecast and as at 30 November. There are indications that the Australian fires and coronavirus will have an effect on the year to 30 June 2020	
	Value of industry investment in regional promotion activity	\$418,538	\$350,000	\$161,418		
	Equivalent Advertising Value achieved from destination marketing	\$28.2M	\$16.5M	\$2.21M	Consistent with previous years patterns. Expect the bulk of advertising in the 3 rd quarter.	
	RTO Net Promoter Score: 6 or less are detractors, 7-8 neutral, 9,10 are promoters. NPS subtracts % detractors from % promoters.	44	45	44		

PROFIT AND LOSS BUDGET PERFORMANCE YEAR TO DATE (30 December 2019) AND FORECAST (30 June 2020)

Conclusion:

To 31 December 2019 the budget is tracking well, some of that is due to timing. Pressure has eased for the forecast to 30 June 2020 due to a predicted increase in Orchard income & PDU admin funding.

Revenue:

Revenue is tracking to budget, NIF income has been static without the follow up of the NIF Coordinator (reduced expenses to match in forecast), Orchard debtors are \$8,640 (9.25%) and combined with actual \$93k the total income from the Orchard will track above expected budget at year end but a conservative forecast reflects some uncertainty around 2 permanent organisations in the Orchard.

Expenses:

- Overheads are mainly tracking to budget, though there is pressure on overheads and allowances have been made in the forecast.
- Wages are below budget due to vacancies and waiting invoices for MED environment study. The forecast is expected to land above budget to accommodate increase in salaries as directed by the REM Committee, further costs for CEO recruitment, recruitment of Innovation Specialist (this recruitment cost was advised due to the shortage of people with this skill across the country), extended contract with David Wilson and earlier start of CEO, offset somewhat by MED & BIGT vacancies.

Balance Sheet

- \$556.5k in current accounts
- Receivables are mainly NZTE - BIGT partnership \$227.7 year invoice, , MBIE Action Plan \$230k, Inshore Fishing \$115k, Ext 350 \$30.3k & balance being NIF, IMG and Orchard
- Balance of reserves 2019 \$625148 - feas \$319.3k, reg prom \$38.4k, TCD \$39.3k, Ext \$227.9k, plus the accrual for NZTE year invoice \$169.7k & funding for PDU projects \$213.4k
- Accruals are operational
- Accounts payable are normal monthly supplier expenses

Cash Flow 2020

The substantial reserve and PDU funding for projects is continuing to support the cashflow.

Refer to the following appendices for further information

- Profit and Loss to 31 December 2019
- Balance Sheet to 31 December 2019
- Cashflow to June 2020

Accrual Basis

**Northland Inc Ltd
Profit & Loss Budget Performance
to 31 December 2019**

	YTD Actuals	YTD Budget	Variance	Year End Forecast Est	Annual Budget	Variance	Notes
Ordinary Income/Expense							
NRC Operational Funding	667,938	667,938	0	1,335,876	1,335,876	0	
NRC Feasibility Fund	0	0	0	300,000	300,000	0	
NRC Regional Promotions Fund	0	0	0	200,000	200,000	0	
NRC Extension 350	50,000	50,000	0	100,000	100,000	0	
Grants Income NRC	717,938	717,938	0	1,935,876	1,935,876	0	1
Income							
NIF	53,000	59,000	-6,000	53,000	59,000	-6,000	2
Project & Council Income	807,082	781,851	25,232	1,397,151	1,382,151	15,000	3
Total Income	1,578,020	1,558,789	19,232	3,386,027	3,377,027	9,000	
Expense							
Depreciation	19,799	27,000	7,201	51,216	54,000	2,784	
Wages	830,108	876,843	46,535	1,764,371	1,747,250	-17,121	4
Overheads							
Overheads	221,755	217,967	-3,788	455,787	444,386	-11,401	5
Director Expenses	73,560	74,954	1,394	148,900	149,900	1,000	
Project Direct Costs	340,696	333,869	-6,827	980,722	980,722	0	6
Total Expense	1,485,917	1,530,433	44,516	3,400,996	3,376,258	-24,738	
Net Ordinary Income	92,103	28,356	63,747	-14,969	769	-15,738	
Total Other Income	204,407	0	204,407	2,482,040	0	2,482,040	7
Total Other Expenses	195,274	0	-195,274	2,461,321	0	-2,461,321	7
Net Income	101,236	28,356	72,880	5,750	769	4,981	

