

# **AGENDA**

**Council**  
**Tuesday 18 August 2020 at 10.30am**

## Northland Regional Council Agenda

Meeting to be held remotely  
on Tuesday 18 August 2020, commencing at 10.30am

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

Item	Page
<b>Housekeeping/Karakia</b>	
<b>1.0 APOLOGIES (NGĀ WHAKAPAHĀ)</b>	
<b>2.0 DECLARATIONS OF CONFLICTS OF INTEREST (NGA WHAKAPUAKANGA)</b>	
<b>3.0 HEALTH AND SAFETY REPORT</b>	6
<b>4.0 COUNCIL MINUTES/ACTION SHEET/COUNCIL WORKING PARTY AND WORKING GROUP UPDATES</b>	
<b>4.1</b> Confirmation of Minutes - 21 July 2020 and 29 July 2020	8
<b>4.2</b> Working Party Updates and Chairpersons' Briefings	20
<b>4.3</b> Council River Working Group and Council Catchment Group Updates	22
<b>5.0 FINANCIAL REPORTS</b>	
<b>5.0A</b> Year End Commentary by Independent Advisors	
<b>5.1</b> Externally Managed Investment Funds: 2019/20 Performance and Proposed Allocation of Gains	25
<b>5.2</b> Allocation of 2019/20 Surplus to the Opex Reserve and COVID-19 Reinstatement Reserve	48
<b>5.3</b> Request for Approval to Carry Forward Operational Budget from the 2019/20 Financial Year into the 2020/21 Financial Year	54
<b>5.4</b> Request for Approval to Carry Forward Capital Expenditure Budget from the 2019/20 Financial Year into the 2020/21 Financial Year	58
<b>5.5</b> Special Reserves at 30 June 2020	64
<b>5.6</b> Regional Rates Collection - 2019/20	75
<b>5.7</b> Draft Financial Result to 30 June 2020	80
<b>6.0 DECISION MAKING MATTERS</b>	
<b>6.1</b> Joint Climate Change Adaptation Committee	84
<b>6.2</b> Environmental Fund Changes	91
<b>6.3</b> Changing Focus of the Land Management Team	96

6.4	Investment and Growth Reserve: Project Development Funding - COVID-19 Economic Recovery Plan for Northland	100
6.5	Tāngata Whenua Water Advisory Group	114
6.6	Delegation to Make Expert Consenting Panel Nominations Under the COVID-19 Recovery (Fast-track Consenting) Act 2020	122
6.7	Marsden Maritime Holdings Interview Panel	124
<b>7.0</b>	<b>OPERATIONAL REPORTS</b>	
7.1	Chair's Report to Council	126
7.2	Chief Executive's Report to Council	129
7.3	Code of Conduct Complaint	159
7.4	Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2020	164
7.5	Legislative Compliance for the Period 1 January - 30 June 2020	172
<b>8.0</b>	<b>RECEIPT OF COMMITTEE MINUTES</b>	174
<b>9.0</b>	<b>BUSINESS WITH THE PUBLIC EXCLUDED</b>	182
9.1	Confirmation of Confidential Minutes - 21 July 2020	
9.2	Human Resources Report	
9.3	Shovel Ready Project for Public Consultation	

<p><b>ACC</b> - Accident Compensation Corporation</p> <p><b>ALGIM</b> - Association of Local Government Information Management</p> <p><b>AMA</b> - Aquaculture Management Area</p> <p><b>AMP</b> - Asset Management Plan/Activity Management Plan</p> <p><b>AP</b> - Annual Plan</p> <p><b>BOI</b> - Bay of Islands</p> <p><b>BOPRC</b> - Bay of Plenty Regional Council</p> <p><b>CAPEX</b> - Capital Expenditure (budget to purchase assets)</p> <p><b>CBEC</b> - Community, Business and Environment Centre</p> <p><b>CCO</b> - Council Controlled Organisation</p> <p><b>CCTO</b> - Council Controlled Trading Organisation</p> <p><b>CDEM</b> - Civil Defence Emergency Management</p> <p><b>CEEF</b> - Chief Executives Environment Forum</p> <p><b>CEG</b> - Co-ordinating Executive Group</p> <p><b>CEO</b> - Chief Executive Officer</p> <p><b>CIMS</b> - Co-ordinated Incident Management System (emergency management structure)</p> <p><b>CMA</b> - Coastal Marine Area</p> <p><b>CPCA</b> - Community Pest Control Areas</p> <p><b>CRI</b> - Crown Research Institute</p> <p><b>DHB</b> - District Health Board</p> <p><b>DOC</b> - Department of Conservation</p> <p><b>DP</b> - District Plan</p> <p><b>E350</b> - Extension 350 programme</p> <p><b>ECA</b> - Environmental Curriculum Award</p> <p><b>ECAN</b> - Environment Canterbury</p> <p><b>EECA</b> - Energy Efficiency Conservation Authority</p> <p><b>EF</b> - Environment Fund</p> <p><b>EMA</b> - Employers and Manufacturers Association</p> <p><b>EOC</b> - Emergency Operations Centre</p> <p><b>EPA</b> - Environmental Protection Authority</p> <p><b>ETS</b> - Emissions Trading Scheme</p> <p><b>FDE</b> - Farm Dairy Effluent</p> <p><b>FNDC</b> - Far North District Council</p> <p><b>FNHL</b> - Far North Holdings Limited</p> <p><b>FPP</b> - First Past the Post</p> <p><b>GE</b> - Genetic Engineering</p> <p><b>GIS</b> - Geographic Information System</p> <p><b>GMO</b> - Genetically Modified Organism</p> <p><b>HBRC</b> - Hawke's Bay Regional Council</p> <p><b>HEMP</b> - Hapū Environmental Management Plan</p> <p><b>Horizons</b> - Brand name of Manawatu-Wanganui Regional Council</p> <p><b>HR</b> - Human Resources</p> <p><b>HSNO</b> - Hazardous Substances &amp; New Organisms Act</p> <p><b>HSWA</b> - Health and Safety at Work Act 2015</p> <p><b>IEMP</b> - Iwi Environmental Management Plan</p> <p><b>ILGACE</b> - Iwi and Local Government Chief Executives Forum</p> <p><b>IPPC</b> - Invited Private Plan Change</p> <p><b>IRIS</b> - Integrated Regional Information System</p> <p><b>KDC</b> - Kaipara District Council</p> <p><b>KPI</b> - Key Performance Indicator</p> <p><b>LAWA</b> - Land, Air, Water Aotearoa</p> <p><b>LEA</b> - Local Electoral Act 2001</p> <p><b>LGA</b> - Local Government Act 2002</p> <p><b>LGNZ</b> - Local Government New Zealand</p> <p><b>LGOIMA</b> - Local Government Official Information &amp; Meetings Act 1987</p> <p><b>LIDAR</b> - Light detection and ranging</p> <p><b>LTI</b> - Long time injury</p> <p><b>LTP</b> - Long Term Plan</p> <p><b>MBIE</b> - Ministry of Business, Innovation &amp; Employment</p> <p><b>MCDEM</b> - Ministry of Civil Defence &amp; Emergency Management</p> <p><b>MFE</b> - Ministry for the Environment</p> <p><b>MFL</b> - Māori Freehold Land</p> <p><b>MHWS</b> - Mean High Water Springs</p> <p><b>MMH</b> - Marsden Maritime Holdings Limited</p> <p><b>MNZ</b> - Maritime New Zealand</p> <p><b>MOH</b> - Ministry of Health</p>	<p><b>MOT</b> - Ministry of Transport</p> <p><b>MPI</b> - Ministry for Primary Industries</p> <p><b>MSD</b> - Ministry of Social Development</p> <p><b>NCMC</b> - National Crisis Management Centre</p> <p><b>NDHB</b> - Northland District Health Board</p> <p><b>NES</b> - National Environmental Standards</p> <p><b>NFT</b> - Northland Forward Together</p> <p><b>NGO</b> - Non-Governmental Organisation</p> <p><b>NIF</b> - Northland Intersectoral Forum</p> <p><b>NINC</b> - Northland Inc. Limited</p> <p><b>NIWA</b> - National Institute of Water and Atmosphere</p> <p><b>NORTEG</b> - Northland Technical Advisory Group</p> <p><b>NPS</b> - National Policy Statement</p> <p><b>NZCPS</b> - New Zealand Coastal Policy Statement</p> <p><b>NZRC</b> - New Zealand Refining Company (Marsden Point)</p> <p><b>NZTA</b> - New Zealand Transport Agency</p> <p><b>NZTE</b> - New Zealand Trade and Enterprise</p> <p><b>NZWWA</b> - New Zealand Water and Wastes Association</p> <p><b>OPI</b> - Opportunity for Improvement\</p> <p><b>OPEX</b> - Operating Expenditures</p> <p><b>OSH</b> - Occupational Safety &amp; Health</p> <p><b>OTS</b> - Office of Treaty Settlements</p> <p><b>PCBU</b> - Person Conducting Business or Undertaking</p> <p><b>PGF</b> - Provincial Growth Fund</p> <p><b>PPE</b> - Personal Protective Equipment</p> <p><b>RAP</b> - Response Action Plan</p> <p><b>RBI</b> - Regional Broadband Initiative</p> <p><b>RCP</b> - Regional Coastal Plan</p> <p><b>RFI</b> - Request for Information</p> <p><b>RFP</b> - Request for Proposal</p> <p><b>RLTP</b> - Regional Land Transport Plan</p> <p><b>RMA</b> - Resource Management Act 1991</p> <p><b>RMG</b> - Resource Managers Group (Regional Councils)</p> <p><b>RMZ</b> - Riparian Management Zone</p> <p><b>ROI</b> - Return on Investment</p> <p><b>RP</b> - Regional Plan</p> <p><b>RPMP</b> - Regional Pest Management Plan</p> <p><b>RPMS</b> - Regional Pest Management Strategy</p> <p><b>RPS</b> - Regional Policy Statement</p> <p><b>RPTP</b> - Regional Public Transport Plan</p> <p><b>RRSAP</b> - Regional Road Safety Action Plan</p> <p><b>RSG</b> - Regional Sector Group</p> <p><b>RSHL</b> - Regional Software Holdings Ltd</p> <p><b>RTC</b> - Regional Transport Committee</p> <p><b>RTO</b> - Regional Tourism Organisation</p> <p><b>SIPO</b> - Statement of Investment Policy and Objectives</p> <p><b>SITREP</b> - Situation Report</p> <p><b>SOE</b> - State of Environment (or) State Owned Enterprise</p> <p><b>SOI</b> - Statement of Intent</p> <p><b>SOLGM</b> - Society of Local Government Managers</p> <p><b>STV</b> - Single Transferable Vote</p> <p><b>TAG</b> - Technical Advisory Group</p> <p><b>Tier 1</b> - Site level plan or response for an oil spill</p> <p><b>Tier 2</b> - Regional level plan or response to an oil spill</p> <p><b>Tier 3</b> - National level plan or response to an oil spill</p> <p><b>TLA</b> - Territorial Local Authority - City &amp; District Councils</p> <p><b>TON</b> - Top of the North (regions)</p> <p><b>TTMAC</b> - Te Taitokerau Māori and Council Working Party</p> <p><b>TTNEAP</b> - Tai Tokerau Northland Economic Action Plan</p> <p><b>TMP</b> - Treasury Management Plan</p> <p><b>TOR</b> - Terms of Reference</p> <p><b>TPK</b> - Te Puni Kōkiri (Ministry of Maori Development)</p> <p><b>TUANZ</b> - Telecommunications Users Association of NZ</p> <p><b>UNISA</b> - Upper North Island Strategic Alliance</p> <p><b>WDC</b> - Whangarei District Council</p> <p><b>WHHIF</b> - Whangarei Harbour Health Improvement Fund</p> <p><b>WRC</b> - Waikato Regional Council</p> <p><b>WSMP</b> - Workplace Safety Management Practices</p> <p><b>WWTP</b> - Wastewater Treatment Plant</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



# Tauāki ā roto

Tēnei au  
Tēnei mātou  
He kaikaunihera  
He kawenga i ngā whakataunga,  
i ngā tikanga  
Ki uta, ki tai  
Kia rewa ai ngā iwi katoa o Te  
Taitokerau

Haumie hui e  
TĀIKI E!

Here I am  
Here we are  
Your councillors  
The bearers of sound  
decision making power  
Reaching inland and coastal  
To uplift all peoples of  
Northland

Bring forth unity  
Tis Done!



**TITLE:** Health and Safety Report  
**ID:** A1348122  
**From:** Kelcie Mills, Health and Safety Advisor

### Executive summary/Whakarāpopototanga

This report provides an overview of activity in health and safety for the month of July 2020, which in summary we report:

- An increase in incident reporting for near misses and hazards
- An increase in vehicle events
- A proposed stress survey of staff for August
- The Wellbeing Group preparing to support staff working from home and support for addressing mental health issues
- An update on H&S priorities.

### Recommendation

That the report 'Health and Safety Report' by Kelcie Mills, Health and Safety Advisor and dated 4 August 2020, be received.

### Background/Tuhinga

Table 1: Reported events for injuries, and hazards

Period	Injury Related						Hazards			
	Loss time Injury (LTI)	Accident Work (ACC W)	Discomfort, Pain, Injury (DPI)	Medical Treatment Incident (MTI)	First Aid Treatment Incident (FTI)	No Medical Treatment Incident (NMTI)	Near Miss	Hazard (HAZ)	Incident (INC)	Security (SEC)
2018	8	4	28	0	2	0	7	45	19	2
2019	1	10	45	2	2	0	12	9	10	4
2020	2	8	7	0	14	63	29	22	30	3
2021	0	1	1	1	0	0	3	4	0	1
June	0	0	1	0	0	0	0	1	6	1
July	0	1	1	1	0	0	3	4	0	1

The events table above has been updated to reflect the financial year instead of the calendar year so that it aligns with all other annual reporting.

There has been an increase in the reporting of near misses and hazards on the previous month. This shows that staff understand the potential for harm and are reporting before incidents occur.

### Events of note

There was a medical treatment injury where a member of the public slipped on wet stairs and broke their wrist during an event run by NRC. This occurred at the NRC Whangārei office and is still being investigated to see what mitigation is required.

There was an ACC work related incident where a staff member sprained their back undertaking a regular work task. The injury required three days off work, and they are now on light duties. Fatigue was an identified contributing factor to the event. This is being further investigated.

### **Issues register**

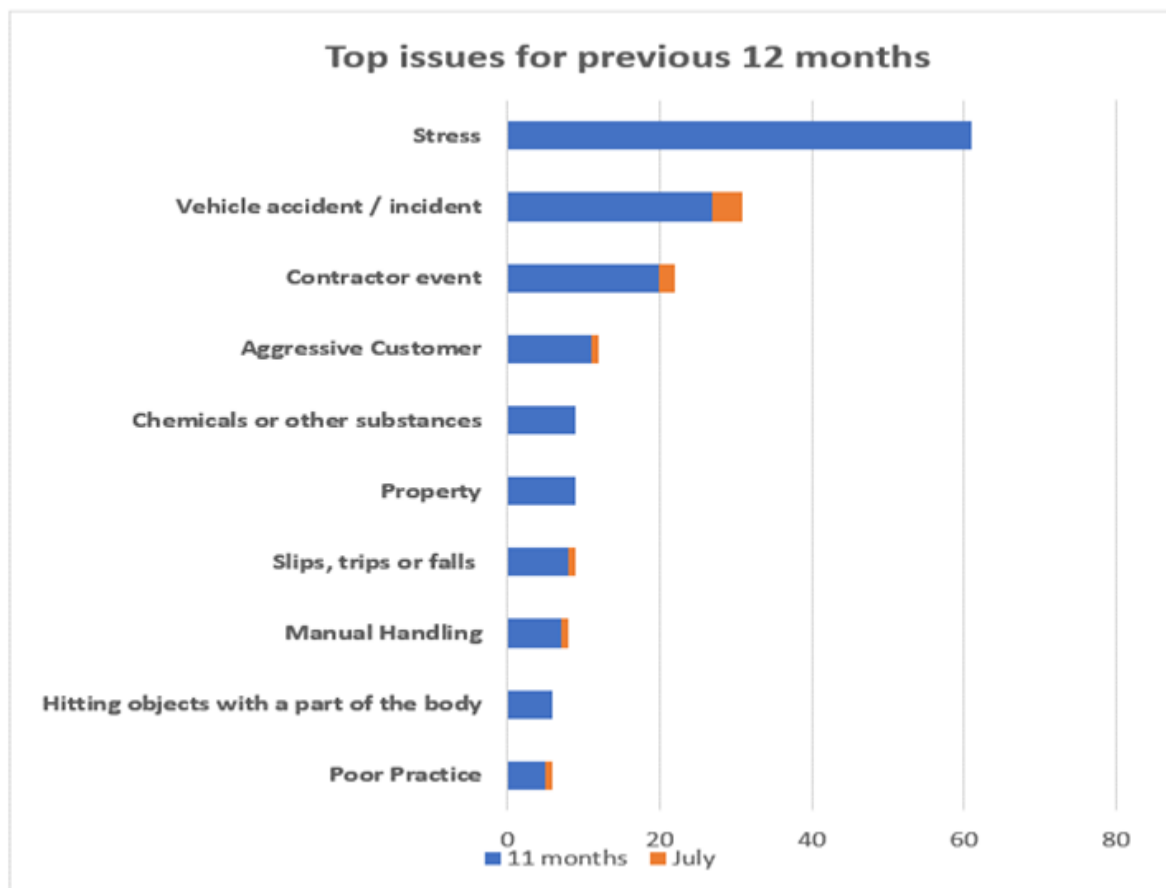


Figure 1: Number of events by risk type

Vehicle events continue to climb. There were four hazards, two of which occurred during the heavy rain period.

We are sourcing driver training courses with the assistance of the health and safety representatives.

The contractor events were both minor and dealt with at the time so that work could resume.

A stress survey will be carried out in August to ascertain the causes of stress and identify potential solutions.

### **Legislative updates**

Nil

### **Notifiable events**

Nil

### **Wellbeing Group**

The Wellbeing Group has been planning activities/initiatives that will take place over the next financial year. This includes looking to develop a support programme for people working from

home. They have also been scoping training for managers who need to support the mental wellbeing of their staff.

### Completed training

Completed July 2020	Pax
First Aid	1
Fire Warden and Emergency Procedures	1
Health and Safety Representative Stage 1	4
<b>Total</b>	<b>6</b>

### Forecasted training for August 2020

No forecasted health and safety training for August 2020.

### Working priorities for August 2020

The new Health and Safety Advisor began on 20 July 2020.

Working priorities for August 2020
A full system and processes gap analysis is going to be undertaken in the health and safety area.
Update the type of data and the presentation used for future health and safety reports.
Train staff on the new contract management procedure.
Communication on hazard identification and incident reporting.
The risk register residual risk scores will be reviewed. Using the residual scores, the top 10 hazards will be identified, and we will begin to develop action plans for risk mitigation.
Stress – working with the Stress Group to find out what the issues are.
Finding a suitable driver training course and identifying staff who should attend.
Health and Safety Advisor to engage with health and safety representatives to assist them in completing their duties.

### Update on July working priorities

- Review started on Promapp procedures against the training system (Cognise) and policies to ensure they all align. This will continue during August.
- The task of working with relevant roles (traffic controllers, chemical handlers) to review processes is put on hold while the full health and safety system gets reviewed.
- The information booklet for contractors is now complete.
- Automatic driving reports are now scheduled for the first of each month to monitor driving. We will be developing a procedure for managing poor driving.

---

### Attachments/Ngā tapirihanga

Nil

---

### Authorised by Group Manager

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 05 August 2020

**TITLE:** Confirmation of Minutes - 21 July 2020 and 29 July 2020

**ID:** A1347107

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

---

### Recommendation

That the minutes of the council meeting held on 21 July 2020, and the extraordinary council meeting held on 29 July 2020, be confirmed as a true and correct record.

---

### Attachments/Ngā tapirihanga

Attachment 1: Council Meeting Minutes 21 July 2020 [↓](#)

Attachment 2: Extraordinary Council Meeting Minutes 29 July 2020 [↓](#)

---

### Authorised by Group Manager

**Name:** Chris Taylor

**Title:** Governance Support Manager

**Date:** 13 August 2020

Council Meeting  
21 July 2020

## Northland Regional Council Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Tuesday 21 July 2020, commencing at 10.30am

### Present:

Chairperson, Penny Smart

Councillors:

John Bain

Jack Craw

Colin Kitchen

Amy Macdonald

Marty Robinson

Rick Stolwerk

Joce Yeoman

### In Attendance:

#### Full Meeting

Chief Executive Officer

Independent Advisor

GM - Strategy, Governance and Engagement

GM - Environmental Services

Governance Support Manager

#### Part Meeting

Northland Inc. GM Investment & Infrastructure

GM - Corporate Excellence

GM - Customer Services/Community Resilience

Deputy GM Regulatory Services

Natural Resources Monitoring Manager

Finance Manager

Economist

Financial Accountant

Policy Specialist

The Chair declared the meeting open at 10am and commenced proceedings with a karakia.

### Apologies (Ngā whakapahā) (Item 1.0)

#### Moved (Yeoman/Robinson)

That the apologies from Councillor Blaikie and the Independent Advisor, Geoff Copstick, for non-attendance be received.

#### Carried

Council Meeting  
21 July 2020

*Secretarial Note: The Chief Executive Officer advised (as per Standing Order 9.9) that Item 7.2, Northland Regional Pest and Marine Pathway Operational Plan 2020 – 2021, had been withdrawn and would be directed back to the Biosecurity and Biodiversity Working Party.*

### **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.

### **Public Forum - Petition from Hokianga Environmental Forum (Item 3.0)**

**ID: A1332672**

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

Cheryl Turner and Jessie McVeagh addressed council in support of the petition from the Hokianga Environmental Forum; requesting that the Northland Regional Council publicly notify the resource consent application from the Far North District Council regarding the Omapere-Opononi Wastewater Treatment Plant. The petition was physically presented to the Chair of the council by one of the tamariki in attendance.

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

**ID: A1335501**

**Report from Beryl Steele, Human Resources Manager**

**Moved (Stolwerk/Macdonald)**

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 3 July 2020, be received.

**Carried**

### **Confirmation of Minutes - 16 June 2020 (Item 5.1)**

**ID: A1334703**

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

**Moved (Yeoman/Bain)**

That the minutes of the ordinary council meeting held on 16 June 2020 be confirmed as a true and correct record.

**Carried**

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

**ID: A1336926**

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

**Moved (Stolwerk, Kitchen)**

That the action sheet be received.

**Carried**

---

ID: A1341379

2

Council Meeting  
21 July 2020

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

ID: A1338069

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

Moved (Craw/Yeoman)

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

Carried

Secretarial Note:

- The Chairs of the Climate Change Working Party, the Biosecurity and Biodiversity Working Party and the Planning and Regulatory Working Party provided a verbal update on the current priorities and work programmes for these subordinate bodies.
- Appreciation was extended to the staff involved in the negotiations with appeal parties on the Proposed Regional Plan.
- Appreciation was also extended to the staff involved in the Predator Free Whangārei celebration, attended by Ministers Sage and Jones. The event was described as 'exquisitely well managed'.

### Local Government Funding Agency: Becoming a Guaranteeing Member (Item 6.1)

ID: A1337004

Report from Simon Crabb, Finance Manager

Moved (Kitchen/Bain)

1. That the report 'Local Government Funding Agency: Becoming a Guaranteeing Member' by Simon Crabb, Finance Manager and dated 7 July 2020, be received.
2. That council confirms its intention to become a guaranteeing local authority of the Local Government Funding Agency.
3. That council delegates authority to the Chief Executive to execute the following documents for the purposes of recommendation 2 above:
  - a. Security Stock Certificate (in relation to the Equity Commitment Deed);
  - b. Security Stock Certificate (in relation to the Guarantee and Indemnity);
  - c. Stock Issuance Certificate (in relation to the documents noted at recommendations 3a and 3b);
  - d. Chief Executive Certificate, and
  - e. Officer's Certificate.
4. That council authorise Penny Smart, Chair; and Councillor Colin Kitchen, Chair, Audit and Risk Subcommittee, to execute the following deeds for the purposes of recommendation 2. above:
  - a. Accession Deed to Guarantee and Indemnity; and
  - b. Accession Deed to Equity Commitment Deed.
5. That council authorises the Chief Executive to take any other steps on behalf of council as the Chief Executive considers necessary or desirable to execute to give effect to recommendation 2 above.

Carried

ID: A1341379

3



Council Meeting  
21 July 2020

### **\$10M Loan Repayment (Item 6.2)**

**ID: A1336103**

**Report from Simon Crabb, Finance Manager**

**Moved (Stolwerk/Kitchen)**

1. That the report '\$10M Loan Repayment' by Simon Crabb, Finance Manager and dated 6 July 2020, be received.
2. That council takes a loan with the Local Government Funding Agency of up to \$4,425,837 (inclusive of 2.5% Borrower Notes), maturing in April 2033, at a fixed borrowing cost in the range of 1.95% pa and 2.25% pa.
3. That \$6,283,803 of funding held to repay debt is withdrawn from the Long-Term Investment Fund in accordance with a recommendation from EriksensGlobal.
4. That \$598,994 of borrowed funds is deposited into council's working capital to reimburse river scheme capex costs incurred in 2019/20.

**Carried**

### **Interest Rate for Special Reserves in Surplus (Item 6.3)**

**ID: A1333488**

**Report from Vincent McColl, Financial Accountant**

**Moved (Stolwerk/Macdonald)**

1. That the report 'Interest Rate for Special Reserves in Surplus' by Vincent McColl, Financial Accountant and dated 29 June 2020, be received.
2. That council approve the use of the 90-day bank bill rate plus 3% per annum to calculate the interest attributable to special reserves with balances in excess of \$50,000, reset annually on 1 July starting from 1 July 2020.

**Carried**

### **National Environmental Standards - Air Quality (Item 7.1)**

**ID: A1335632**

**Report from Michael Payne, Policy Specialist**

**Moved (Yeoman/Macdonald)**

1. That the report 'National Environmental Standards - Air Quality' by Michael Payne, Policy Specialist and dated 3 July 2020, be received.
2. That council approve the draft submission attached, pertaining to Item 7.1 of the 21 July 2020 council agenda (subject to any amendments directed by council).
3. That the Chief Executive Officer be authorised to make any necessary minor drafting, typographical, rounding or presentation corrections and to sign the submission on behalf of council prior to it being lodged with the Ministry for the Environment.

**Carried**

---

ID: A1341379

**4**

Council Meeting  
21 July 2020

## **Northland Regional Pest and Marine Pathway Operational Plan 2020-2021 (Item 7.2)**

**ID: A1336293**

**Report from Don McKenzie, Biosecurity Manager**

This item was withdrawn by the Chief Executive Officer (as per Standing Order 9.9) and directed back to the Biosecurity and Biodiversity Working Party.

## **Northland Inc. Limited: Statement of Intent 2020-2023 (Item 7.3)**

**ID: A1337058**

**Report from Darryl Jones, Economist**

**Moved (Stolwerk/Bain)**

1. That the report 'Northland Inc. Limited: Statement of Intent 2020-2023' by Darryl Jones, Economist and dated 7 July 2020, be received.
2. That council agree to Northland Inc. Limited's Statement of Intent 2020-2023 as set out in Attachment 3 pertaining to Item 7.3 of the 21 July 2020 council agenda.

**Carried**

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

**ID: A1332865**

**Report from Penny Smart, Chair**

**Moved (Smart/Yeoman)**

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 1 July 2020, be received.

**Carried**

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

**ID: A1334342**

**Report from Malcolm Nicolson, Chief Executive Officer**

**Moved (Stolwerk/Macdonald)**

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 30 June 2020, be received.

**Carried**

*Secretarial Note:*

- *The GM Customer Services/Community Resilience provided an update on the recent flood event, highlighting:*
  - *The intense and prolonged thunderstorm activity;*
  - *The highest return period statistics related to a one in one hundred year event;*
  - *Rainfall intensities and totals were variable across Northland;*
  - *Civil defence centres had been set up in various locations to assist those cast due to flooding;*
  - *There had been significant damage to roads with the Mangamuka Gorge still closed;*

ID: A1341379

5

Council Meeting  
21 July 2020

- The damaged Whangārei and Paihia/Waitangi water systems were now 'secure' and ruptured sewage lines had been repaired;
- The Ministers had visited Northland to assess the damage and a small relief fund had been announced; and
- The Kaitiāia flood remediation works and Whangārei detention dam had functioned well.
- Council acknowledged the success of EnviroSchools events; in particular the recent EnviroSchools Project Pest Controls Skills Course.
- Appreciation was extended to the biodiversity team for their 'extremely valuable work' and 'commendable progress' with regards to dune lakes and lakes programmes.

### Receipt of Committee Minutes (Item 9.0)

ID: A1334990

Report from Chris Taylor, Governance Support Manager

Moved (Craw/Macdonald)

That the unconfirmed minutes of the:

- Investment and Property Subcommittee – 27 May 2020; and
- Audit and Risk Subcommittee – 24 June 2020

be received.

Carried

### Business with Public Excluded (Item 10.0)

Moved (Yeoman/Macdonald)

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

Item No.	Item Issue	Reasons/Grounds
10.1	Confirmation of Confidential Minutes - 16 June 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.
10.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
10.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).

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

Carried

ID: A1341379

6

Council Meeting  
21 July 2020

### **Conclusion**

**The meeting concluded at 12.14pm.**

Unconfirmed Minutes

Extraordinary Council Meeting  
29 July 2020

## Northland Regional Council Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Wednesday 29 July 2020, commencing at 10.00am

### Present:

Chairperson, Penny Smart

Councillors:

John Bain

Justin Blaikie

Jack Crow

Colin Kitchen (*remotely via audio visual link*)

Amy Macdonald

Marty Robinson

Rick Stolwerk

Joce Yeoman (*remotely via audio visual link*)

### In Attendance:

#### Full Meeting

Chief Executive Officer

GM - Environmental Services

GM - Strategy, Governance and Engagement

Strategy, Policy and Planning Manager

Land Management Advisor - Project Lead

Land Management Advisor

Governance Support Manager

#### Part Meeting

GM - Regulatory Services

Regional Harbourmaster

Corporate Planning Manager

Natural Resources Policy Manager

Biosecurity Manager - Marine

Coastal and Water Quality Field Operations Manager

Policy Specialist

The Chair declared the meeting open at 10.04am and proceedings commenced with a karakia by Councillor Yeoman.

### Apologies (Ngā whakapahā) (Item 1.0)

The apologies from Independent Advisor, Danny Tuato'o, were acknowledged after the meeting.

### 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.

Extraordinary Council Meeting  
29 July 2020

### **Kaipara Moana Remediation Programme (Item 3.1)**

**ID: A1343812**

**Report from Ben Lee, Strategic Policy and Planning Manager and Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement**

**Moved (Bain/Stolwerk)**

1. That the report 'Kaipara Moana Remediation Programme' by Ben Lee, Strategic Policy and Planning Manager, and Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement and dated 22 July 2020, be received.
2. That council authorise the Chair to sign, on behalf of Northland Regional Council, the updated Memorandum of Understanding with the Government, Kaipara Uri entities and the Auckland Council (*as tabled at the 29 July 2020 Extraordinary Council meeting*).
3. That council authorise the establishment of the Kaipara Moana Remediation Joint Committee (a joint committee of councils) with the Auckland Council and Kaipara Uri entities, pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002.
4. That council adopt the updated Terms of Reference for the Kaipara Moana Remediation Joint Committee (a joint committee of councils) and delegate those responsibilities, duties and powers to the Kaipara Moana Remediation Joint Committee once established (*as tabled at the 29 July 2020 Extraordinary Council meeting*).
5. That council appoint the following three Northland Regional Councillors to the Kaipara Moana Remediation Joint Committee (a joint committee of councils):
  - (i) Cr Smart
  - (ii) Cr Yeoman
  - (iii) Cr Macdonald.
6. That, pursuant to clause 30(7) of Schedule 7 of the Local Government Act 2002, the Kaipara Moana Remediation Joint Committee will not be deemed to be discharged after a future triennial general election, and will be discharged after the establishment by statute of the anticipated co-governance Kaipara Moana Body.
7. That council authorise the allocation of \$300,000 from council's 2020/21 Environment Fund budget to the Kaipara Moana Remediation Programme representing in part, council's contribution to Year one of the programme.
8. That council notes that the Government contribution of \$100 million towards \$200 million for the first six-year Kaipara Moana Remediation Programme, is conditional on confirmation of how the council and landowner contribution will make up the other fifty percent by the end of financial year 2020/2021, including councils having secured their funding contributions through their respective Long Term Plan 2021-2031 processes.
9. That council authorise the Chair to agree changes of a minor nature to the Memorandum of Understanding, if required prior to signing, in consultation with the Government, Kaipara Uri entities and the Auckland Council.
10. That council authorise the Chair to agree changes of a minor nature to the Terms of Reference if required, in consultation with Kaipara Uri entities and the Auckland Council.

**Carried**

---

ID: A1345342

2

Extraordinary Council Meeting  
29 July 2020

*Secretarial Note:*

- *Clarification was provided that Investment Objectives 5.2 and 5.3 within the Memorandum of Understanding were still under negotiation and signalled the openness of member parties to work collaboratively if other opportunities arose.*
- *Appreciation was extended to both staff and councillors for their involvement in the process and securing such a significant project for Northland.*

**Afforestation Innovation - Kaipara Flagship Project (Item 3.2)**

**ID: A1344692**

**Report from Louise Orford, Biosecurity Officer - Team Support**

**Moved (Stolwerk/Blaikie)**

1. That the report 'Afforestation Innovation - Kaipara Flagship Project' by Louise Orford, Biosecurity Officer - Team Support and dated 24 July 2020, be received.
2. That the council approve grant funding for the Kaipara flagship planting project to a total amount of \$92,400, funded from the following sources:

MPI contribution	NRC (RAGS) contribution
\$49,896	\$42,504

**Carried**

**Conclusion**

**The meeting concluded at 10.41am.**

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

**ID:** A1347780

---

**Recommendation**

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

---

**Te Taitokerau Māori and Council Working Party (TTMAC) (Co-Chairs: Cr Robinson; Rudy Taylor)**

The TTMAC Working Party met on 9 July 2020. The topics for discussion included:

- Māori Elected Members on Council
- Development of Long Term Plan 2021–2031
- Draft NRC Climate Change Strategy
- Proposed Māori engagement approach – Water quality plan change
- Northland Inc. - Statement of Intent
- MTAG membership
- Update: Māori Technical Advisory Group
- Updates from other working parties.

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

- That an additional online meeting of tāngata whenua members be held to discuss and decide actions for items 3.2, 3.5 and 3.6 (Māori Elected Members on Council, Proposed Māori engagement approach – Water quality plan change, and Northland Inc. – Statement of Intent)
- To return the Draft Freshwater Strategy to TTMAC's September meeting (if the NPS-FM has been released), and to consider adding Kaipara Moana Remediation project and physiographic erosion to a future TTMAC agenda
- That MTAG work with staff to:
  - provide input into the long term planning process and then provide MTAG's recommendations to TTMAC for review and endorsement at TTMAC's September meeting
  - further develop the draft NRC Climate Change Strategy so it better includes and articulates Te Ao Māori tools
  - consider what could be submitted through the LTP process, for example to ask for money to support Tane Whakapiripiri
  - commence developing advice for TTMAC consideration on: Disposal of human remains and scattering of ashes at sea practices and Cultural Impact Assessments Project
  - consider options to reduce instances where tāngata whenua members cannot participate in working parties due to ongoing meeting clashes
- That Councillors Blaikie and Yeoman be appointed to the selection panel for considering and appointing the members of the Tangata Whenua Advisory Group (recommendation 1(b)(iii) and (iv)), and that Janelle Beazley, representing Te Rūnanga-Ā-Iwi-O-Ngāpuhi, be appointed to the Māori Technical Advisory Group as its seventh member.



### **Water and Land Working Party (Chair: Cr Justin Blaikie)**

The Water and Land Working Party met on Wednesday 29 July. The topics for discussion included:

- Review of Action Points from the last meeting
- Preparing for the next Drought – 2020 Drought and Improving Water Resilience
- Catchment Restoration Contracting Gangs (*deferred until the next meeting*)
- Dung Beetles

Following discussion, the Water and Land Working Party provided advice on the following next steps:

- Draft a letter to MPI to find out when it plans to undertake a more comprehensive review of the National Environmental Standard for Plantation Forestry, noting the council's concerns about the accuracy of the standards erosion classification with respect to Northland's soils. The recommendation from the Working Party was that the draft letter be reviewed and approved by council prior to it being sent to the Minister for the Environment.
- Present the "Preparing for the next Drought – 2020 Drought and Improving Water Resilience" presentation (or similar) to TTMAC.
- Dr Dymock was asked to provide the capital and operation costs of undertaking a Dung Beetle trial in Northland.
- Dr Dymock be invited to present her Dung Beetle proposal to the Kaipara Moana Remediation entity.

---

### **Authorised by Group Manager**

**Name:** Ben Lee  
**Title:** GM - Strategy, Governance and Engagement  
**Date:** 13 August 2020

**TITLE: Council River Working Group and Council Catchment Group Updates**

**ID:** A1339431

---

**Recommendation**

That the report 'Council River Working Group and Council Catchment Group Updates' be received.

---

**Kerikeri/Waipapa River Working Group (Chair Cr Joce Yeoman)**

The Kerikeri/Waipapa River Working Group met on 12 June 2020. The topics for discussion included:

- Waipapa Industrial Estate by-pass & Whiriwhiretoa Stream Upgrade
- Kerikeri Dam – Site K3A
- Updated Flood maps

Following discussion, the Kerikeri/Waipapa River Working Group agreed on the following next step:

- Engage with FNDC regarding 30 year Infrastructure Strategy and potential growth in the area

**Kaihū River Working Group (Chair Cr John Bain)**

The Kaihū River Working Group met on 26 June 2020. The topics for discussion included:

- Maintenance Works Update
- Proposed Works Programme
- Northland Water Storage Study Update

Following discussion, the Kaihū River Working Group agreed on the following next steps:

- Inspect bridges for logs and gravel build up
- Schedule boat trip to inspect along the river
- Investigate rushes and formulate a plan with the NRC Biosecurity team to more effectively eliminate rushes and rice grass

**Kaeo River Working Group (Chair Cr Marty Robinson)**

The Kaeo River Working Group met on 10 July 2020. The topics for discussion included:

- State Highway 1 bridge
- Works Programme and Gravel Extraction
- Catchment Management for Water Quality

Following discussion, the Kaeo River Working Group agreed on the following next steps:

- Continue with targeted gravel extraction where required and report back on any works undertaken at next meeting
- Investigate feasibility of taking drone images of Whangaroa Harbour after a large rain event

### **Kawakawa/Taumarere River Working Group (Chair Cr Justin Blaikie)**

The Kawakawa/Taumarere River Working Group met on 30 July 2020. The topics for discussion included:

- Flood event 17-18 July 2020
- Flood mitigation options for Otiria/Moerewa
- Turntable Hill update
- Kawakawa flood protection

Following discussion, the Kawakawa/Taumarere River Working Group provided advice on the following next steps:

- Provide recommendation from the Working Party to NRC regarding adding the raising of the bridges being put into the Northland Transport Plan
- Set up an induction hui with local marae and contractors before work starts on Turntable Hill
- Create a focus group with two members from the local community, NRC and Kiwirail to finalise pokapu spillway location/design
- Staff to provide clarity on drainage rules in relation to wetlands as a result of a new freshwater policy from central government
- Staff to set a date for a hui at Waiomio and Maromaku Marae to discuss flooding
- Staff to provide Working Party members with the requirements for locals to be awarded or to be able to undertake earthwork contracts – there is a desire from tangata whenua to understand how river works might be done by locals and through cheaper mechanisms
- Circulate permitted activity rules for works on private property to clear waterways

### **Poutō Catchment Working Group (Chair Cr Penny Smart)**

The Poutō Catchment Working Group met on 20 July 2020. The topics for discussion included:

- Catchment plan implementation
- Hornwort update
- Wilding pine update

Following discussion, the Poutō Catchment Working Group provided advice on the following next steps:

- To decide at the next meeting (video conference) on the planting and maintenance to be undertaken this financial year with the catchment group funds.
- To be updated on the plan to eradicate hornwort from the lakes in association with the Northland Regional Council and the Department of Conservation.
- Agreed with the proposal to control wilding conifers in a 100m buffer around Lake Humuhumu

**Waitangi Catchment Group (Chair Cr Marty Robinson)**

The Waitangi Catchment Group met on 4 June 2020. The topics for discussion included:

- Update from Ko Waitangi Te Awa Trust - Ngati Kawa
- Research into establishing sub-catchment groups to target water quality.
- Planning the next hui

Following discussion, the Waitangi Catchment Group agreed on the following next steps:

- Form sub-catchment group on a Waitangi river tributary that flows through Jim Sinner's property to target water-quality

---

**Authorised by Group Manager**

**Name:** Jonathan Gibbard  
**Title:** Group Manager - Environmental Services  
**Date:** 05 August 2020

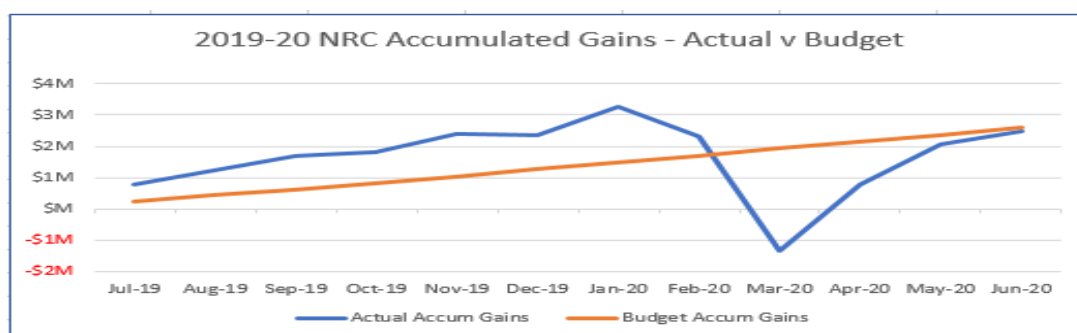
**TITLE: Externally Managed Investment Funds: 2019/20 Performance and Proposed Allocation of Gains**

**ID:** A1347497

**From:** Simon Crabb, Finance Manager

**Executive summary/Whakarāpopototanga**

Despite the financial disruption caused by the COVID-19 pandemic, council's externally managed investment portfolio generated annual gains of \$2,498,601 in 2019/20, which was \$82,572 less than budget.