Notes

- 1 NRC revenue on track
- 2 NIF income expected - offsets against expenses
- 3 forecasting at least \$15k over budget, other project income expected
- 4 Wages have been calculated to include increase in CEO salary, MED contracts, Acting CEO, contract with Cities & Regions and recruitment for BIGT.
MED position & BIGT position from end Feb, and temp for BIGT
- 5 items under pressure have been allowed for, forecast \$15k over budget across all overheads combined
- 6 reducing nif exp to match income, and allowed for AP refresh exp \$6k
- 7 matches income/expenses moved to reserves from last financial year
Project funding and expense, inclusive of the \$5k PNDC towards MED & \$12k from RBC & E5 projects

Northland Inc Ltd
Balance Sheet
As of December 31, 2019

	as at 31 December 2019	Closing Balance Jun 30, 19	Movement	notes
ASSETS				
Current Assets				
Total Chequing/Savings	556,540	845,742	-289,201	
Total Accounts Receivable	636,954	162,488	474,466	1
Prepayments	2,996	54,782	-51,786	2
Provision doubtful debts	-2,057	-2,057	0	
Total Current Assets	1,194,433	1,060,955	133,479	
Fixed Assets				
Total Fixed Assets	176,045	181,358	-5,313	
TOTAL ASSETS	1,370,478	1,242,313	128,166	
LIABILITIES & EQUITY				
Liabilities				
Total Accounts Payable	87,058	223,246	-136,187	3
Other Current Liabilities				
Accounts Payable - Year End adj	0	0	0	
NRC Loan	-4	4,753	-4,757	
Income in Advance	1,013,389	791,290	222,099	4
GST			0	
GST Rate Change Adjustment			0	
Accruals	18,103	61,978	-43,875	5
GST	-16,267	-8,004	-8,262	
Holiday Pay Accrued	33,307	35,395	-2,088	
Total Other Current Liabilities	1,048,528	885,411	163,117	
Total Current Liabilities	1,135,586	1,108,657	26,930	
Total Liabilities	1,135,586	1,108,657	26,930	
Equity				
Contributed Capital	100	100	0	
Prior Year Adjustment	0	0	0	
Equity	133,556	122,370	11,186	
Net Income	101,236	11,186	90,050	
Total Equity	234,892	133,656	101,236	
TOTAL LIABILITIES & EQUITY	1,370,478	1,242,313	128,166	

notes

- 1 Receivables are mainly NZTE - BIGT partnership \$227.7k year invoice, MBIE Action Plan \$230k, Inshore \$115k, Ext 350 \$30.3k balance being NIF, IMG and Orchard
- 2 insurance prepayment
- 3 Payables - just normal monthly invoices
- 4 Balance of reserves 2019 \$625148.95 - fees \$319.3k, reg prom \$38.4k, TCD \$39.3k, Ext \$227.9k, plus the accrual for NZTE year invoice \$169.7,
- 5 Admin accruals

10/02/2020

TITLE: **Legislative Compliance for the Period 1 July - 31 December 2019**

ID: A1292263

From: Kyla Carlier, Corporate Planning Manager

Executive summary/Whakarāpopototanga

This report presents the findings of council's legislative compliance programme for the six month period 1 January – 30 June 2019.

Recommendation

That the report 'Legislative Compliance for the Period 1 July - 31 December 2019' by Kyla Carlier, Corporate Planning Manager and dated 3 March 2020, be received.