The \$82,572 shortfall in gains is totally offset by a saving in investment management fees as our investment advisor reduced their fee when the portfolio was consolidated into two funds, and a lower than budget recapitalisation (reinvestment of gains back into the portfolio).

Externally Managed Fund Portfolio Overall Total	2019/20 Total		
	Actual YTD	Budget YTD	Variance
Gains & Interest	\$2,498,601	\$2,581,173	(\$82,572)
Investment Management Fees	(\$61,032)	(\$74,707)	\$13,674
Reinvestment of Gains	(\$368,587)	(\$437,485)	\$68,898
General Funding Contribution	\$2,068,981	\$2,068,981	\$0

There was no need to withdraw any general funding from the Opex reserve in 2019/20. Furthermore, (and the subject of another agenda item) it is proposed that the Opex reserve is topped up by \$468K to ensure there is sufficient funding set aside in this reserve to fully cover the gains required as general funding in 2020/21.

Depreciation funding collected and earmarked for future renewal capital expenditure is recommended to be transferred into the Infrastructure Investment Fund Reserve and invested in the Long-Term fund to preserve and track funding until it is required in the future.

The recommendations in this report have been incorporated into the operating result of \$40K in the draft annual accounts.

**Recommendation(s)**

1. That the report 'Externally Managed Investment Funds: 2019/20 Performance and Proposed Allocation of Gains' by Simon Crabb, Finance Manager and dated 2 August 2020, be received.

2. That \$368,587 of the Long-Term Investment Fund gains earned in 2019/20 is reinvested and attributed to the Community Investment Fund Reserve, and \$72,148 of the Long-Term Investment Fund gains earned in 2019/20 is allocated to the Investment and Growth Reserve.
3. That NO Long-Term Investment Fund gains attributable to the Property Reinvestment Fund Reserve are reinvested in 2019/20.
4. That NO Long-Term Investment Fund gains attributable to the Infrastructure Investment Fund Reserve are reinvested in 2019/20.
5. That \$167,777 of depreciation funding is invested into the Long-Term Fund and attributed to the Infrastructure Investment Fund Reserve.
6. That \$53,403 is withdrawn from the Long-Term Investment Fund to reimburse council's working capital for the 2019/20 investment management fees.

---

## Background/Tuhinga

### 1. Externally Managed Investment Funds

Council consolidated its externally managed investment portfolio into two externally managed investment funds in October 2019.

The Short-Term Investment Fund (STF) generated a return of 4.5% for the year, outperforming its one-year performance objective of 4.2% specified in the Statement of Investment Policy and Objectives (SIPO).

The Long-Term Investment Fund (LTF) generated a return of 5.1% for the year and did not achieve its SIPO performance objective of 6.0%.

Supporting detail for each fund's performance is contained in the EriksensGlobal report attached as **Attachment One**.

The Long-Term Investment Fund represents three separate reserves:

- Community Investment Fund reserve
- Property Reinvestment Fund reserve
- Infrastructure Investment Fund reserve.

### 2. Community Investment Fund (CIF) Reserve

In 2019/20 \$735,966 of the gains generated in the LTF were generated from CIF capital invested in the LTF.

Council's position when preparing the 2018–28 Long Term Plan was that \$72,148 of the CIF gains would be transferred to the Investment and Growth Reserve (IGR) to fund the inflation adjustment portion of the operational grant paid to Northland Inc. After accounting for the \$72,148 IGR transfer, it is proposed that \$368,587 of the remaining gains is reinvested back into LTF and attributed to the CIF Reserve.

Table One summarises the proposed CIF recommendation:

Table One COMMUNITY INVESTMENT FUND / RESERVE	2019-2020 Actual	2019-2020 Annual Plan Revised	2020-2021 Annual Plan Original	2020-2021 Annual Plan Revised
<b>OPENING BALANCE</b>	\$15,012,329	\$15,012,329	\$14,423,331	\$15,005,916
Gross Gains earned on Fund	\$734,966	\$788,048	\$675,661	\$675,661
Gains to IGR (Operating grant adjustment)	-\$72,148	-\$72,148	-\$111,135	-\$111,135
Gains to IGR (Shortfall in REL Loan proceeds)	-	-	-\$67,239	-\$8,446
Gains to General Funding	-\$294,231	-	-\$497,287	-\$497,287
Amount of Investment income reinvested (retained) In Fund	\$368,587	\$715,900	-	\$58,793
Withdrawal of funding from CIF as IGR Funding	-\$375,000	-\$500,000	-\$1,700,000	-\$1,825,000
Withdrawal of funding from CIF as General Funding	-	-	-\$200,000	-\$200,000
<b>CLOSING BALANCE OF INVESTMENT FUND &amp; RESERVE</b>	<b>\$15,005,916</b>	<b>\$15,228,229</b>	<b>\$12,523,331</b>	<b>\$13,039,709</b>

### 3. Property Reinvestment Fund Reserve (PRF)

In 2019/20 \$729,206 of gains generated in the LTF and STF were generated from PRF capital. It is proposed that none of these gains are reinvested or attributed back to the PRF reserve as presented in Table Two:

Table Two PROPERTY REINVESTMENT FUND RESERVE	2019-20	
	Actual	Budget
<b>Opening Reserve Balance</b>	\$16,749,498	\$15,317,563
Increase in Reserve due to Property Sales	\$830,547.92	
Decrease in Reserve due to Property purchases	-\$1,579,496	
Increase in Reserve due to MPRL Sale proceeds	\$10,521,921	
Increase due to transfer of SALT from Short Term Fund	\$25,717	
<b>Decrease in Reserve due to property development costs</b>		
Kensington Project	-\$4,495,955	-\$10,488,413
Kaipara Service Centre Project	-\$618,703	-\$3,149,256
Other	\$0	
	-\$5,114,658	-\$13,637,669
<b>Increase in Reserve due to Reinvestment back into the Fund</b>		
Total Gains and Interest earned on fund	\$729,206	\$494,828
Less Investment advisor and registry fees	-\$19,287	-\$20,853
Less Gains withdrawn as general funding	-\$709,919	-\$473,975
<b>Total Reinvestment back into Fund</b>	<b>\$0</b>	<b>\$0</b>
<b>PROPERTY REINVESTMENT FUND RESERVE - CLOSING BALANCE</b>	<b>\$21,433,529</b>	<b>\$1,679,894</b>
<b>Reconciled To Eriksens Global Investment Fund</b>		
LTF Fund Managers Balance 30 June 2020	\$8,087,660	\$1,679,894
STF Fund Managers Balance 30 June 2020	\$14,318,764	\$0
	\$22,406,424	\$1,679,894
<b>less adjustments due to occur after balance date</b>		
Operating costs reserve funding to be withdrawn	\$0	
General funding to be withdrawn	\$0	
Property costs to be withdrawn	-\$953,607	
Investment advisor fees to be withdrawn	-\$19,287	
Trustee and Registry Fees to be withdrawn	\$0	
	-\$972,894	
<b>PROPERTY REINVESTMENT FUND - CLOSING BALANCE</b>	<b>\$21,433,529</b>	<b>\$1,679,894</b>

#### 4. Infrastructure Investment Fund Reserve (IIF)

In 2019/20 \$729,206 of gains generated in the LTF were generated from IIF capital. It is proposed that none of these gains are reinvested or attributed back into the IIF Reserve. It is also recommended that \$167,777 of infrastructure depreciation funding collected and earmarked for future capital renewal works is transferred into the IIF reserve with a corresponding cash investment made to the LTF.

Table Three summarises the IIF proposals:

Table Three: INFRASTRUCTURE INVESTMENT FUND RESERVE	2019-20	
	Actual	Budget
Opening Reserve Balance	\$20,914,957	\$19,602,631
Increase in reserve due to Reinvestment back into the Fund		
Total Gains earned on fund	\$864,277	\$1,055,987
Less Investment advisor and registry fees	-\$34,116	-\$39,781
Less Gains withdrawn as general funding	-\$830,161	-\$1,294,621
Total Reinvestment to / (Withdrawal from) Fund	\$0	(278,415)
Increase due to Depreciation funding collected in 19/20		
Awanui river works	\$98,040	
Kaeo - Whangaroa river works	\$3,501	
Whangarei Dam	\$66,236	
Regional Flood Infrastructure	\$0	
	\$167,777	
INFRASTRUCTURE INVESTMENT FUND RESERVE - CLOSING BALANCE	\$21,082,734	\$19,324,216
Reconciled To Eriksens Global Investment Fund		
LTF Fund Managers Balance 30 June 2020	\$20,943,250	\$19,324,216
less adjustments due to occur after balance date		
Targeted Rates invested and held to repay Debt	\$0	
Net Depreciation invested	\$167,777	
Investment advisor & trustee fees to be withdrawn	-\$34,116	
T R Rowe Price Reinvestment (invested 24 July 2020 )	\$5,822	
	\$139,483	\$0
INFRASTRUCTURE INVESTMENT FUND - CLOSING BALANCE	\$21,082,734	\$19,324,216

#### 5. Alternative Allocation

Although the general funding contribution from the overall investment portfolio is in line with budget, it should be noted that a different strategy of allocating gains to reserves can be undertaken in an endeavour to support different priorities.

For example, less gains may be allocated to the CIF reserve thereby reducing the CIF funding available for future economic development initiatives, and an increased level of gains may be allocated to the PRF reserve to allow a greater level of funding to be directed into property investments and redevelopment.

- Table 4 illustrates an allocation of LTF gains to the CIF reserve that would increase the level of funding available for future economic development initiatives.
- Table 5 presents an alternative option of allocating LTF gains to the PRF reserve, thus increasing the level of funding available for future property investment and/or redevelopment.



Table 4

Externally Managed Fund Portfolio	CIF (LTF)		PRF (LTF & STF)		IIF (LTF)		STF (Work Cap)		2019/20 total	
	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD
Gains & Interest	\$734,966	\$788,048	\$729,206	\$494,829	\$864,276	\$1,055,987	\$170,153	\$242,309	\$2,498,601	\$2,581,173
Investment Management Fees	-	-	(\$19,287)	(\$20,853)	(\$34,116)	(\$39,781)	(\$7,629)	(\$14,072)	(\$61,032)	(\$74,707)
Reinvestment of Gains	(\$368,587)	(\$715,900)	-	-	-	-	-	-	(\$368,587)	(\$715,900)
Withdrawal for General Funding	-	-	-	-	-	\$278,415	-	-	\$0	\$278,415
General Funding Contribution	\$366,379	\$72,148	\$709,919	\$473,976	\$830,160	\$1,294,621	\$162,524	\$228,236	\$2,068,981	\$2,068,981
Variance Excess / (Shortfall)	\$294,231		\$235,943		(\$464,461)		(\$65,713)		\$0	

Table 5

Externally Managed Fund Portfolio	CIF (LTF)		PRF (LTF & STF)		IIF (LTF)		STF (Work Cap)		2019/20 total	
	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD	Act ytd	Bud YTD
Gains & Interest	\$734,966	\$788,048	\$729,206	\$494,829	\$864,276	\$1,055,987	\$170,153	\$242,309	\$2,498,601	\$2,581,173
Investment Management Fees	-	-	(\$19,287)	(\$20,853)	(\$34,116)	(\$39,781)	(\$7,629)	(\$14,072)	(\$61,032)	(\$74,707)
Reinvestment of Gains	-	(\$715,900)	(\$368,587)	-	-	-	-	-	(\$368,587)	(\$715,900)
Withdrawal for General Funding	-	-	-	-	-	\$278,415	-	-	\$0	\$278,415
General Funding Contribution	\$734,966	\$72,148	\$341,332	\$473,976	\$830,160	\$1,294,621	\$162,524	\$228,236	\$2,068,982	\$2,068,981
Variance Excess / (Shortfall)	\$662,818		(\$132,644)		(\$464,461)		(\$65,713)		\$0	

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Reinvest the LTF gains and attribute to the CIF Reserve, as presented in Table 4 of this report	Build the capital base of the CIF to enhance future spending power.	There is no additional funding available for projects that are funded from either the PRF or the IIF reserve.  The future spending power of the PRF and IIF may be at risk of becoming eroded by inflation.
2	Reinvest the LTF gains and attribute to the PRF, Reserve, as presented in Table 5 of this report	Build the capital base of a different reserve/s to generate the ability to fund different priorities.	The CIF reserve has an agreed minimum level of \$12.5M. Without reinvestment of gains there is a risk that this level may be breached.
3	Do not reinvest any of LTF gains	Release funding for additional operational work programmes/or projects.	The future spending power of the CIF, PRF and IIF is reduced and at risk of becoming eroded by inflation.  The \$12.5M minimum balance requirement of the CIF may be breached.

The staff's recommended option is 1 as the CIF is the only fund that has a budgeted reinvestment of its gains scheduled in 2019/20, and is also required to maintain a capital value in excess of \$12.5M.

**2. Significance and engagement**

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

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

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

**4. Financial implications**

The way gains are allocated will affect the level of future funding available to pay for projects and programmes aligned to the purpose of each reserve, however, the CIF Reserve is the only reserve that has a self-imposed minimum requirement to hold \$12.5M.

Investment strategies carry different risk profiles and are subject to different return volatilities. The returns from managed funds can fluctuate over a given time and historical returns do not necessarily form the basis for forecasted returns.

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

---

**Attachments/Ngā tapirihanga**

Attachment 1: EriksensGlobal Report - 30 June 2020 [↓](#)

---

**Authorised by Group Manager**

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

# ERIKSENSGLOBAL

Actuaries & Investment Strategists

---

## NORTHLAND REGIONAL COUNCIL EXTERNALLY MANAGED INVESTMENT FUNDS

QUARTERLY REPORT 30 JUNE 2020

17 JULY 2020

STRICTLY PRIVATE & CONFIDENTIAL

Please note the information contained in this document is of a highly commercially sensitive and confidential nature. It is not to be made public and is only for the use of the Executive and Directors/Trustees of client organisations of EriksensGlobal. This report is subject to Intellectual Property rights by EriksensGlobal. It is not to be released to any other third parties in any format (including electronically or verbally), without the express written permission of EriksensGlobal. The information in this report has been gathered from a variety of sources that we believe to be reliable. Whilst using all reasonable care to obtain this information, we do not accept any responsibility or liability for errors or omissions.

---

ERIKSENSGLOBAL.com

#### Auckland

2 Burns Avenue Takapuna  
PO Box 33-1318 Takapuna 0740  
p: +64 9 486 3144  
auckland@eriksensglobal.com

#### Wellington

Level 9, 111 The Terrace  
PO Box 10-105 Wellington 6143  
p: +64 4 470 6144  
wellington@eriksensglobal.com

Northland Regional Council  
Quarterly Report 30 June 2020

**CONTENTS**

Executive Summary .....	3
Introduction.....	4
Long Term Fund .....	5
Short Term Fund .....	8
Standard Deviation of Returns.....	10
Market Performance and Economic Commentary.....	10
Appendix 1: Benchmarks.....	15
Appendix 2: NRC Total Funds Under Management .....	16

Northland Regional Council  
Quarterly Report 30 June 2020

## EXECUTIVE SUMMARY

	1 Month %	Quarter %	YTD %	1 Year %	3 Year (p.a.) %	Inception (p.a.) %
<b>LTF</b>	<b>0.9</b>	<b>8.6</b>	<b>5.1</b>	<b>5.1</b>	<b>6.6</b>	<b>6.2</b>
Objective	0.2	0.6	6.0	6.0	6.0	5.7
Over / Underperformance	0.7	8.0	-0.9	-0.9	0.6	0.5
<b>STF</b>	<b>0.4</b>	<b>4.0</b>	<b>4.5</b>	<b>4.5</b>	<b>6.9</b>	<b>7.2</b>
Objective	0.3	0.9	4.2	4.2	4.8	5.1
Over / Underperformance	0.1	3.1	0.3	0.3	2.1	2.1

- Equity markets continued to rise in June on the back of reopening economies, positive news flow surrounding the virus and liquidity from monetary and fiscal policy support. The NZD appreciated sharply against most major trading partners (ex the AUD) which was detrimental to unhedged returns.
- The LTF outperformed against its real objective over all periods except for the year to date (equals one year). The STF outperformed over all periods against its real objective and just 0.6% below the LTF for the year.
- The best performing assets over the quarter were the ones with higher exposures to equity markets, namely T. Rowe Price, Aspiring, Milford Active Growth and Mint Diversified Growth. The multi-asset income funds supported returns. Unhedged assets such as CC No.5 Fund, Schrodgers and BlackRock benefitted from the depreciation of the NZD against the AUD during the quarter.
- The allocation to cash assets in the STF is above the allowable range. This higher allocation to cash is prudent for the time being given the current market environment. The allocation to QuayStreet Income is also above the allowable range. Future cash needs should be taken from it over the cash pool, depending on liquidity.
- We expect the upward momentum of markets to be broadly sustained for the next few months. Volatility will increase due to lighter trading in the northern hemisphere summer holidays and concerns about COVID-19.
- However from September onwards we will be taking a more cautious approach and recommending progressively reducing risk. This will be market and COVID-19 dependent.

## INTRODUCTION

This is the monthly investment report to the Northland Regional Council by EriksensGlobal and is based on the following Statement of Investment Policy and Objectives for each separate Fund:

- Long Term Fund – 18 February 2020
- Short Term Fund – 18 February 2020

Investment Objective (Net of Fees)
<b>Long Term Fund</b>
NZ CPI (rolling over three years) plus 4.5% per annum
<b>Short Term Fund</b>
90-day Bank Bill Index plus 3% per annum

The NZ CPI (rolling over three years) as at **June 2020 was 1.5% per annum**. The Fund objectives for shorter time periods have been amended to reflect the actual CPI change for that period (where possible).

All performance figures are time-weighted returns shown **net** of fees, **gross** of tax and include currency gains and losses associated with conversion back to NZD. Past performance is not necessarily a guarantee of future performance and care should be exercised not to make decisions based on past performance only.

The returns have been calculated from monthly data provided by each asset manager. There may therefore be a discrepancy if the amounts invested in a particular asset have changed during the month.

Each Fund is invested in a multi-manager structure, with the managed products holding their own individual mandate (see Appendix 1).

Underlying Fund allocations are categorised as follows:

- Growth assets: global shares, Australasian shares, property and Australasian private equity
- Income assets: global bonds, Australasian bonds and other debt instruments
- Cash assets: cash or short duration bonds

The financial year-end for the Fund is 30 June, thus year-to-date returns are for **twelve** months.

Northland Regional Council  
Quarterly Report 30 June 2020

## LONG TERM FUND

### PERFORMANCE SUMMARY

Performance Summary	1 Month %	3 Month %	YTD %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
<b>Growth Assets</b>						
<b>Aspiring</b>	<b>1.6</b>	<b>14.2</b>	<b>5.5</b>	<b>5.5</b>	<b>7.3</b>	
Benchmark	0.2	0.5	5.5	5.5	5.5	
Over / Underperformance	1.4	13.7	0.0	0.0	1.8	
<b>Castle Point 5 Oceans</b>	<b>0.7</b>	<b>6.6</b>	<b>5.1</b>	<b>5.1</b>	<b>5.6</b>	
Benchmark	0.3	0.8	3.8	3.8		
Over / Underperformance	0.4	5.8	1.3	1.3		
<b>Milford Active Growth</b>	<b>2.0</b>	<b>13.4</b>	<b>4.4</b>	<b>4.4</b>	<b>9.3</b>	<b>9.5</b>
Benchmark	0.8	2.4	10.0	10.0	10.0	10.0
Over / Underperformance	1.2	11.0	-5.6	-5.6	-0.7	-0.5
<b>Mint Div. Growth</b>	<b>2.1</b>	<b>15.7</b>				
Benchmark	0.2	0.6				
Over / Underperformance	1.8	15.1				
<b>Schroders RRF</b>	<b>0.2</b>	<b>7.7</b>	<b>3.2</b>	<b>3.2</b>	<b>4.0</b>	<b>2.5</b>
Benchmark	0.0	0.0	0.0	0.0	0.0	0.0
Over / Underperformance	0.2	7.7	3.2	3.2	4.0	2.5
<b>T. Rowe Price</b>	<b>1.4</b>	<b>20.3</b>	<b>21.3</b>	<b>21.3</b>		
Benchmark	2.7	17.8	1.5	1.5		
Over / Underperformance	-1.3	2.5	19.8	19.8		
<b>Continuity Capital No.2</b>	<b>0.4</b>	<b>-2.5</b>	<b>6.7</b>	<b>6.7</b>		
Benchmark	1.2	3.6	15.0	15.0		
Over / Underperformance	-0.8	-6.1	-8.3	-8.3		
<b>Continuity Capital No.4</b>	<b>-2.9</b>	<b>-7.5</b>	<b>-7.8</b>	<b>-7.8</b>		
Benchmark	1.2	3.6	15.0	15.0		
Over / Underperformance	-4.1	-11.1	-22.8	-22.8		
<b>Continuity Capital No.5</b>	<b>1.8</b>	<b>0.4</b>				
Benchmark	1.2	3.6				
Over / Underperformance	0.6	-3.2				
<b>MLC PE II</b>	<b>-3.5</b>	<b>-6.0</b>	<b>11.0</b>	<b>11.0</b>		
Benchmark	1.2	3.6	15.0	15.0		
Over / Underperformance	-4.7	-9.6	-4.0	-4.0		
<b>PCP III</b>	<b>0.0</b>	<b>-7.2</b>	<b>12.6</b>	<b>12.6</b>	<b>18.2</b>	
Benchmark	0.6	1.9	8.0	8.0	8.0	
Over / Underperformance	-0.6	-9.1	4.6	4.6	10.2	
<b>Income Assets</b>						
<b>BlackRock FIGO</b>	<b>0.9</b>	<b>10.9</b>	<b>4.0</b>	<b>4.0</b>	<b>3.3</b>	
Benchmark	0.3	1.0	4.9	4.9	5.6	
Over / Underperformance	0.6	9.9	-0.9	-0.9	-2.3	
<b>Harbour Income</b>	<b>0.0</b>	<b>5.4</b>	<b>2.6</b>	<b>2.6</b>	<b>5.2</b>	<b>5.4</b>
Benchmark	0.3	0.9	4.3	4.3	4.8	4.6
Over / Underperformance	-0.3	4.5	-1.7	-1.7	0.4	0.8
<b>Milford Div. Income</b>	<b>0.7</b>	<b>5.5</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>7.8</b>
Benchmark	0.2	0.7	3.3	3.3	3.9	4.2
Over / Underperformance	0.5	4.8	-3.3	-3.3	1.9	3.6
<b>Mint Div. Income</b>	<b>1.1</b>	<b>5.3</b>	<b>1.4</b>	<b>1.4</b>	<b>4.7</b>	<b>5.0</b>
Benchmark	0.1	0.3	4.5	4.5	4.5	4.4
Over / Underperformance	1.0	5.0	-3.1	-3.1	0.2	0.6
<b>Total Fund</b>	<b>0.9</b>	<b>8.6</b>	<b>5.1</b>	<b>5.1</b>	<b>6.6</b>	<b>6.2</b>
Fund Objective	0.2	0.6	6.0	6.0	6.0	5.7
Over / Underperformance	0.7	8.0	-0.9	-0.9	0.6	0.5

#### CONTINUITY CAPITAL PE FUND NO.2 (HISTORICAL RETURN)

The table below shows the returns of Continuity Capital No.2, including the period before it was transferred from the old PRF to the CIF.

	1 Month %	3 Month %	YTD %	1 Year %	3 Year % p.a.
<b>Continuity Capital PE Fund No.2</b>	<b>0.4</b>	<b>-2.5</b>	<b>6.7</b>	<b>6.7</b>	<b>9.8</b>
Benchmark	1.2	3.6	15.0	15.0	15.0
Value Added	-0.8	-6.1	-8.3	-8.3	-5.2

#### AUSTRALIAN DOLLAR-DENOMINATED FUND RETURNS

The following table shows the movements of the AUD/NZD cross rate which affect the unhedged Schroders, MLC and BlackRock returns. A negative change in the cross rate is beneficial to the unhedged NZD return, while a positive change is detrimental to the unhedged NZD return.

	1 Month %	3 Month %	YTD %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
<b>AUD/NZD</b>	<b>0.2</b>	<b>-3.5</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-0.7</b>	<b>1.2</b>
<b>Schroders RRF + 5% (NZD)</b>	<b>0.2</b>	<b>7.7</b>	<b>3.2</b>	<b>3.2</b>	<b>4.0</b>	<b>2.5</b>
Benchmark	0.0	0.0	0.0	0.0	0.0	0.0
Over / Underperformance	0.2	7.7	3.2	3.2	4.0	2.5
<b>Schroders RRF + 5% (AUD)</b>	<b>0.3</b>	<b>3.8</b>	<b>0.5</b>	<b>0.5</b>	<b>3.1</b>	<b>3.6</b>
Benchmark	0.0	0.0	0.0	0.0	0.0	0.0
Over / Underperformance	0.3	3.8	0.5	0.5	3.1	3.6
<b>MLC PE II (NZD)</b>	<b>-3.5</b>	<b>-6.0</b>	<b>11.0</b>	<b>11.0</b>		
Benchmark	1.2	3.6	15.0	15.0		
Over / Underperformance	-4.7	-9.6	-4.0	-4.0		
<b>MLC PE II (AUD)</b>	<b>-3.3</b>	<b>-9.2</b>	<b>8.5</b>	<b>8.5</b>		
Benchmark	1.2	3.6	15.0	15.0		
Over / Underperformance	-4.5	-12.8	-6.5	-6.5		
<b>BlackRock FIGO (NZD)</b>	<b>0.9</b>	<b>10.9</b>	<b>4.0</b>	<b>4.0</b>	<b>3.3</b>	
Benchmark	0.3	1.0	4.9	4.9	5.6	
Over / Underperformance	0.6	9.9	-0.9	-0.9	-2.3	
<b>BlackRock FIGO (AUD)</b>	<b>1.1</b>	<b>7.0</b>	<b>1.6</b>	<b>1.6</b>	<b>2.6</b>	
Benchmark	0.3	1.0	4.9	4.9	5.6	
Over / Underperformance	0.8	6.0	-3.3	-3.3	-3.0	
<b>Continuity Capital No.5 (NZD)</b>	<b>1.8</b>	<b>0.4</b>				
Benchmark	1.2	3.6				
Over / Underperformance	0.6	-3.2				
<b>Continuity Capital No.5 (AUD)</b>	<b>1.9</b>	<b>-3.1</b>				
Benchmark	1.2	3.6				
Over / Underperformance	0.7	-6.7				



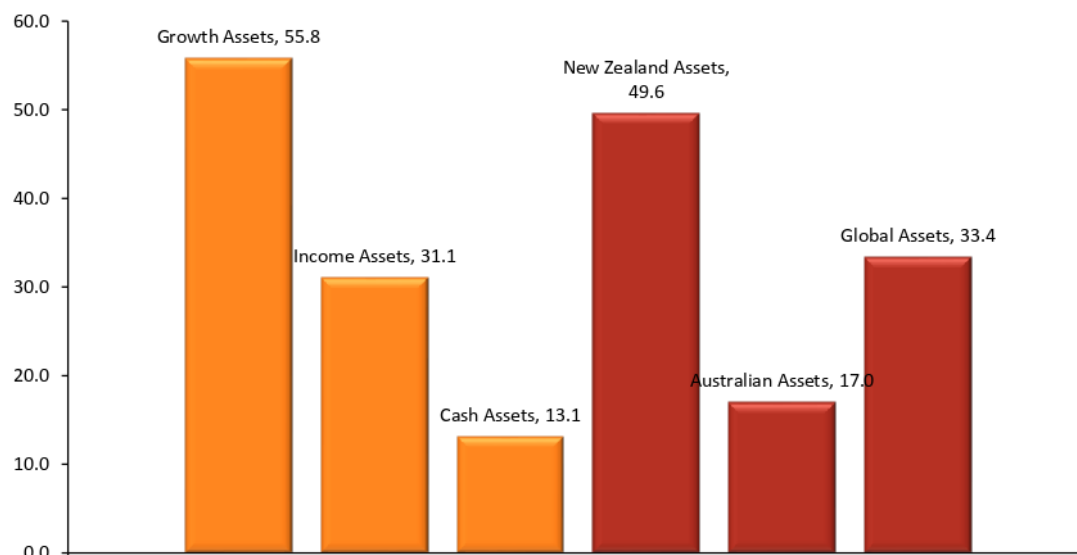
Northland Regional Council  
Quarterly Report 30 June 2020

#### LTF OVERALL FUND ASSET ALLOCATION

Overall Fund Asset Allocation	Market Value		Target	Target Range	Status
	\$	%	%	%	
<b>Growth Assets</b>	<b>28,458,386</b>	<b>64.6</b>	<b>67</b>	<b>50 - 85</b>	✓
<b>Diversified Growth</b>	<b>24,633,302</b>	<b>56.0</b>	<b>47</b>	<b>30 - 70</b>	✓
Aspiring	5,778,784	13.1	7	5 - 15	✓
Castle Point 5 Oceans	5,429,907	12.3	10	5 - 15	✓
Milford Active Growth	3,847,375	8.7	10	5 - 15	✓
Mint Diversified Growth	1,832,211	4.2	5	0 - 10	✓
Schroders Real Return Fund + 5%	3,070,531	7.0	5	0 - 10	✓
T. Rowe Price Global Equity Growth	4,674,494	10.6	10	0 - 15	✓
<b>Private Equity</b>	<b>3,825,084</b>	<b>8.7</b>	<b>20</b>	<b>0 - 35</b>	✓
Continuity Capital PE Fund No.2 LP	1,320,107	3.0	3	0 - 8	✓
Continuity Capital PE Fund No.4 LP	447,718	1.0	3	0 - 8	✓
Continuity Capital PE Fund No.5 LP	461,120	1.0	4	0 - 8	✓
Direct Capital VI*	0	0.0	4	0 - 8	✓
MLC PE II	988,871	2.2	3	0 - 8	✓
PCP III	607,268	1.4	3	0 - 8	✓
<b>Income Assets</b>	<b>15,562,620</b>	<b>35.4</b>	<b>33</b>	<b>15 - 50</b>	✓
<b>Diversified Income</b>	<b>15,562,620</b>	<b>35.4</b>	<b>33</b>	<b>15 - 50</b>	✓
BlackRock FIGO	1,183,348	2.7	3	0 - 10	✓
Harbour Income	4,670,296	10.6	10	0 - 15	✓
Milford Diversified Income	4,835,876	11.0	10	0 - 15	✓
Mint Diversified Income	4,873,100	11.1	10	0 - 15	✓
<b>Cash</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0 - 5</b>	✓
Self-Managed	0	0.0	0	0 - 5	✓
<b>Total Assets</b>	<b>44,021,006</b>	<b>100.0</b>			

\*Management and establishment fee paid in June totalling \$15,822 (\$10,000 + \$5,822) for Direct Capital

#### LTF UNDERLYING FUND ASSET ALLOCATION



Northland Regional Council  
Quarterly Report 30 June 2020

## SHORT TERM FUND

### PERFORMANCE SUMMARY

Performance Summary	1 Month %	3 Month %	YTD %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
<b>Growth Assets</b>						
<b>Castle Point 5 Oceans</b>	<b>0.4</b>	<b>6.3</b>	<b>3.7</b>	<b>3.7</b>		
Benchmark	0.3	0.8	3.8	3.8		
Value Added	0.1	5.5	-0.1	-0.1		
<b>Milford Active Growth</b>	<b>2.0</b>	<b>13.4</b>				
Benchmark	0.8	2.4				
Over / Underperformance	1.2	11.0				
<b>Milford Diversified Growth</b>	<b>2.8</b>					
Benchmark	0.2					
Over / Underperformance	2.6					
<b>Income Assets</b>						
<b>Harbour Income</b>	<b>0.0</b>	<b>6.5</b>	<b>1.4</b>	<b>1.4</b>		
Benchmark	0.3	0.9	4.3	4.3		
Value Added	-0.3	5.6	-2.9	-2.9		
<b>Milford Diversified Income</b>	<b>0.6</b>	<b>5.5</b>	<b>-0.2</b>	<b>-0.2</b>	<b>5.7</b>	<b>7.7</b>
Benchmark	0.2	0.7	3.3	3.3	3.9	4.2
Over / Underperformance	0.4	4.8	-3.5	-3.5	1.8	3.5
<b>Mint Diversified Income</b>	<b>0.8</b>	<b>5.0</b>	<b>1.9</b>	<b>1.9</b>	<b>4.8</b>	<b>5.1</b>
Benchmark	0.1	0.3	4.5	4.5	4.5	4.6
Value Added	0.7	4.7	-2.6	-2.6	0.3	0.5
<b>QuayStreet Income</b>	<b>0.1</b>	<b>4.3</b>	<b>2.5</b>	<b>2.5</b>	<b>4.9</b>	
Benchmark	0.2	0.6	2.8	2.8	3.4	
Value Added	-0.1	3.7	-0.3	-0.3	1.5	
<b>Self-Managed Cash</b>	<b>0.1</b>	<b>0.2</b>				
Benchmark	0.0	0.1				
Value Added	0.1	0.1				
<b>Total Fund</b>	<b>0.4</b>	<b>4.0</b>	<b>4.5</b>	<b>4.5</b>	<b>6.9</b>	<b>7.2</b>
Fund Objective	0.3	0.9	4.2	4.2	4.8	5.1
Value Added	0.1	3.1	0.3	0.3	2.1	2.1

Northland Regional Council  
Quarterly Report 30 June 2020

#### STF OVERALL FUND ASSET ALLOCATION

Overall Fund Asset Allocation	Market Value		Target	Target Ranges	Status
	\$	%	%	%	
<b>Growth Assets</b>	<b>3,240,418</b>	<b>14.8</b>	<b>20</b>	<b>0 - 40</b>	✓
<b>Diversified Growth</b>	<b>3,240,418</b>	<b>14.8</b>	<b>20</b>	<b>0 - 40</b>	✓
Castle Point 5 Oceans	1,517,408	7.0	10	0 - 20	✓
Milford Active Growth	1,009,643	4.6	5	0 - 20	✓
Mint Diversified Growth	713,367	3.3	5	0 - 20	✓
<b>Income Assets</b>	<b>18,591,848</b>	<b>85.2</b>	<b>80</b>	<b>60 - 100</b>	✓
<b>Diversified Income</b>	<b>15,577,817</b>	<b>71.4</b>	<b>80</b>	<b>60 - 100</b>	✓
Harbour Income	3,303,893	15.1	20	0 - 30	✓
Milford Diversified Income	1,343,405	6.2	20	0 - 30	✓
Mint Diversified Income	3,796,627	17.4	20	0 - 30	✓
QuayStreet Income	7,133,892	32.7	20	0 - 30	x
<b>Cash</b>	<b>3,014,030</b>	<b>13.8</b>	<b>0</b>	<b>0 - 5</b>	x
Self-Managed	3,014,030	13.8	0	0 - 5	x
<b>Total Assets</b>	<b>21,832,266</b>	<b>100.0</b>			

The allocation to cash is above the allowable range, though this is prudent for the time being given the current market environment. The allocation to QuayStreet Income is also above the allowable range.

#### STF UNDERLYING FUND ASSET ALLOCATION



## STANDARD DEVIATION OF RETURNS

At the request of the Investment Sub-Committee we have included the table below showing the standard deviation of returns for each NRC Fund. We have also included two Morningstar Category Benchmarks and the NZX50 Index to provide some context.

The Morningstar category benchmarks are defined as below:

- The Multisector Balanced Category consists of funds that invest in a number of sectors and have 41% to 60% of their assets in growth sectors. These are typically defined as equity and property asset classes.
- The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors. These are typically defined as equity and property asset classes.

Standard deviation is a measure of variation around an average return. For example, if a fund returned 10% per annum on average over the past three years with a standard deviation of 3%, this means the annual return could have been between 7% and 13%. The higher the standard deviation, the wider the range in returns.

The investment industry has traditionally used standard deviation as one measure of risk. However, risk is complex and has many different sides to it so cannot be condensed into one measure. The use of standard deviation as a measure of risk can give a false impression of confidence, or a false impression of fear. The statistic does not tell us whether the variation in returns is more on the upside, or more on the downside. Neither does it tell us how frequent large falls may occur. We note that the figures below are based on past returns and are not a reliable indicator of the distribution of future returns. The figures are annualised and have been calculated using monthly returns.

Standard Deviation of Returns	1 Year %	3 Year (p.a.) %
<b>LTF</b>	9.9	6.3
<b>STF</b>	4.7	3.9
<b>NZ Multi-Sector Balanced</b>	5.3	5.2
<b>NZ Multi-Sector Moderate</b>	7.0	4.7
<b>S&amp;P/NZX 50</b>	18.6	12.3

Over the one-year period the LTF had a higher standard deviation than the Balanced and Moderate benchmarks and a lower standard deviation than the NZX 50. The STF had a lower standard deviation than the NZX 50, Balanced benchmark and the Moderate benchmark.

Over the three-year period the LTF had a higher standard deviation than the Balanced and Moderate benchmarks and a lower standard deviation than the NZX 50. The STF had a lower standard deviation than the NZX 50, Balanced benchmark and the Moderate benchmark.

## MARKET PERFORMANCE AND ECONOMIC COMMENTARY

### MARKET PERFORMANCE

Financial market behaviour over the past year is summarised in the table below:

Index	Index Level/ Price	1 Month %	3 Month %	1 Year %	3 Year % p.a.	5 Year % p.a.
Global Equities						
MSCI Emerging Markets	590.58	6.6	16.7	1.4	4.5	5.1
MSCI All Country World Index	254.78	2.9	18.3	3.1	6.6	6.9
S&P 500 (US)	3,100.29	1.8	20.0	5.4	8.6	8.5
Nikkei 225 (Japan)	22,288.14	1.9	17.8	4.8	3.6	2.0
FTSE 100 (UK)	6,169.74	1.5	8.8	-16.9	-5.5	-1.1
DAX (Germany)	12,310.93	6.2	23.9	-0.7	0.0	2.4
CAC 40 (France)	4,935.99	5.1	12.3	-10.9	-1.2	0.6
Trans-Tasman Equities						
S&P/NZX 50	11,451.05	5.2	16.9	9.0	14.6	14.9
S&P/ASX 300	64,102.05	2.4	16.8	-7.6	5.2	6.0
Bonds						
Bloomberg NZBond Govt NZD	4,586.29	-0.6	2.2	5.7	6.0	5.2
Bloomberg NZBond Composite NZD	1,656.87	-0.3	2.4	5.4	5.6	5.0
BBGBarc Global Aggregate Hdg NZD	440.20	0.5	2.4	5.7	5.0	5.2
FTSE WGBI Hdg NZD	3,711.45	0.3	1.1	6.6	5.5	5.4
Oil						
West Texas Intermediate Crude	37.26	8.7	23.5	-56.6	-18.4	-23.5
Brent Crude	41.15	16.5	81.0	-38.2	-5.0	-8.3
NZD Foreign Exchange						
AUD	0.9345	0.0	-3.9	-1.6	-2.2	3.2
EUR	0.5724	2.5	4.7	-2.0	-11.0	-8.1
GBP	0.5143	4.0	5.2	-1.2	-8.9	14.5
JPY	69.33	6.3	6.6	-2.7	-13.5	-19.8
CNY	4.5676	5.7	7.7	0.3	-7.1	5.3
USD	0.6446	5.9	6.6	-2.3	-10.8	-7.8

Source: Morningstar, RBNZ

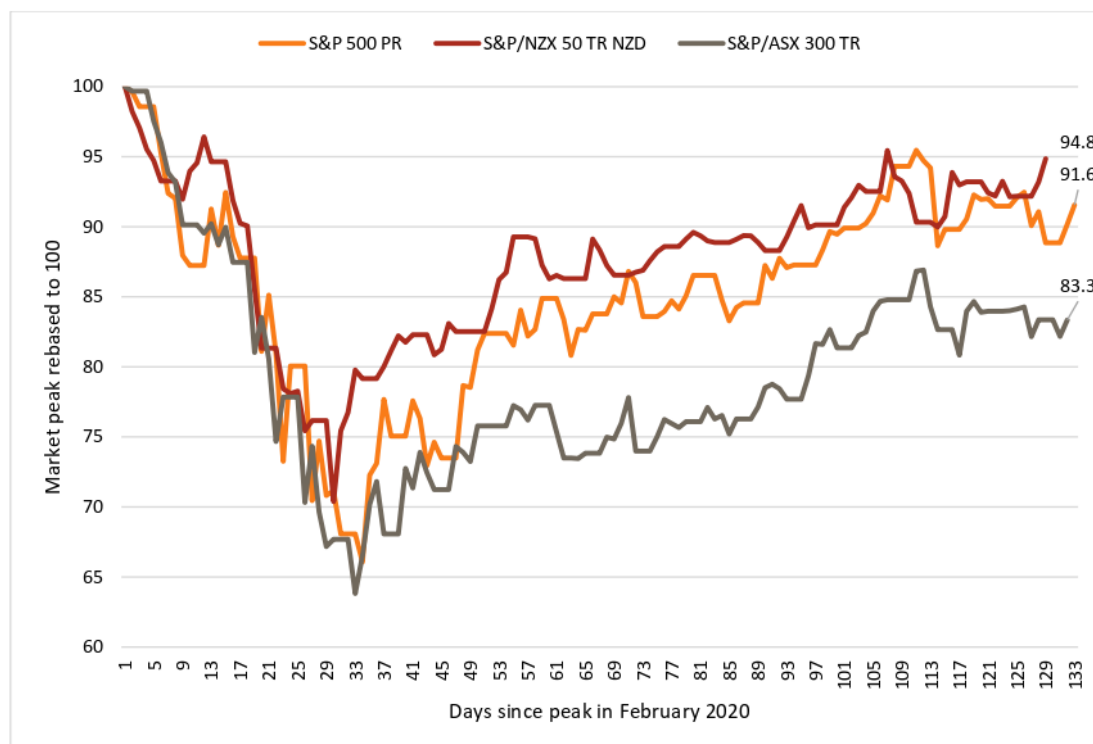
We make the following key observations:

- Double digit returns of equity markets over the three-month period in the bounce back.
- Positive NZX50 performance over all time horizons.
- Relatively consistent returns from bond markets over longer time horizons but shorter term volatility.
- Oil price back to around \$40.
- Weakness of the NZD against the AUD over all periods except 5 years.