Background/Tuhinga

The Office of the Auditor-General encourages local authorities to apply a systematic process to managing the legal risks that might arise in relation to the functions and activities that they are responsible for.

Council's current legislative compliance framework was developed in 2011. A comprehensive review of the programme was carried out last year in conjunction with council's auditors (Deloitte Limited), resulting in efficient reporting processes.

The current framework provides assurance for compliance with legislation that is fundamental to the council's operations and/or poses significant potential risk:

- The Local Government Act 2002
- The Local Government (Financial Reporting and Prudence) Regulations 2014
- The Non-financial Performance Measures Rules 2013
- The Local Government Borrowing Act 2011
- The Local Government (Rating) Act 2002
- The Local Government Official Information and Meetings Act 1987
- The Local Authorities (Member's Interests) Act 1968
- The Resource Management Act 1991
- The Health and Safety at Work Act 2015
- The Holidays Act 2003
- The Employment Relations Act 2000
- The Biosecurity Act 1993
- The Building Act 2004
- The Fire Security Act
- The Civil Defence and Emergency Management Act 2002
- The Land Transport Act 1998
- The Maritime Transport Act 1994
- The Fire and Emergency New Zealand Act 2017

There are several other pieces of legislation that also have relevance to council operations, but compliance is managed via other internal processes and procedures.

Reporting is completed six-monthly by group managers. Reporting requires group managers to indicate compliance with the relevant legislation and identify action that has been carried out to ensure that council is aware of any new legislation or regulations. Group managers must also sign a declaration confirming their level of compliance.

Reporting has been completed for the six-month period 1 July – 31 December 2019, and the results are reported here by exception.

Reporting indicated that compliance was achieved with all of council's core legislation, with one exception:

- Part compliance was achieved with the **Local Government Official Information and Meetings Act** (LGOIMA). Five LGOIMA requests were not processed within the statutory timeframe, which were reported to council during the period. All other requirements were met in full.

No new legislation requiring consideration of implementation was reported by group managers.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 10 March 2020

TITLE: **Receipt of Committee Minutes**
ID: A1292539
From: Chris Taylor, Governance Support Manager

Recommendation

That the unconfirmed minutes of the:

- Investment and Property Subcommittee – 26 February 2020
be received.

Attachments/Ngā tapirihanga

Attachment 1: Unconfirmed Investment and Property Subcommittee Minutes - 26 February 2020 [↓](#)

Authorised by Group Manager

Name: Chris Taylor
Title: Governance Support Manager
Date: 10 March 2020

Investment and Property Subcommittee
26 February 2020

Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 26 February 2020, commencing at 1.00pm

Present:

Chairperson, NRC Councillor Rick Stolwerk
Councillor Justin Blaikie
Councillor John Bain
Ex-Officio Penny Smart
Independent Financial Advisor Geoff Copstick

In Attendance:

Full Meeting

Chief Executive Officer
GM- Corporate Excellence
Finance Manager

Part Meeting

Strategic Projects Manager
Property Officer
Independent Financial Advisor Jonathan Eriksen – by phone

The Chair declared the meeting open at 1.04pm.

Apologies (Ngā whakapahā) (Item 1.0)

Moved (Bain / Stolwerk)

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

Carried

Declarations of Conflicts of Interest (Nga whakapuakanga) (Item 2.0)

Moved (Bain / Stolwerk)

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

Carried

Moved (Bain / Stolwerk)

Secretarial Note: Supplementary agenda (item 1.3) - Withdrawal of the Planned Annual General Funding Contribution from the Managed Fund Portfolio was tabled.

Supplementary agenda Item 1.3 changed to item 5.3 and will be discussed in open after business with public excluded item 5.2.

Carried

Investment and Property Subcommittee
26 February 2020

Confirmation of Minutes - 16 December 2019 (Item 3.1)

ID: A1286905

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Bain / Stolwerk)

That the minutes of the Investment & Property Subcommittee meeting held on 16 December 2019 be confirmed as a true and correct record.

Carried

Performance of Councils Externally Managed Funds to 31 January 2020 (Item 4.1)

ID: A1288563

Report from Simon Crabb, Finance Manager

Moved (Bain / Stolwerk)

That the report 'Performance of Councils Externally Managed Funds to 31 January 2020' by Simon Crabb, Finance Manager and dated 20 February 2020, be received.

Carried

Reviewed Externally managed funds report dated 20 February acknowledged investments for the month of January had positive performance.

Debate around the impact the coronavirus is having on the global investment market and effects it is having.

1.18pm Phoned Jonathan Eriksen from EriksensGlobal. Jonathan Eriksen gave an update on the volatility of the global investment market.

Northland Regional Council portfolio has changed over time and is now deemed to be a conservative growth portfolio.

Secretarial Note: 1.35pm Cr Bain declared a conflict of interest and withhold from participating in the rest of the discussion.

Secretarial Note: Chair Smart left the meeting at 1:51pm.

Secretarial Note: Chair Smart returned to the meeting at 1:53pm.

Secretarial Note: Independent Financial Advisor Eriksen phone call ended at 2.01.

Mount Tiger Forest Quarter Two Report (October - December 2019) (Item 4.2)

ID: A1284587

Report from Alicia Jurisich, Property Officer

Moved (Stolwerk /Bain)

That the report 'Mount Tiger Forest Quarter Two Report (October - December 2019)' by Alicia Jurisich, Property Officer and dated 10 February 2020, be received.

Carried

ID: A1290372

2

Investment and Property Subcommittee
26 February 2020

Secretarial Note: For discussion at next Investment & Property Subcommittee meeting, contractor costs on pg. 2 of Mount Tiger Forest Quarter two report by Jenksmax Consulting Limited.

Business with Public Excluded (Item 5.0)

Moved (Bain /Blaikie)

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

Item No.	Item Issue	Reasons/Grounds
5.1	Confirmation of Confidential Minutes - 16 December 2019	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(c)(ii).
5.2	Value of Consolidated Whangarei 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).

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

Carried

Moved (Bain /Stolwerk)

That the committee resumes in open meeting. 2.24pm

Carried

Investment and Property Subcommittee
26 February 2020

Withdrawal of the Planned Annual General Funding Contribution from the Managed Fund Portfolio (Item 5.3)

ID: A1290315

Report from Simon Crabb, Finance Manager

Moved (Smart / Blaikie)

1. That the report 'Withdrawal of the Planned Annual General Funding Contribution from the Managed Fund Portfolio' by Simon Crabb, Finance Manager and dated 25 February 2020, be received.
2. That the Subcommittee approve that \$2,068,979 is redeemed from the fund managers recommended by EriksensGlobal, and invested into term deposits, when the fund gain are above \$2.1m and this decision is delegated to CE.
3. Finance Manager to confirm with Independent Financial Advisor Jonathan Eriksen today 26 February 2020 if investment gains are above \$2,068,979, money to be transfer immediately between long term and short term funds

Carried

Secretarial Note: Councillor Bain left the meeting at 2.33pm.

Moved (Stolwerk / Smart)

Group Manager Corporate Excellence to contact Independent Financial Advisor Jonathan Eriksen and ask for a more fluid report to better track updates of Councils Externally Managed Funds.

Group Manager Corporate Excellence to prepare paper to take to March council regarding authority to withdrawal gains from Long term fund on a quarterly basis

Carried

Moved (Stolwerk / Blaikie)

Frequency of meetings to be discussed at next Investment & Property Subcommittee meeting.

Carried

Conclusion

The meeting concluded at 3.07pm.

TITLE: Business with the Public Excluded

Executive Summary

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

Recommendations

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

Item No.	Item Issue	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 18 February 2020	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
9.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.4	Appointment of Northland Inc. Directors	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.5	Freeholding Industrial Area Ground Leases	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
9.6	Natural Hazards Request for Budget Carry Forward	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.

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.