## ECONOMIC COMMENTARY

There is the tendency for investors to overweight factors that are more vivid in their memory. It is important not to expect recent events/trends to continue into the future. Will we experience another confluence of events like that in February and March? What has caused the rebound in equity markets and will it continue? (see **Figure 1**)

**Figure 1: Rebound in equity markets from February peak to 30 June 2020**



Source: data from Morningstar Direct

The rise in markets since March has surprised many risk averse investors. We think the following factors have contributed to this surge: central bank intervention creating liquidity and pushing interest rates down to record lows, reopening of economies, the hope of a vaccine in the foreseeable future, fiscal support and retail investor confidence or complacency.

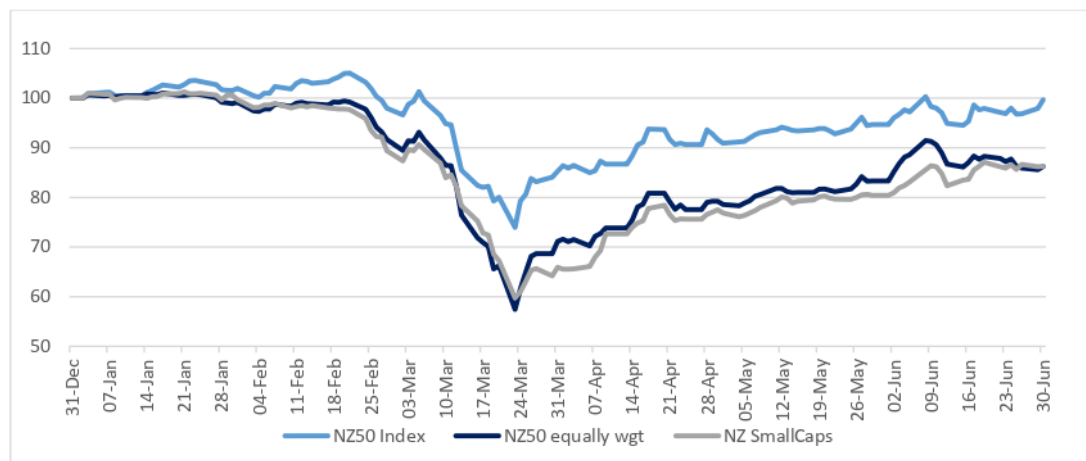
Economic uncertainty due to the large-scale job losses and increasing geopolitical risks should temper investor optimism. The election in the US in November increases the trade and military tensions with China. September's election in New Zealand is also coming up fast. The outcome of both of them should have a significant impact on their respective financial markets.

The NZX50 returned 5.2% in June. The two largest companies, A2 Milk and Fisher and Paykel Healthcare, make up over a quarter of the market cap-weighted index and drove returns with respective performances

of 6.3% and 18.8%. To have any chance of beating the market in recent times you would've needed to concentrate your New Zealand equities towards these two stocks.

To illustrate this point using the return of the market in the first half of 2020, **Figure 2** compares how far the New Zealand equity market fell if the stocks are equally weighted (dark blue line) versus market capitalisation weighted (light blue line).

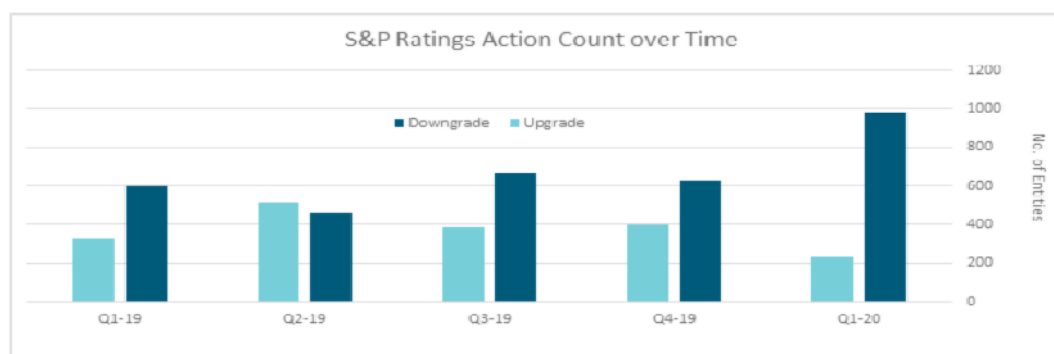
**Figure 2: New Zealand equity market performance H1 2020**



Source: Aspiring Asset Management

Looking down the track, the factors driving markets (mentioned above) need to be weighed up with business fundamentals like company earnings, functioning supply chains, access to credit, and ultimately the risk of solvency. **Figures 3 and 4** indicate changes to credit ratings so far. The S&P credit rating actions show a broad increase in credit risk in the first quarter of 2020 with almost a thousand downgrades to credit ratings, compared to just over two hundred upgrades. The sectors most affected were industrials and consumer discretionary, and less so within energy and financials.

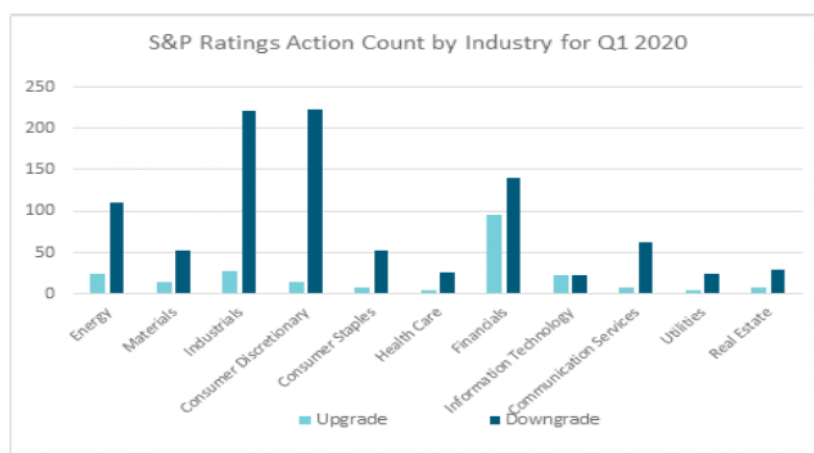
**Figure 3: Changes to S&P credit ratings over time**



Source: Harbour Asset Management

Northland Regional Council  
Quarterly Report 30 June 2020

**Figure 4: Number of S&P credit changes by sector**



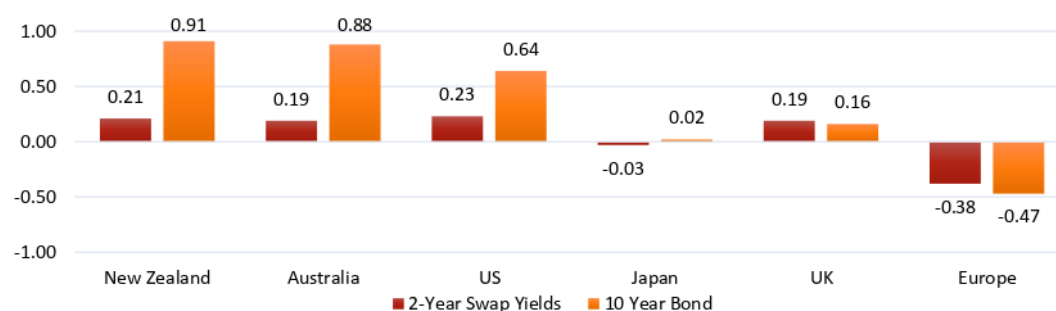
Source: Harbour Asset Management

The OCR remained on hold at 0.25% in June as expected. Economic risks remain to the downside and the RBNZ is ready to increase the Large Scale Asset Purchase (LSAP) programme if necessary. This will continue to support asset prices. On the other hand, if the LSAP programme isn't increased or maintained, it indicates that things aren't as bad as we thought in the economy. This could (counter-intuitively) see less support for asset prices in the near term.

The equivalent market operations by the Federal Reserve in the US will also continue to keep interest rates low. Fed Chair, Jerome Powell, spoke before the US House of Representatives at the end of June. He reinforced their commitment to use the full range of tools available to them to support the economy and help assure the House of as robust a recovery as possible. **Figure 5** illustrates how low interest rates are around the globe at present.

Any future returns will be a challenge to achieve with any real certainty given the many risks to the downside. We think investors should err on the side of caution.

**Figure 5: 10 Year Government Bond Yields vs 2-Year Swap Yields**





Northland Regional Council  
Quarterly Report 30 June 2020

## APPENDIX 1: BENCHMARKS

### LONG TERM FUND

Asset	Benchmark
<b>Growth Assets</b>	
<b>Diversified Growth</b>	
Aspiring	NZ CPI + 4% p.a.
Castle Point 5 Oceans	NZ OCR + 3% p.a.
Milford Active Growth	10% p.a.
Mint Diversified Growth	NZ CPI + 4.5% p.a.
Schroders Real Return Fund + 5%	Australian CPI (trimmed mean) + 5% p.a.
T. Rowe Price Global Equity Growth	MSCI All Country World Index
<b>Private Equity</b>	
Continuity Capital PE Fund No.2 LP	15% p.a.
Continuity Capital PE Fund No.4 LP	15% p.a.
Continuity Capital PE Fund No.5 LP	15% p.a.
MLC PE II	15% p.a.
PCP III	8% p.a.
<b>Income Assets</b>	
<b>Diversified Income</b>	
BlackRock FIGO	Bloomberg AusBond Bank Bill Index + 4% - 6% p.a. (we use 4%)
Harbour Income	NZ OCR + 3.5% p.a.
Milford Diversified Income	NZ OCR + 2.5% p.a.
Mint Diversified Income	NZ CPI + 3% p.a.
<b>Total Assets</b>	<b>NZ CPI + 4.5% p.a.</b>

### SHORT TERM FUND

Asset	Benchmark
<b>Growth Assets</b>	
<b>Diversified Growth</b>	
Castle Point 5 Oceans	NZ OCR + 3% p.a.
Milford Active Growth	10% p.a.
Mint Diversified Growth	NZ CPI + 4.5% p.a.
<b>Income Assets</b>	
<b>Diversified Income</b>	
Harbour Income	NZ OCR + 3.5% p.a.
Milford Diversified Income	NZ OCR + 2.5% p.a.
Mint Diversified Income	NZ CPI + 3% p.a.
QuayStreet Income	NZ OCR + 2% p.a.
<b>Total Assets</b>	<b>90-day Bank Bill Index plus 3% p.a.</b>

Northland Regional Council  
Quarterly Report 30 June 2020

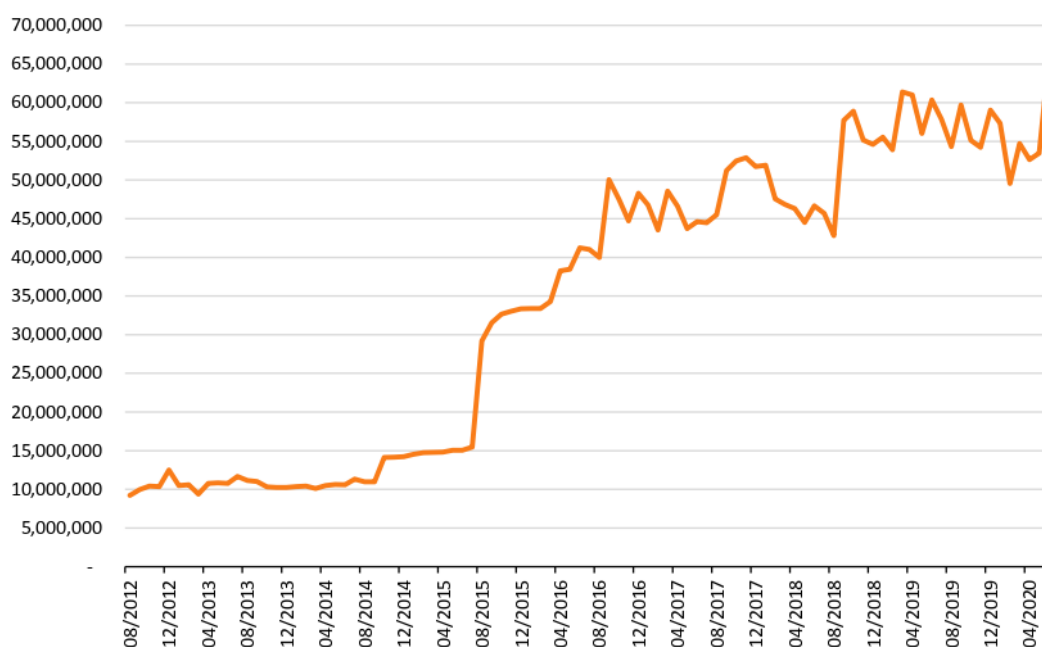
## APPENDIX 2: NRC TOTAL FUNDS UNDER MANAGEMENT

### FUNDS UNDER MANAGEMENT: BREAKDOWN

Manager	Fund	LTF	STF	NRC Total FUM \$	NRC Manager % of Total FUM
Aspiring	Aspiring	5,778,784		5,778,784	8.8
BlackRock	FIGO	1,183,348		1,183,348	1.8
Castle Point	5 Oceans	5,429,907	1,517,408	6,947,315	10.5
Continuity Capital	No.2	1,320,107		1,320,107	3.4
	No.4	447,718		447,718	
	No.5	461,120		461,120	
Direct Capital	DC VI	0		0	0.0
Harbour	Income	4,670,296	3,303,893	7,974,188	12.1
Milford	Active Growth	3,847,375	1,009,643	4,857,018	16.8
	Diversified Income	4,835,876	1,343,405	6,179,281	
Mint	Diversified Income	4,873,100	3,796,627	8,669,727	17.0
	Diversified Growth	1,832,211	713,367	2,545,579	
MLC	PE Co-investment Fund II	988,871		988,871	1.5
Pioneer Capital	PCP III	607,268		607,268	0.9
QuayStreet	Income		7,133,892	7,133,892	10.8
Schroders	Real Return + 5%	3,070,531		3,070,531	4.7
Self-managed Cash	N/A	0	3,014,030	3,014,030	4.6
T. Rowe Price	Global Growth Equity	4,674,494		4,674,494	7.1
<b>NRC Total FUM</b>		<b>44,021,006</b>	<b>21,832,266</b>	<b>65,853,272</b>	<b>100</b>

Note: all values are in NZD

### FUNDS UNDER MANAGEMENT: ROLLING MONTHLY TIME SERIES



Northland Regional Council  
Quarterly Report 30 June 2020

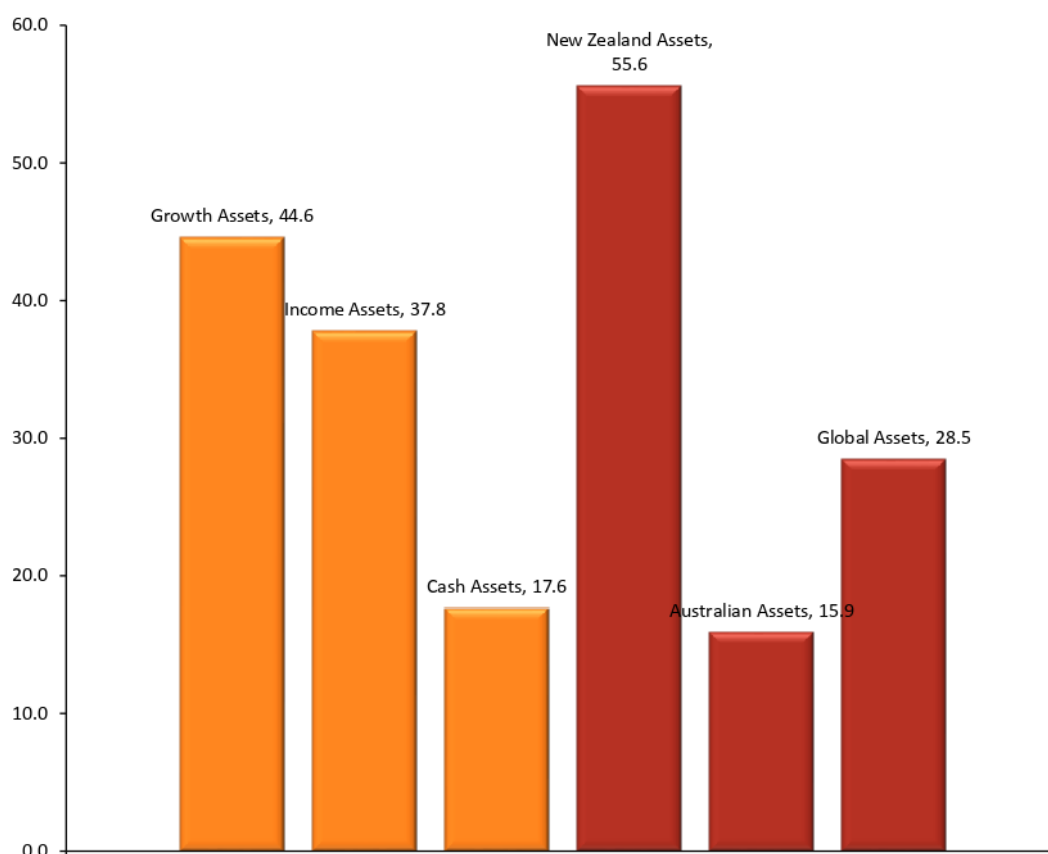
#### FUNDS DENOMINATED IN AUD

Funds Denominated in AUD		LTF	NRC Total AUD
BlackRock	FIGO	1,105,839	1,105,839
Continuity Capital	Fund No.5	430,917	430,917
MLC	PE Co-investment Fund II	924,100	924,100
Schroders	Real Return + 5%	2,869,411	2,869,411
<b>NRC Total AUD</b>		<b>5,330,267</b>	<b>5,330,267</b>

#### PRIVATE EQUITY – COMMITTED CAPITAL (CALLED VS UNCALLED)

Private Equity Fund	NRC Fund	Committed Capital \$	Called \$	Uncalled \$
Continuity Capital No.2 (NZD)	LTF	2,000,000	1,700,000	300,000
Continuity Capital No.4 (NZD)	LTF	1,000,000	500,000	500,000
Direct Capital VI (NZD)	LTF	2,000,000	0	2,000,000
MLC PE II (AUD)	LTF	1,000,000	810,000	190,000
Pioneer Capital III (NZD)	LTF	1,000,000	595,923	404,077
Direct Capital VI (NZD)	LTF	1,000,000	-	1,000,000

#### NRC TOTAL UNDERLYING FUND ALLOCATIONS



**TITLE: Allocation of 2019/20 Surplus to the Opex Reserve and COVID-19 Reinstatement Reserve**

**ID:** A1349610

**From:** Simon Crabb, Finance Manager

---

**Executive summary/Whakarāpopototanga**

It is proposed that \$468K of the 2019/20 operational surplus is transferred into the **Opex Reserve** to set aside sufficient funding to completely cover the 2020/21 general funding contribution provided from managed fund investment gains.

It is also proposed that \$1.7M of the 2019/20 surplus is transferred into a newly created **COVID-19 Reinstatement Reserve**. The initial \$1.7M plus any investment income greater than budgeted and received in 2020/21 will be set aside and used to fund the reintroduction of prioritised work programmes, salary's and projects that were removed from the 2020/21 Annual Plan, business as usual and Year 3 of the Long-Term Plan, to remedy the deficit arising from the impact of COVID-19.

Any balance remaining in the COVID-19 Reinstatement Reserve at the end of the 2020/21 financial year will be transferred back to council's general funding.

The proposals recommended in this report have been incorporated into the Draft Financial Report (item 5.7).

---

**Recommendation(s)**

1. That the report 'Allocation of 2019/20 Surplus to the Opex Reserve and COVID-19 Reinstatement Reserve' by Simon Crabb, Finance Manager and dated 7 August 2020, be received.
2. That \$467,695 of the 2019/20 operating surplus is allocated to the Opex Reserve, and funding representing the Opex Reserve is invested into NZ registered bank fixed rate term deposits with rolling maturity profiles ranging from 30 to 180 days.
3. That a COVID-19 Reinstatement Reserve is established, and \$1.7M of the 2019/20 operating surplus is allocated to this Reserve, and funding representing the COVID-19 Reinstatement Reserve is invested into NZ registered bank fixed rate term deposits with rolling maturity profiles ranging from 30 to 180 days.
4. That budgets of \$30,000 for Tangata whenua capability and capacity, \$100,000 for Modelling highly allocated aquifers, and \$100,617 for Enviroschools staff and seminars are reinstated in 2020/21 and funded from the COVID-19 Reinstatement Reserve.
5. That the CEO is delegated the authority to reinstate any work programmes presented in **Attachment One** when appropriate, and funding becomes available, from the COVID-19 Reinstatement Reserve.
6. That budgets of \$58,000 for Bay of Islands harbour modelling and \$100,617 for committed obligations to the Regional Council collaboration are introduced into 2020/21 with corresponding funding transferred from the COVID-19 Reinstatement Reserve.

That any 2020/21 investment income in excess of budget is transferred to the COVID-19 Reinstatement Reserve, and any balance remaining in the COVID-19 Reinstatement Reserve at 30 June 2021 is transferred back to council's general funding, and that the Opex Reserve Policy is updated to reflect that the target amount of the Opex Reserve includes Investment Management fees.

---

## Background/Tuhinga

### 1. OPEX Reserve

The purpose of the Opex Reserve is to have sufficient funding set aside in liquid assets should the budgeted revenue stream from council's managed fund portfolio not eventuate as anticipated.

The balance of the Opex Reserve before any adjustment at 30 June 2020 is \$1,151,899.

The general funding required from council's managed fund portfolio in 2020/21 is \$1,619,594.

It is proposed that the Opex Reserve is topped up to fully align with the 2020/21 gains requirement thereby providing assurance and stability over the delivery of council's work programmes. In line with the Opex Reserve policy, and to achieve a fully aligned Opex Reserve, \$467,695 of operational surpluses generated in 2019/20 is recommended to be allocated to the Opex Reserve. At \$1,619,594 the Opex Reserve will hold sufficient funding to also cover the cost of investment manager fees, and the Opex Reserve policy will be updated to reflect this.

### 2. COVID-19 Reinstatement Reserve

It is proposed that \$1.7M of the 2019/20 operational surplus is transferred into a newly created **COVID-19 Reinstatement Reserve**. The initial \$1.7M plus investment income greater than budgeted and received in 2020/21 will be set aside and used to fund the reintroduction of prioritised work programmes, salaries and projects that were removed from the 2020/21 Annual Plan to remedy the deficit arising from the impact of COVID-19.

The first three operational budgets, prioritised by council during deliberations, to be reinstated in 2020/21 and funded from the COVID-19 Reinstatement Reserve are:

- \$30,000 for Tangata whenua capability and capacity
- \$100,000 Modelling highly allocated aquifers
- \$86,385 for Enviroschools staff and seminars.

Secondly, a list of the other proposed operational budgets identified to be reinstated in 2020/21 is presented in Attachment One. It is recommended that the CEO is granted delegation to utilise COVID-19 Reinstatement Reserve funding, when appropriate and as it becomes available, to re-establish any of the listed operational budgets.

Thirdly, council approval is sought to use COVID-19 Reinstatement Reserve funding to cover the cost of introducing two new initiatives into 2020/21:

- \$58,000 for Bay of Islands harbour modelling and simulations to keep systems up to industry standard and ready for the arrival of cruise ships in 2021/22. Potentially 90 ships are booked for the 21-22 season and if we wait for ships to arrive before we undertake the work, we will be behind safety wise.
- \$100,617 for committed obligations to the Regional Council Collaboration group (ReCoCo) for a range of shared Regional Council Special Interest Group (SIG) initiatives.

Any balance remaining in the COVID-19 Reinstatement Reserve at the end of the 2020/21 financial year will be transferred back to council's general funding.

### 3. Cash Held to Represent the Reserves

To ensure the cash holdings representing the Opex Reserve and the COVID-19 Reinstatement Reserve have the lowest feasible risk setting and are held in appropriate durations to ensure liquidity, it is proposed that \$3,319,594 (\$1,619,594 for Opex reserve plus \$1.7M for COVID-19 Reinstatement Reserve) is invested in six equal sums, as rolling term deposits at a NZ registered trading bank with maturity dates ranging from 30 days to 180 days.

The recommendations in this report relating to the 2019/20 financial year have been incorporated into the operating result of \$40K in the draft annual accounts.

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Allocate a portion of the operating surplus to the Opex Reserve and COVID-19 Reinstatement Reserve in accordance with the presented recommendations	<p>Promotes assurance and stability over the delivery of council's work programmes.</p> <p>Preserve and track funding and provide control and transparency around the approach to reinstating work programmes that were removed from the 2020/21 Annual Plan.</p>	The returns associated with holding the cash (representing the reserves) in term deposits are typically lower than the returns generated if the cash remained in managed funds.
2	Do not allocate a portion of the operating surplus to the Opex Reserve	The operating surplus could potentially be utilised as funding for additional work programmes/or projects.	<p>The level of the Opex reserve does not fully cover the 2020/21 general funding required from the Managed Fund portfolio.</p> <p>This approach does not comply with the Opex reserve policy.</p>
3	Do not allocate a portion of the operating surplus to the COVID-19 Reinstatement Reserve	The operating surplus could potentially be utilised as funding for additional work programmes/or projects that are not on the list presented in Attachment One.	There potentially could be an ad-hoc approach to identifying and using 2020/21 surpluses to fund the reinstatement of removed work programmes /or projects.

The staff's recommended option is 1.

## **2. Significance and engagement**

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

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

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

## **4. Financial implications**

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

Maintaining a COVID-19 Reinstatement Reserve provides a mechanism to preserve and track any surplus funding in an endeavour to control and provide transparency around the reinstatement of work programmes that were removed from the 2020/21 Annual Plan in light of the forecasted deteriorating economic conditions.

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

---

### **Attachments/Ngā tapirihanga**

Attachment 1: Work Programmes, Salaries and Projects removed from, or reduced in, the 2020/21 Annual Plan to remedy the deficit arising from the impact of COVID-19 [↓](#)

---

### **Authorised by Group Manager**

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

## Attachment One.

Work Programmes, Salaries and Projects removed from, or reduced in, the 2020/21 Annual Plan to remedy the deficit arising from the impact of COVID-19.

Listed in no particular order.

Description of Programme Position or Project	Estimated Amount	Removed from
Off-site storage of consent files	\$17,000	AP NI
Pest plant prevention	\$110,000	AP NI
Project costs associated with Northern Wairoa and lakes projects	\$41,854	LTP Yr3
Conferences and training	\$25,000	LTP Yr3
S17a reviews	\$20,890	BAU
Long Term Plan costs	\$10,000	BAU
Communications – casual staff and promotions	\$15,000	BAU
WNW Catchment Group	\$35,352	BAU
Lab testing costs	\$100,000	BAU
Citizen panels,	\$10,000	BAU
Backup staff	\$10,000	BAU
FIF Dune Lake Position	\$75,131	Recruitment
Biosecurity Marine Position	\$60,092	Recruitment
FIF Wairoa position	\$80,897	Recruitment
Junior hydrology officer	\$69,000 Operational Exp. \$4,700 Capital Exp.	AP NI
National wells database	\$20,000	AP NI
Freshwater accounting system	\$100,000	AP NI
Māori engagement, Environmental awards extension and Intern	\$68,880	LTP Yr 3
Coastal water quality consultants	\$7,231	BAU
Reg Services lab testing costs	\$7,504	BAU



Description of Programme Position or Project	Estimated Amount	Removed from
Reg Services mobile device purchases	\$3000	BAU
Maritime teams overtime budget	\$15,000	BAU
NIWA Kingfish legal fees	\$10,000	BAU
Economic Policy Advisor Position	\$85,701	Recruitment
Environmental Science Reporting Officer Position	\$81,894	Recruitment
Kaiarahi Mahere Māori - Māori technical advisor position	\$101,000 Operational Exp. \$4,700 Capital Exp.	AP NI
Northland Māori representation on national committee 'Te Maruata'	\$7,000	AP NI
Data asset management	\$75,000	AP NI
Campaigns and engagement coordinator position	\$40,000 Operational Exp. \$4,700 Capital Exp.	AP NI
Technology upgrades	\$200,000.	AP NI
Far north poplar and willow nursery manager position	\$70,322	LTP Yr 3
Eastern Bays Hill country staff	\$82,206	LTP Yr 3
Painting of Water Street building, vehicle costs	\$104,004	LTP Yr 3
Internal Audit	\$27,000	BAU
IT Consultants and other Corporate Excellent BAU	\$15,000 \$61,210	BAU
Water Street Reception and Ground Floor Meeting Rooms Renovation and fit out:	\$105,663 Capital Exp.	LTP Yr 2
<b>OTHER ADJUSTMENTS MADE TO 2020/21 Annual Plan to remedy the deficit arising from the impact of COVID-19.</b>		
Utilisation of Community Investment Fund Capital in lieu of Investment income – as Economic Development funding	\$1,700,000	BAU
Utilisation of Community Investment Fund Capital in lieu of Investment and general income – as General funding	\$200,000	BAU
Utilisation of Infrastructure Investment Fund Capital in lieu of Investment and general income – as General funding	\$250,000	BAU
Utilisation of Equalisation reserve as General funding	\$150,000	BAU
Reduction in Economic Development Project Development budget	\$300,000	BAU

**TITLE: Request for Approval to Carry Forward Operational Budget from the 2019/20 Financial Year into the 2020/21 Financial Year**

**ID:** A1348582

**From:** Vincent McColl, Financial Accountant and Simon Crabb, Finance Manager

---

**Executive summary/Whakarāpopototanga**

Unspent 2019/20 operational budget of \$255,555 is proposed to be carried forward into the 2020/21 financial year to fund the completion of operational projects. The recommendations in this report have been incorporated into the draft operating result of \$40,311.

---

**Recommendations**

1. That the report 'Request for Approval to Carry Forward Operational Budget from the 2019/20 Financial Year into the 2020/21 Financial Year' by Vincent McColl, Financial Accountant and Simon Crabb, Finance Manager and dated 5 August 2020, be received.
2. That council approves the operational expenditure carry forwards from the 2019/20 financial year into the 2020/21 financial year of:
  - a. \$51,564 for the lakes survey;
  - b. \$24,241 for the wetland survey;
  - c. \$32,712 for eradication plants;
  - d. \$37,300 for roadside weeds;
  - e. \$53,200 for NIWA water quality modelling;
  - f. \$7,225 for water quality mitigation measures;
  - g. \$18,813 for lwi environment management plans;
  - h. \$19,000 for a Hokianga Harbour catchment investigation; and
  - i. \$11,500 for a Northland drought river ecosystem health impact report.

---

**Background/Tuhinga**

As with previous years, carry forwards of unspent 2019/20 operational budgets are required to enable the completion of the various operational projects in the 2020/21 financial year.

Following the 30 June 2020 year-end senior management review, nine projects totalling \$255,555 were identified as requiring unspent 2019/20 operational budgets to be carried forward as funding in 2020/21.

The total of \$255,555 has been incorporated into the draft operating result. The projects requiring this funding are below by group:

### Environmental Services

Description	2019-20 Spent	2019-20 Budget	2019-20 Budget Unspent	Amount to Carry forward
Lakes survey	3,376	54,940	51,564	51,564
Wetland Survey	8,000	32,241	24,241	24,241
Eradication plants	59,944	92,656	32,712	32,712
Roadside weeds	11,428	50,001	38,573	37,300

- \$51,564 for the NIWA lakes ecological survey has been delayed to early August 2020 due to the Covid-19 lockdown. The baseline survey is necessary to fulfil requirements of EPA permit for the Freshwater Improvement Fund (FIF) Dune Lakes herbicide operations in three Far North lakes in September.
- \$24,241 for the wetland survey. This is extra monitoring work associated with lakes survey postponed due to Covid-19. This is also associated with FIF herbicide operation.
- \$32,712 for batwing and spartina contract work delayed due to the Covid-19 lockdown. The carry forward will be essential for next year to offset reduced/lost annual plan funding for eradication plants.
- \$37,300 for roadside weeds contracts delayed due to the Covid-19 lockdown. The budget for this for 2020/21 has been cut in half so the budget will be essential to complete the planned works.

### Governance and Engagement

Description	2019-20 Spent	2019-20 Budget	2019-20 Budget Unspent	Amount to Carry forward
NIWA water quality modelling	139,479	199,904	60,425	53,200
Water quality mitigation measures	192,679	199,904	7,225	7,225
Iwi Environment Management Plans	6,200	36,366	30,166	18,813

- \$53,200 for NIWA water quality modelling. Modelling in relation to setting lake water quality objectives and limits, methods for meeting objectives, and prioritising non-regulatory initiatives in lake catchments.
- \$7,225 for water quality mitigation measures contract that extends over financial years. Project for information on current levels of stock exclusion from rivers, dams, and wetlands.

- \$18,813 for iwi environmental management plans allocated from the 2019/20 financial year budget but expected to be completed during the 2020/21 financial year. It includes plans for Ngatihine Tirairaka, Te Roroa, Te Orewai, Te Runanga O Whaingaroa, Tapuwae Inc.

### Regulatory Services

Description	2019-20 Spent	2019-20 Budget	2019-20 Budget Unspent	Amount to Carry forward
Hokianga Harbour catchment investigation	24,664	56,430	31,766	19,000
Northland Drought River ecosystem health impact report	-	15,330	15,330	11,500

- \$19,000 for a Hokianga Harbour catchment investigation. This was not able to be completed during the 2019/20 financial year due to resourcing issues related to additional drought related work.
- \$11,500 for a Northland drought river ecosystem health impact report. This project was delayed by the Covid-19 lockdown and so the contract has been extended into the 2020/21 financial year.

---

### Considerations

#### 1. Options

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested unspent operational budgets	Allows the completion of 2019/20 projects.	Reduces retained earnings though at budgeted levels.
2	Approve no unspent operational budget carry forwards	Retains more surplus in the 2019/20 financial year.	Projects from the 2019/20 financial year do not get finished or 2020/21 programmes must be deferred to allow for 2019/20 work already contracted.
3	Approve some of the unspent operational budget carry forwards	Some projects will go ahead.	Some projects will not go ahead. Some of the 2020/21 programmes might be deferred to allow for 2019/20 work already contracted.

The staff's recommended option is Option 1 to maintain all contractual work programmes.

**2. Significance and engagement**

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.

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

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

**Other considerations**

**4. Financial implications**

In arriving at the draft operating result of \$40,311, \$255,555 has been incorporated to represent the proposed operational carry forwards.

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

---

**Attachments/Ngā tapirihanga**

Nil

---

**Authorised by Group Manager**

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

**TITLE: Request for Approval to Carry Forward Capital Expenditure Budget from the 2019/20 Financial Year into the 2020/21 Financial Year**

**ID:** A1348437

**From:** Vincent McColl, Financial Accountant

---

**Executive summary/Whakarāpopototanga**

The purpose of this report is to seek council approval to carry forward two capital projects totalling \$234,624 from the 2019/20 financial year into the 2020/21 financial year.

---

**Recommendations**

1. That the report 'Request for Approval to Carry Forward Capital Expenditure Budget from the 2019/20 Financial Year into the 2020/21 Financial Year' by Vincent McColl, Financial Accountant and dated 4 August 2020, be received.
2. That council approves the carry forward of \$234,624 capital expenditure budget from the 2019/20 financial year into the 2020/21 financial year.

---

**Background/Tuhinga**

Staff have carried out a final review on any ongoing capital projects and associated Capital Expenditure (Capex) carry forwards for council consideration and approval.

As part of the budget process finance staff ensure that all Capex is adequately funded via depreciation over the expected useful life of each asset class.

Following the 30 June 2020 year-end senior management review, which was based upon the actual Capex incurred and the review of ongoing requirements, a total of \$234,624 is proposed to be carried forward into 2020/21. This is made up of general capex of \$173,304 and targeted rates funded capex of \$61,320.

**2019/20 Actual and Budgeted Capital Expenditure**

The revised capital expenditure budget for 2019/20 was \$15,049,549. The total actual capital expenditure incurred in 2019/20 is \$12,770,923, resulting in an underspend of \$2.3M. Of this underspend \$1.8M relates to commercial property transactions that are funded from the Property Reinvestment Fund. For a breakdown of this please refer to **Attachment One**.

**2020/21 Budgeted Capital Expenditure and Proposed Carry Forwards**

The original 2020/21 capital expenditure budget is \$17,863,901 and by adding the total requested 2019/20 carry forwards of \$234,624 this budget will increase to \$18,098,525. The detail of the original 2020/21 capital expenditure programme and the proposed capital carry forwards are presented in **Attachment Two**.

## Explanations to proposed capital carry forward expenditure for 2019/20

### CEO and Property: Proposed capital expenditure carry forward \$61,320

Approval of \$61,320 capital carry forward expenditure is sought:

- For the Flyger Road subdivision which has not gone ahead in the 2019/20 year due to Kiwirail not wanting to do the subdivision until after the sale. This was committed to in the sale and purchase agreement and the amount reflects 50% of the total costs as NRC's share. This is to be funded by surplus infrastructure rates held in the infrastructure facilities reserve.

### Regulatory Services: Proposed capital expenditure carry forward \$173,304

Approval of \$173,304 capital carry forward expenditure is sought:

- To complete the capex programme for the 2019/20 financial year that was delayed due to recruitment issues, drought work prioritisation, COVID-19 lockdown, and issues with MFE guidance on sediment attribution.

---

## Considerations

### Options

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested capital carry forwards	Allows the completion of the 2019/20 capital programme.	Reduces retained earnings at budgeted levels.
2	Approve none of the Capex carry forwards	Retains more earnings for other capital projects.	Projects underway or delayed won't get the required funding to be completed.
3	Approve some of the Capex carry forwards	Some of the capital projects get to be completed.	Some of the capital projects don't get completed.

The staff's recommended option is Option 1. This maintains the unspent capital programme budget from 2019/20 allowing projects that are underway and delayed to be completed.

## 2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.

## 3. Policy, risk management and legislative compliance

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

## Other considerations

### 4. Financial implications

\$234,624 of capital carried forward from the 2019/20 financial year to the 2020/21 financial year, with \$61,320 of it being funded from targeted rates.

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

---

Attachment 1: 2019/20 Actual and Budgeted Capital Expenditure [↓](#)

Attachment 2: 2020/21 Budgeted Capital Expenditure and Proposed Carry Forwards [↓](#)

---

### Authorised by Group Manager

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020



Capital Expenditure Reporting June 2020 Year to Date				
Activity	YEAR TO DATE			Carry Forward Proposed
	Provisional 2019-20 Actual	2019-20 Revised Capital Expenditure Budget	Variance	
Environmental Services	2,412,779	2,540,903	128,123	173,304
Regulatory Services	300,943	512,312	211,369	
Governance and Engagement	182,000		(182,000)	
Customer Services and Community Resilience	139,202	123,840	(15,361)	
Corporate Excellence	823,763	1,025,161	201,398	
CEO and Property	8,912,236	10,847,333	1,935,097	61,320
<b>GRAND TOTAL FOR COUNCIL</b>	<b>12,770,923</b>	<b>15,049,549</b>	<b>2,278,626</b>	<b>234,624</b>

ATTACHMENT 1

	2019-20 Provisional Actual Capital Expenditure	2019-20 Revised Capital Expenditure Budget	Variance	Carry Forward Proposed	Comments
<b>Environmental Services</b>					
Pest Control Monitoring Equipment	22,091	23,506	1,415		
Wireless Pest Control Sensor Network	-	14,308	14,308		
Biodiversity Field Equipment	598	2,044	1,446		
Land Managment Software Projects	-	5,110	5,110		
Flyger Road Nursery Expansion	136,315	71,289	(65,027)		Offset with underspends in land opex
Far North Nursery	-	306,600	306,600		
Kerikeri River flood reduction by-pass	-	15,330	15,330		
Awanui River Renewal	-	95,963	95,963		
Survey Equipment	4,160	11,753	7,593		
Awanui River Flood Protection FIR Programme (TR)	1,259,766	855,000	(404,766)		
Kaeo River Flood Protection FIR Programme (TR)	59,968	40,000	(19,968)		
Panguru Flood Protection FIR Programme (TR)	505,833	400,000	(105,833)		
Whangarei River Flood Protection FIR Pro	424,047	700,000	275,953		
<b>Total Environmental Services</b>	<b>2,412,779</b>	<b>2,540,903</b>	<b>128,123</b>	<b>-</b>	
<b>Regulatory Services</b>					
Remote Piloted Aircraft	500	-	500		
Misc SOE Plant and Equipment	4,427	17,655	13,228		
Water quality meters and sondes	30,548	24,937	(5,611)		
Water Level Stations - Far North	-	30,000	30,000	30,000	
Water Level stations - Various	-	17,945	17,945	17,945	
ADCP Flow tracker	20,223	20,000	(223)		
Coastal Monitoring Bores	-	40,880	40,880		
Hydrometric Equipment	135,035	148,860	13,825		
Hydro Satellite Units	28,750	30,660	1,910		
Sediments Monitoring Equipment	8,508	31,667	23,159	23,159	
Soil Moisture Sensors	-	102,200	102,200	102,200	
Pumppro replacement	21,690	22,800	1,110		
Flow measuring boat - Hydro	22,380	15,000	(7,380)		
Hydro Drought Capex	28,882	-	(28,882)		
Data Loggers for Air Quality stations	-	9,709	9,709		
<b>Total Regulatory Services</b>	<b>300,943</b>	<b>512,312</b>	<b>211,369</b>	<b>173,304</b>	
<b>Governance and Engagement</b>					
Water Storage Project - Resource Consent	182,000	-	(182,000)		Water storage consent asset divested to Te Tai Tokerau Water Trust
<b>Total Governance and Engagement</b>	<b>182,000</b>	<b>-</b>	<b>(182,000)</b>	<b>-</b>	
<b>Customer Services and Community Resilience</b>					
Group Emergency Coordination Centre	3,296	-	(3,296)		
Electronic Navigation System	-	23,840	23,840	-	
Karetu Replacement Engines	(3,913)	-	3,913		
Waikare Mechanical Upgrade	65,541	100,000	34,459		
Aids to Navigation - Buoys and Moorings	32,103	-	(32,103)		
Regional Integrated Ticketing Information System	42,175	-	(42,175)		65% funded by the NZTA set aside in the Capex Subsidy reserve
<b>Total Customer Services and Community Resilience</b>	<b>139,202</b>	<b>123,840</b>	<b>- 15,361</b>	<b>-</b>	
<b>Corporate Excellence</b>					
Vehicle Replacement Programme	539,220	438,847	(100,374)		Offset with specific project recoveries and gains on sale of vehicles

	2019-20 Provisional Actual Capital Expenditure	2019-20 Revised Capital Expenditure Budget	Variance	Carry Forward Proposed	Comments
Lone Worker - Guardian Angel	12,135	-	(12,135)		
Furniture/Desk set up	45,805	73,380	27,574		
T1 Consolidation of HR, H&S and SaaS	-	262,654	262,654		
IT - Replacement Programme	49,322	143,080	93,758		
New Staff Desktop Setup	71,362	37,201	(34,161)		Offset with lower than budgeted spend on the replacement programme
Council Chambers IT Upgrade	105,918	70,000	(35,919)		
<b>Total Corporate Excellence</b>	<b>823,763</b>	<b>1,025,161</b>	<b>201,398</b>	<b>-</b>	
<b>CEO and Property</b>					
Kaitia Customer Service Centre	33,429	-	- 33,429		
Investment Property Purchases	3,470,942	-	(3,470,942)		PRF Funded
Investment Property Capital Expenditure	39,966	-	(39,966)		
Capital Works Kensington Development	4,382,782	6,888,595	2,505,813		PRF Funded
MPRL Property Capital Expenditure	18,183	-	(18,183)		
Capex Niwa Fish Farm	4,798	-	(4,798)		
Capital Works Kaipara Customer Service	617,720	3,447,338	2,829,618		PRF Funded
Flyger Road subdivision	-	61,320	61,320	61,320	Infrastructure rate funded
Water St Building Reconfiguration	344,417	450,080	105,663	-	
<b>Total CEO and Property</b>	<b>8,912,236</b>	<b>10,847,333</b>	<b>1,935,097</b>	<b>61,320</b>	
<b>TOTAL</b>	<b>12,770,923</b>	<b>15,049,549</b>	<b>2,278,626</b>	<b>234,624</b>	

**Proposed Revised 2020-21 Capital Expenditure Budget**

**ATTACHMENT 2**

	<b>2020-21 Annual Plan Budget</b>	<b>Proposed Carry forwards from 2019-20</b>	<b>2020-21 Proposed Revised Capital Budget</b>
<b>Environmental Services</b>			
Pest Control Monitoring Equipment	24,552		24,552
Wireless Pest Control Sensor Network	14,945		14,945
Biodiversity Field Equipment	2,135		2,135
Land Management Software Projects	5,338		5,338
Flyger Road Nursery Expansion	107,310		107,310
Far North Nursery	266,870		266,870
Kerikeri River flood reduction by-pass	234,845		234,845
Awanui River Renewal	103,944		103,944
Awanui River Flood Protection FIR Programme (TR)	2,181,094		2,181,094
Kaeo River Flood Protection FIR Programme (TR)	110,377		110,377
Awanui River Flood Protection FIR Programme (TR)	824,378		824,378
	<b>3,875,788</b>	<b>0</b>	<b>3,875,788</b>
<b>Regulatory Services</b>			
Water Quality Sondes	139,255		139,255
Misc SOE Plant and Equipment	67,926		67,926
Water Level Stations - Far North		30,000	30,000
Water Level stations - Various	10,675	17,945	28,620
Coastal Monitoring Bores	42,699		42,699
Hydrometric Equipment	186,809		186,809
Sediments Monitoring Equipment	30,957	23,159	54,116
Soil Moisture Sensors	106,748	102,200	208,948
Air - Asset replacement	28,514		28,514
	<b>613,583</b>	<b>173,304</b>	<b>786,887</b>
<b>Customer Services and Community Resilience</b>			
Ruawai repower	35,770		35,770
	<b>35,770</b>	<b>0</b>	<b>35,770</b>
<b>Governance and Community Engagement</b>			
Cameras and equipment (e.g. show trailer)	26,954		26,954
	<b>26,954</b>	<b>0</b>	<b>26,954</b>
<b>Corporate Excellence</b>			
Vehicle Programme - Additional	85,398		85,398
Furniture/Desk set up	51,186		51,186
IT - Replacement Programme	70,000		70,000
New Staff Desktop Setup	32,131		32,131
	<b>238,715</b>	<b>0</b>	<b>238,715</b>
<b>CEO and Property</b>			
Capital Works Kensington Development	5,452,147		5,452,147
Capital Works Kaipara Customer Service	7,380,760		7,380,760
Flyger Road subdivision		61,320	61,320
Water St Building Reconfiguration	240,183	0	240,183
	<b>13,073,091</b>	<b>61,320</b>	<b>13,134,411</b>
<b>Total Council Capital Expenditure</b>	<b>17,863,901</b>	<b>234,624</b>	<b>18,098,525</b>

**TITLE: Special Reserves at 30 June 2020**

**ID:** A1348147

**From:** Vincent McColl, Financial Accountant

---

**Executive summary/Whakarāpopototanga**

At 30 June 2020, council has \$52.5M of special reserves set aside to cover expenditure on specific projects and work programmes.

This report provides a breakdown of the special reserves held by council, including their purpose and balance as at 30 June 2020.

---

**Recommendation**

That the report 'Special Reserves at 30 June 2020' by Vincent McColl, Financial Accountant and dated 4 August 2020, be received.

---

**Background/Tuhinga**

The equity in council's balance sheet represents the communities' interest in council and is measured by the value of total assets less total liabilities. Equity is classified into a number of general and special reserves to enable a clearer identification of the specified uses for which various funds have been assigned.

A general reserve does not have a specific purpose, whereas a special reserve holds funds that are set aside to cover expenditure on specific projects. In addition, special reserves may facilitate the funding of works of an inter-generational nature, capital expenditure in particular, over the most appropriate time period.

The special reserves and their respective balances (surplus/(deficit)) in place at the end of the 2019/20 financial year are as follows:

Description	Closing Balance
Land Management Reserve	516,209
Awanui River Reserve	(659,787)
Awanui River FIR Reserve	(187,864)
Kāeo River Reserve	233,087
Kāeo River FIR Reserve	23,176
Whangārei Urban River Reserve	(8,617,652)
Whangārei River FIR Reserve	(12,673)
Infrastructure Investment Fund Reserve	21,082,734
Kaihu River reserve	40,309
Waipapa Kerikeri River Reserve	430,216
Flood Infrastructure Reserve	(1,770,026)
Infrastructure Facilities Reserve	(166,125)
Property Reinvestment Fund	21,433,529
Forest Income Equalisation Fund	1,463,086
Hātea River Reserve	164,591
Investment and Growth Reserve	600,570

Approved Carry Forwards - General Funds	255,555
Whangārei Bus and TM Reserve	(39,960)
Emergency Services Reserve	81,737
Far North Transport Reserve	221,091
LIDAR Project Reserve	11,472
Regional Sporting Facilities Reserve	1,406,761
Opex Reserve	1,619,594
COVID-19 Reinstatement Reserve	1,700,000
Capital Subsidy Reserve	64,512
<b>Total Special Reserves</b>	<b>39,894,142</b>

Some special reserves earn or are charged interest depending on their closing balance being in deficit or surplus. For the 2019/20 year the protocol is for reserves in surplus of \$50,000 or greater earn interest at 5% (as budgeted in the Long Term Plan (LTP)). Reserves in deficit are either charged at the corresponding external borrowing rate or at the internal rate of 7.0% (as budgeted in the LTP).

A description of the purpose of each reserve, the transfers from and/or to the reserve for the year, and the closing balance of each reserve as at 30 June 2020 is provided below.

#### Land Management Reserve

The Land Management Reserve was created to allow council to set aside unutilised Land Management rates for the purpose of funding projects in future years.

The operational reserve movements of \$249,149 to the Land Management Reserve constitute NRC funding commitments towards Freshwater Improvement Fund projects. This produces a closing balance of \$516,209.

<b>Land Management Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	267,060	136,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	249,149	(136,000)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>516,209</b>	<b>(0)</b>

In 2020/21 the balance of the land management reserve is expected to be fully utilised on Freshwater Improvement Fund projects.

#### Awanui River Reserve

The Awanui River Reserve was created to hold any targeted Awanui River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Awanui River Flood Management Scheme.

In the 2019/20 financial year the Awanui River Management project had an operating surplus of \$86,056. Depreciation funding of \$95,963 was transferred to the Infrastructure Investment Fund (IIF) producing a closing book reserve deficit of (\$561,747) and cash reserve deficit of (\$463,706).

<b>Awanui River Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	(745,843)	(710,541)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	86,056	155,079
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	(95,963)
	<b>(659,787)</b>	<b>(651,425)</b>
Depreciation funding utilised	98,040	95,963
<b>Closing Balance as at 30 June 2020</b>	<b>(561,747)</b>	<b>(555,462)</b>
Accumulated depreciation funding not utilised and held in IIF	98,040	-
<b>Closing cash balance as at 30 June 2020</b>	<b>(463,706)</b>	<b>(555,462)</b>

### **Awanui Flood Infrastructure Rate (FIR) Reserve**

The Awanui FIR Reserve was created to hold any targeted Awanui FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Awanui River Flood Management Scheme. The Awanui FIR Reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2019/20 financial year the Awanui FIR project had an operating surplus of \$323,924. Capital expenditure of \$377,930 was incurred producing a closing reserve deficit of (\$187,864).

<b>Awanui FIR Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	(133,858)	(194,000)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	323,924	300,926
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	(377,930)	(256,500)
<b>Closing Balance as at 30 June 2020</b>	<b>(187,864)</b>	<b>(149,574)</b>

### **Whangaroa Kaeo Rivers Reserve**

The Whangaroa Kaeo Rivers Reserve was created to hold any targeted Whangaroa Kaeo Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangaroa Kaeo Rivers Flood Management scheme.

In the 2019/20 financial year there was an operating surplus of \$54,046 resulting in a closing reserve balance of \$233,087. Unused accumulated depreciation of \$24,256 is held in the IIF resulting in a closing cash balance of \$257,343.

<b>Whangaroa Kaeo Rivers Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	179,041	124,817
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	54,046	(8,743)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
	<b>233,087</b>	<b>116,074</b>
Depreciation funding utilised	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>233,087</b>	<b>116,074</b>
Accumulated depreciation funding not utilised and held in IIF	24,256	-
<b>Closing cash Balance as at 30 June 2020</b>	<b>257,343</b>	<b>116,074</b>

### Kāeo Flood Infrastructure Rate (FIR) Reserve

The Kāeo FIR Reserve was created to hold any targeted Kāeo FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Kāeo River Flood Management Scheme. The Kāeo FIR reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2019/20 financial year the Kāeo FIR project had an operating surplus of \$20,356. Capital expenditure of \$17,991 was incurred producing a closing reserve surplus of \$23,176.

Kaeo FIR Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2019	20,811	21,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	20,356	21,030
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	(17,991)	(12,000)
<b>Closing Balance as at 30 June 2020</b>	<b>23,176</b>	<b>30,030</b>

### Whangārei Urban Rivers Reserve

The Whangārei Urban Rivers Reserve was created in the 2011/12 year to hold any targeted Whangārei Urban Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangārei urban rivers management scheme.

The operating surplus of \$397,058 has been transferred to the reserve which produces a deficit balance of (\$8,617,652). Adding the unused accumulated depreciation held in the IIF gives a cash balance of (\$8,365,578).

Whangarei Urban River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2019	(9,014,710)	(9,077,076)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	397,058	448,194
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
	<b>(8,617,652)</b>	<b>(8,628,882)</b>
Depreciation funding utilised	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>(8,617,652)</b>	<b>(8,628,882)</b>
Accumulated depreciation funding not utilised and held in IIF	252,074	-
<b>Closing cash Balance as at 30 June 2020</b>	<b>(8,365,578)</b>	<b>(8,628,882)</b>

### Whangārei FIR Reserve

The Whangārei Flood Infrastructure Rate (FIR) Reserve was created to hold any targeted Whangārei FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Whangārei River Flood Management Scheme. The Whangārei FIR reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2019/20 financial year the Whangārei FIR project had an operating surplus of \$59,275 and capital expenditure of \$127,214 producing a closing reserve deficit of (\$12,673).

<b>Whangarei FIR Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	55,266	(180,000)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	59,275	36,974
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	(127,214)	(45,000)
<b>Closing Balance as at 30 June 2020</b>	<b>(12,673)</b>	<b>(188,026)</b>

#### Infrastructure Investment Fund (IIF) Reserve

The IIF Reserve was established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. It will help to spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence.

The balance of the reserve reflects the balance of funds held in the IIF. No gains are proposed to be reinvested this financial year. The IIF Reserve holds \$374,371 of unutilised accumulated depreciation and \$1,922,340 of capital repayments collected and held to repay external borrowings.

<b>Infrastructure Investment Fund Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	20,914,957	19,602,631
Infrastructure asset depreciation transferred 2019/20	167,777	
Depreciation utilised for capital expenditure 2019/20		
Increase in Reserve due to proposed reinvestment of gains	0	(278,415)
<b>Closing Balance as at 30 June 2020</b>	<b>21,082,734</b>	<b>19,324,216</b>

<b>Accumulated depreciation balance in IIF by asset</b>	<b>Actual</b>
Awanui River	98,040
Whangaroa Kaeo Rivers	24,256
Whangarei Urban Rivers	252,074
<b>Total</b>	<b>374,371</b>

<b>Targeted rates held to repay debt</b>	<b>Actual</b>
Awanui River	91,551
Whangarei Urban Rivers	1,429,289
Regional Flood Infrastructure	401,500
<b>Total</b>	<b>1,922,340</b>



### Kaihu River Reserve

The Kaihu River Reserve was created to hold any targeted Kaihu River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Kaihu River Flood Management Scheme.

In the 2019/20 financial year there was an operating surplus of \$7,943 transferred to the reserve producing a closing balance of \$40,309.

<b>Kaihu River Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	32,365	60,865
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	7,943	(10,698)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>40,309</b>	<b>50,167</b>

### Kerikeri–Waipapa Rivers Reserve

The Kerikeri–Waipapa Rivers Reserve is set up to hold any targeted Kerikeri–Waipapa rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the flood risk reduction project for the Kerikeri–Waipapa area.

The Kerikeri–Waipapa targeted rate was discontinued in 2019/20 resulting in an operating deficit of (\$25,275) which has been transferred from the reserve producing a closing balance of \$430,216.

<b>Kerikeri Waipapa Rivers Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	455,491	425,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	(25,275)	(29,474)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	(15,330)
<b>Closing Balance as at 30 June 2020</b>	<b>430,216</b>	<b>380,196</b>

### Flood Infrastructure Rate (FIR) Reserve

The FIR Reserve was created to hold any targeted regional FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of Northland Flood Infrastructure Schemes. The FIR reserve incorporates 70% of any related capital works with the other 30% being attributed to the Awanui FIR, Whangārei FIR, or Kāeo FIR reserves depending on the particular project.

In the 2019/20 financial year the FIR reserve had an operating surplus of \$493,523 and \$1,726,481 of capital expenditure producing a closing reserve deficit of (\$1,770,026).

<b>Flood Infrastructure Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	(537,068)	(1,320,000)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	493,523	445,029
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	(1,726,481)	(1,131,500)
<b>Closing Balance as at 30 June 2020</b>	<b>(1,770,026)</b>	<b>(1,319,551)</b>

### Infrastructure Facilities Reserve

The Infrastructure Facilities Reserve was created to set aside any targeted Regional Infrastructure rates collected and not fully utilised in any given year for the purpose of funding future infrastructure projects. This reserve consists of the cost of capital, holding costs, and council's share

of the net costs for the designation asset associated with the Marsden Point Rail Link (MPRL) Joint Venture project.

In 2019/20 \$764,970 of operational transfers and \$1,601,357 from the disposal of the MPRL assets have been transferred into the reserve producing a closing balance of (\$166,126) overdrawn.

<b>Infrastructure Facilities Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	(2,532,452)	(2,639,000)
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	764,970	175,200
Disposal of Marsden Point Rail Link assets	1,601,356	
<b>Closing Balance as at 30 June 2020</b>	<b>(166,126)</b>	<b>(2,463,800)</b>

### Property Reinvestment Fund Reserve

The Property Reinvestment Fund (PRF) Reserve was created to enable proceeds from property sales to be set aside for reinvestment at a future date. This reserve represents the balance investments held in the PRF.

During 2019/20 this reserve recognised \$830,548 of property sale proceeds, \$10,521,921 of Marsden Point rail link proceeds, \$1,579,496 of property purchases, and \$5,114,661 of commercial developments. No gains are proposed to be reinvested for 2019/20.

<b>Property Reinvestment Fund Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	16,749,499	15,317,563
Increase in Reserve due to proposed reinvestment of gains	-	-
Decrease in Reserve throughout 2019/20 due to commercial developments	(5,114,661)	(7,121,622)
Increase in Reserve throughout 2019/20 due to property sale proceeds	830,548	
Decrease in Reserve throughout 2019/20 due to property purchases	(1,579,496)	-
Increase in Reserve throughout 2019/20 due to Marsden Point Rail Link sale proceeds	10,521,921	
Increase in Reserve throughout 2019/20 due to transfer of SALT from Short Term	25,717	
<b>Closing Balance as at 30 June 2020</b>	<b>21,433,529</b>	<b>8,195,941</b>

### Equalisation Reserve

The Equalisation Reserve was created to set aside council's forestry net income arising in any harvesting year. This reserve is intended to provide future funding of council's general activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this fund be used to fund the cost of forestry operations in non-harvesting years.

No transfers during the 2019/20 financial year resulting in a closing balance of \$1,463,086.

<b>Equalisation fund Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	1,463,086	1,407,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	-	(290,171)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>1,463,086</b>	<b>1,116,829</b>

### Hātea River Reserve

The Hātea River Reserve was created to set aside a component of the council's Services Rate (\$1.50+GST) specifically levied across the Whangārei constituency to ensure funding is available in the event dredging of the Hātea River is required.

This year there was an operating deficit of (\$57,740) transferred to the reserve producing a closing reserve balance of \$164,591.

<b>Hātea River Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	222,331	124,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	(57,740)	(51,332)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>164,591</b>	<b>72,668</b>

### Emergency Services Reserve

The Emergency Services Reserve was created to hold any targeted Emergency Services rates collected and unspent in any given year to ensure all collected rates go to emergency services in the future.

The closing balance of \$81,737 represents targeted rates collected (and adjusted for non-collection) and not allocated to date.

<b>Emergency Services Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019 (revised)	57,769	183,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	23,968	43,453
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>81,737</b>	<b>226,453</b>

### Investment and Growth Reserve

The Northland Regional Council Investment and Growth Reserve was established in 2011/12. The reserve was created to set aside investment income to fund activities and projects that contribute towards the economic well-being of Northland.

<b>Investment and Growth Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	1,249,404	1,249,404
Redirected Investment Income	1,861,807	1,861,807
CIF Income		52,105
Payments to Northland Inc	(1,535,876)	(1,535,876)
Project Funding	(1,295,036)	(2,362,988)
Other Deposits	320,272	
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)		500,000
<b>Closing Balance as at 30 June 2020</b>	<b>600,570</b>	<b>(235,548)</b>

### Approved Carry Forwards Reserve

The Approved Carry Forwards Reserve was set up to record operational projects for council that have not been completed during the current year and need to be carried forward to the next financial year. This is the subject of agenda Item 5.3. At 30 June 2020 the closing balance of the projects proposed to be carried forward is \$255,555.

<b>Approved Carry Forwards - General Funds</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	72,070	72,070
(Decrease) in Reserve throughout 2019/20 for 2018/19 carry forwards	(72,070)	(72,070)
Increase in Reserve for 2019/20 operational carry forwards	255,555	-
<b>Closing Balance as at 30 June 2020</b>	<b>255,555</b>	<b>-</b>

### Whangārei Transport Reserve

The Whangārei Transport Reserve was created to hold any targeted Whangārei Transport rates collected and unspent in any given year to cover any future funding shortfalls in the Whangārei bus and total mobility programmes.

In 2019/20 Whangārei Bus made a surplus of \$33,847 and Total Mobility made a surplus of \$322. This resulted in \$34,169 being transferred to the reserve making the reserve balance a deficit of (\$39,960). The positive reserve movement is predominately due to the Whangārei Rural Trials not going ahead in 2019/20 as planned and gaining additional subsidy on labour at a charge out rather than cost rate.

<b>Whangareii Transport Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	(74,129)	(95,000)
Increase /(Decrease) in Reserve throughout 2019/20 Whangareii Bus	33,847	(21,740)
Increase /(Decrease) in Reserve throughout 2019/20 Total Mobility	322	(2,810)
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>(39,960)</b>	<b>(119,550)</b>

### Far North Transport Reserve

The Far North Bus Service Reserve was created to hold any targeted Far North Transport rates collected and unspent in any given year to cover any future funding shortfalls of the Mid North Link and Far North Link projects. This rate replaces the Mid North Transport rate and Kaitiāia Bus Service rate.

\$68,637 was transferred to the reserve during 2019/20 resulting in a closing balance of \$221,091.

<b>Far North Bus Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	152,453	40,000
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	68,637	(10,051)
<b>Closing Balance as at 30 June 2020</b>	<b>221,091</b>	<b>29,949</b>

### LIDAR Reserve

The LIDAR Reserve was created to hold any LIDAR contributions as this project is run over a number of years and includes funding from seven parties.

The reserve balance at 30 June 2020 is \$11,472.

<b>LIDAR Reserve</b>	<b>Actual</b>	<b>Revised Budget</b>
Opening Balance as at 1 July 2019	366,690	-
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	(355,218)	-
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>11,472</b>	<b>-</b>

### Regional Sporting Facilities Reserve

The Regional Sporting Facilities Reserve was established to set aside any targeted Regional Sporting Facilities rates collected and not fully utilised in any given year for the purpose of funding sporting facilities across Northland.

During the 2019/20 year \$785,569 of unspent rates were transferred to reserve resulting in a closing balance of \$1,406,761. This relates to a grant originally intended to be paid in May 2020 for the Te Hiku Sports Hub of \$1.4M now delayed until sometime in 2020/21.

Regional Sporting Facilities Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2019	621,192	-
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	785,569	2
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>1,406,761</b>	<b>2</b>

### Opex Reserve

The Opex Reserve was established in June 2019. The purpose of the Opex Reserve (and cash holdings it represents) is to ensure that the portion of annual operating costs in any financial year that is intended to be funded from managed fund gains is guaranteed and not exposed to market volatility.

Interest earned on the related term deposits of \$20,703 and \$467,695 of the 2019/20 surplus has been transferred to the reserve resulting in a closing balance of \$1,619,594. This represents the total externally managed fund gains to be utilised as general funding in 2020/21.

Opex Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2019	1,131,196	
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	20,703	-
Increase /(Decrease) in Reserve transferred from the 2019/20 surplus	467,695	-
<b>Closing Balance as at 30 June 2020</b>	<b>1,619,594</b>	<b>-</b>

### COVID-19 Reinstatement Reserve

The COVID Reinstatement Reserve is proposed to be established in June 2020. The purpose of this reserve (and cash holdings it represents) is to reinstate works removed from the 2020/21 annual plan. \$1,700,000 of the 2019/20 surplus is proposed to be transferred to this reserve.

Covid-19 Reinstatement Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2019	-	
Increase /(Decrease) in Reserve throughout 2019/20 (operational transfer)	1,700,000	-
Increase /(Decrease) in Reserve throughout 2019/20 (capital transfer)	-	-
<b>Closing Balance as at 30 June 2020</b>	<b>1,700,000</b>	<b>-</b>

### **Capital Subsidy Reserve**

There is \$64,512 of subsidy received held in this reserve to partially offset future depreciation costs associated with the Regional Integrated Ticketing Information System (RITIS).

---

### **Attachments/Ngā tapirihanga**

Nil

---

### **Authorised by Group Manager**

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

**TITLE: Regional Rates Collection - 2019/20**

**ID:** A1347485

**From:** Simon Crabb, Finance Manager

---

**Executive summary/Whakarāpopototanga**

The three district councils administer the collection of the regional council rates on council's behalf.

Table One below summarises the level of rates collected in 2019/20, the total outstanding rate balances, and the provisions held to offset the prospect of non-collection of the outstanding rates as at 30 June 2020.

<b>Table One. Summary</b>	<b>WDC</b>		<b>KDC</b>		<b>FNDC</b>		<b>TOTAL</b>	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Amount of Current Year Rates Collected	\$16.53M	\$15.27M	\$5.09M	\$4.44M	\$10.55M	\$9.95M	\$32.16M	\$29.65M
Percentage of Current Year Rates Collected	94.4%	96.0%	94.4%	92.5%	86.0%	86.0%	91.5%	91.9%
Percentage of Current Year Rates Collected – 3 Year Average	95.4%	95.9%	93.5%	93.4%	86.0%	86.6%	91.9%	92.3%
Amount of Rate Arrears Collected	\$194K	\$169K	\$376K	\$234K	\$497K	\$322K	\$1,068K	\$725K
Percentage of Rate Arrears Collected	59.9%	53.2%	45.9%	38.3%	12.8%	8.7%	21.2%	15.7%
Percentage of Rate Arrears Collected - 3 Year Average	55.0%	53.9%	39.1%	37.5%	11.0%	10.7%	18.1%	17.8%
Total Outstanding Rates at Year End	\$608K	\$325K	\$816K	\$819K	\$1.62M	\$1.73M	\$3.04M	\$2.88M
Total Provision held to offset prospect of Non-Collection	\$324K	\$156K	\$588K	\$568K	\$1.39M	\$1.50M	\$2.30M	\$2.23M
Provision as a % of Outstanding rates	53.3%	48.1%	72.1%	69.3%	85.9%	86.7%	75.7%	77.4%

---

**Recommendation**

That the report 'Regional Rates Collection - 2019/20' by Simon Crabb, Finance Manager and dated 1 August 2020, be received.

---

**Background/Tuhinga**

Confirmation of council's rates transactions and outstanding rate balances for 2019/20 are provided by each district council as part of the year-end Annual Report process.

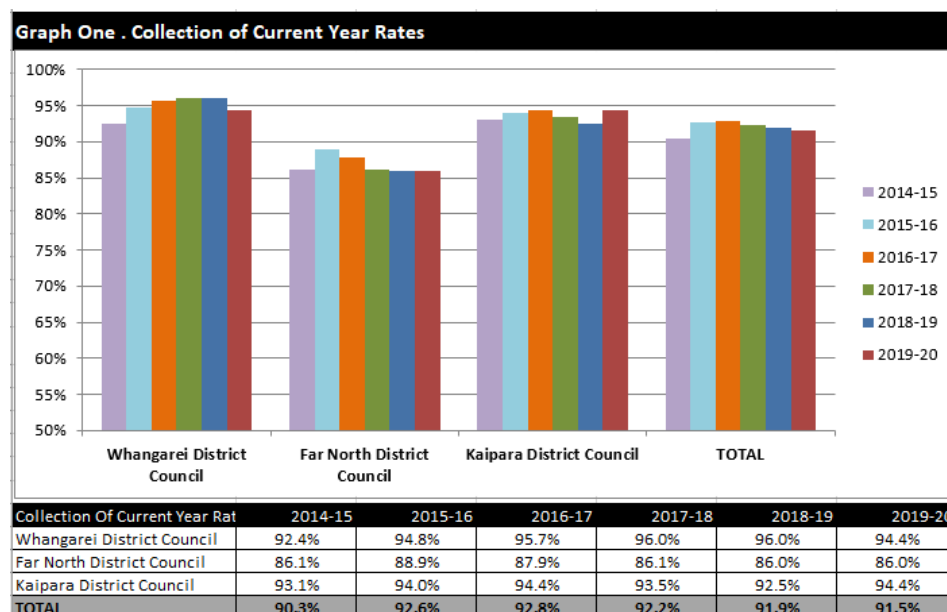
As at 30 June 2020, council's total outstanding rates in its year-end accounts is \$3,044,413. This is an increase of \$167,177 from last year's balance of \$2,877,236.

**1. Current Year Rates**

In 2019/20 council received \$32,164,801 of the annual rate strike, equivalent to **91.5%** (2018/19: 91.9%). The three-year average current year rates collection rate has slightly reduced to **91.9%** (2018/19: 92.3%).

Attachment One is the 2019/20 Rates Reconciliation Statement. This reconciliation summarises council's rate strike, cash received, remissions, write-offs, penalties charged, and includes the Māori Freehold Land impairment adjustment that are all accounted for when calculating council's annual rates revenue and the total outstanding rates in our year-end accounts.

Graph One presents the proportion of current year rates that has been collected by each district council over the past six years.



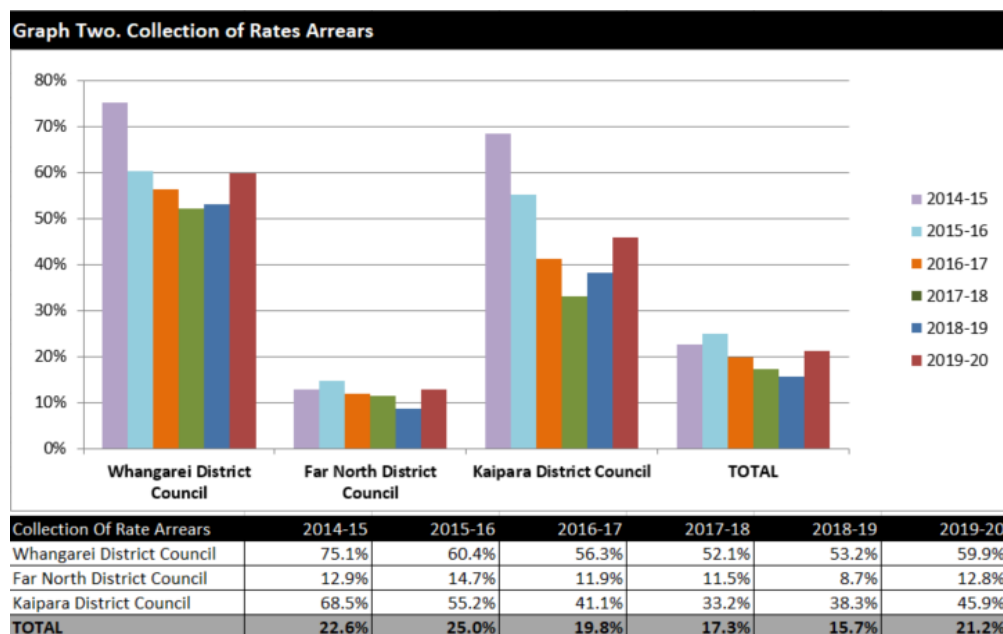
The following statement was provided by Whangarei District Council's Revenue Manager as an explanation for the decrease in their collection rate of current rates:

*"Our collection activities were delayed as the payment date for the 4th instalment was deferred by one month. There have now been 3 arrear letters dispatched which has already reduced NRC's rate arrears to \$507K. The rating recovery team continue work to collect outstanding rates and expect the arrears to be reduced to more acceptable levels within the next 6 months. However, this is somewhat dependent on the economic resilience of our district as the community has been impacted financially by the pandemic and there is also uncertainty on the refinery's future along with the recent closure of some big employers in our district."*

## 2. Rate Arrears

Outstanding rate arrears (including penalty arrears) collected in 2019/20 totalled \$1,068,066, equivalent to a collection rate of **21.2%** (2018/19: 15.7%). The three-year average rate arrears collection rate has improved to 18.1% (2018/19 17.8%).

Graph Two presents the proportion of outstanding rate arrears that has been collected by each district council over the past six years. All three district councils have had an improvement in their collection of rate arrears during the 2019/20 year.





### 3. Māori Freehold Land Rating impairment required under IPSAS 23

NZ Accounting Standard IPSAS 23 governs the recognition and measurement of rating revenue and this standard stipulates that revenue is recognised when it is probable that council is going to receive payment.

Due to the regional council's historical experience of non-payment of rates on Māori Freehold Land, it was considered necessary (and confirmed as necessary by Deloitte) that the 2019/20 rates revenue struck on Far North Māori Freehold Land (MFL) is reduced and a corresponding reduction made to the provision for doubtful debts expense.

Table Two presents an MFL rate impairment for 2019/20 of \$626,882, which is largely in line with last year's collection rate of MFL current year rates of approximately 28%.

The total rates outstanding at 30 June 2020 on Māori Freehold Land in the Far North District, disregarding cumulative impairments, is \$3,043,857 (2018/19 \$2,660,182).

Table Two. Maori Freehold Land Rates	FNDC	
	19-20	18-19
MFL Outstanding Rate Opening Balance	\$2.66M	\$2.75M
plus: Current Year MFL Rates Struck	\$1.09M	\$1.05M
less: Current Year MFL Rate Remissions & other adjustments	(\$93K)	(\$116K)
less: Current Year MFL Rate & Penalty Payments received	(\$303K)	(\$303K)
less: Arrear MFL Rate Remissions & other adjustments	(\$28K)	(\$17K)
less: Arrear MFL Rate & Penalty Payments received	(\$41K)	(\$21K)
less: MFL Rates written off	(\$241K)	(\$678K)
<b>MFL Outstanding Rates Closing Balance before Impairment</b>	<b>\$3.04M</b>	<b>\$2.66M</b>
less: Accumulated Prior year MFL Rate impairment	(\$2.15M)	(\$1.59M)
less: Current Year MFL Rate impairment	(\$627K)	(\$561K)
<b>MFL Outstanding Rates Closing balance - as per Annual Accounts</b>	<b>\$267K</b>	<b>\$510K</b>

### 4. Provision for Doubtful Rate Debts

A Provision for Doubtful Rates Debts is an allowance held to recognise the potential loss arising from the non-collection of some of the outstanding rate arrears.

The rationale for determining the level of this provision was modified this year to align to the methodology developed in the 2020-21 Annual Plan. Specifically, an additional provision of 20% has been incorporated to reflect the potential impact of COVID-19 on the recovery of unpaid current rates. This additional provisional amounted to \$49k this year, and only applied to the Whangārei district as the collection of current rates in the Far North and Kaipara districts were both consistent with last year.

Table three over the page provides a breakdown of the provision held to offset the non-collection of outstanding rates.

The Far North's overall outstanding rate balance (after the MFL impairment) has improved to \$1,621,037 (2018/19: \$1,733,545). The corresponding Far North provision has reduced to 86% (2018/19: 87%) of this outstanding rate balance as their (3-year average) collection of rate arrears has improved to 11.02% (2018/19: 10.7%).

The budget for doubtful debts has more than doubled to \$1.3M in 2020/21. This budget has been increased in 2020/21 to offset any increase in potentially uncollectable rates due to COVID-19, or other affordability issues, becoming evident throughout the region.

<b>Table Three. Provision for Rate Doubtful Debts</b>	WDC		KDC		FNDC		TOTAL	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Opening Balance	\$156K	\$165K	\$568K	\$448K	\$1.50M	\$1.82M	\$2.23M	\$2.43M
Rate Arrears written off during the year	(\$23K)	(\$27K)	(\$4K)	(\$15K)	(\$221K)	(\$595K)	(\$248K)	(\$637K)
Penalty Arrears written off during the year	(\$0K)	(\$46K)	(\$0K)	(\$2K)	(\$28K)	(\$65K)	(\$29K)	(\$113K)
Additional provision for Rate Arrears	\$187K	\$48K	(\$42K)	\$116K	\$80K	\$288K	\$224K	\$451K
Additional provision for Penalty Arrears	\$5K	\$17K	\$67K	\$21K	\$58K	\$57K	\$130K	\$95K
<b>Provision for Rate Doubtful Debts Closing Balance</b>	<b>\$324K</b>	<b>\$156K</b>	<b>\$588K</b>	<b>\$568K</b>	<b>\$1.39M</b>	<b>\$1.50M</b>	<b>\$2.30M</b>	<b>\$2.23M</b>
<b>Total Outstanding Rates at Year End</b>	<b>\$608K</b>	<b>\$325K</b>	<b>\$816K</b>	<b>\$819K</b>	<b>\$1.62M</b>	<b>\$1.73M</b>	<b>\$3.04M</b>	<b>\$2.88M</b>
<b>Provision as a percentage of Outstanding rates</b>	<b>53%</b>	<b>48%</b>	<b>72%</b>	<b>69%</b>	<b>86%</b>	<b>87%</b>	<b>76%</b>	<b>77%</b>

## Attachments/Ngā tapirihanga

Attachment 1: Rates Reconciliation Statement-2019/20 [↓](#)

## Authorised by Group Manager

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

ATTACHMENT ONE NORTHLAND REGIONAL COUNCIL - RATES RECONCILIATION STATEMENT 2019/20  
ANNUAL RATES RECONCILIATION WITH DISTRICT COUNCILS (including Year end MFL Impairment adjustment)

District Council	Outstanding Rates 1 July 2019 per District Council	Impairment on MFL rates (5 years)	Outstanding Rates 1 July 2019 NRC Accounts	2019/20 Rate Strike (GST Incl)	Rate Adjustments (remissions & postponements)	Penalties Applied	Discounts	Rate Write-offs Exp	Rate Write-offs Prov	Total Cash Received	Outstanding Rates 30 June 2020 per District Council	Impairment on MFL rates 2019/20	Outstanding Rates 30 June 2020 NRC Accounts	Outstanding Current Year Rates 30 June 2020	Outstanding Rate Arrears 30 June 2020	Note	Outstanding Current Year Rates 30 June 2019	Outstanding Rate Arrears 30 June 2019	Outstanding Rates 30 June 2019 NRC Accounts
Far North District Council	\$3,883,714	(\$2,150,169)	\$1,733,545	\$12,266,354	(\$482,488)	\$176,106	\$0	(\$60,051)	(\$282,042)	(\$11,103,505)	\$2,247,919	(\$626,882)	\$1,621,037	\$739,955	\$881,082	Assumes final washup payment of \$322855 which was paid in July-20 and backdated to 30 June 2020	\$751,755	\$981,790	\$1,733,545
Kaipara District Council	\$818,954	\$0	\$818,954	\$5,387,435.22	(\$52,116)	\$190,220	\$0	(\$1,794)	(\$4,899)	(\$5,520,796)	\$815,783	\$0	\$815,783	\$275,566	\$540,217	Assumes final washup payment of \$77543 which was paid in July-20 and backdated to 30 June 2020	\$359,235	\$459,719	\$818,954
Whangarei District Council	\$324,738	\$0	\$324,738	\$17,513,431	(\$423,083)	\$89,655	(\$80,062)	(\$35,705)	(\$27,356)	(\$16,754,025)	\$607,593	\$0	\$607,593	\$476,143	\$131,450	Assumes the Q3 overpayment of \$401461 is not included in 30 June 2020 balance	\$230,441	\$94,297	\$324,738
TOTAL	\$5,027,405	(\$2,150,169)	\$2,877,236	\$35,167,221	(\$957,907)	\$455,981	(\$80,062)	(\$98,549)	(\$314,297)	(\$33,378,326)	\$3,671,295	(\$626,882)	\$3,044,413	\$1,491,664	\$1,552,749		\$1,341,431	\$1,535,805	\$2,877,236

**TITLE:** Draft Financial Result to 30 June 2020

**ID:** A1346538

**From:** Vincent McColl, Financial Accountant

---

### Executive summary/Whakarāpopototanga

The purpose of this report is to present the draft financial result for the year ending 30 June 2020 for councillors' information. The draft result of \$40,311 is provisional. There may be further adjustments and amendments as the year-end reconciliations are reviewed by senior staff and the statutory financial statements (including notes) for the draft Annual Report are prepared. There may also be amendments arising from council decisions. Deloitte is scheduled to commence their three-week on-site audit on 25 August 2020.

This result excludes \$84K of non-cash revaluation gains to investment properties, forestry assets and other financial assets. Taking these non-cash revaluation gains into account and the movements in the special reserves, the statutory financial statements within the annual report will present a total Comprehensive Revenue and Expense of approximately \$4.6M.

The final Annual Report to be provided to council on 20 October 2020 for adoption. The Annual Report will provide detailed funding impact statements by activity group and full detailed explanations of any material variance.

For the Draft Operating Result for Council refer to **Attachment 1**.

---

### Recommendation

That the report 'Draft Financial Result to 30 June 2020' by Vincent McColl, Financial Accountant and dated 29 July 2020, be received.

---

### Background/Tuhinga

#### Financial results

The provisional Net Surplus after Transfers to and from Special Reserves and excluding non-cash items is **\$40K** compared to a budgeted surplus of \$22K.

The main variances to the **revised budget** presented in Attachment 1 are explained below:

#### Revenue

- **Rates Revenue** has an unfavourable variance (worse than budget) of **(\$363K) or (1%)** which is due to higher than budgeted remissions and higher than budgeted impairment to rates on Māori freehold land.
- **User Fees and Sundry** has a favourable variance (better than budget) of **\$529K or 12%** which is due to unbudgeted prosecutions income of \$203K, unbudgeted fees for a mooring maintenance programme of \$174K, and higher than budgeted consent monitoring fees of \$311K. This is partially offset by lower than budgeted bus fare revenue of (\$278K).
- **Grants and Subsidies** has a favourable balance (better than budget) of **\$4.8M or 67%**. This variance is predominantly due to unbudgeted subsidies for council's response to the drought and COVID-19 emergencies of \$1.9M, unbudgeted wage subsidy of \$1.5M, unbudgeted

subsidies for the wilding conifer projects of \$499K, and more than budgeted subsidies for the water storage project of \$745K.

- **Other Revenue** has an unfavourable variance (worse than budget) of **(\$114K) or (2%)** which is due to lower than budgeted Marsden Maritime Holdings Limited dividends of (\$166K) and lower than budgeted commercial property rent of (\$126K). This is offset by an historical rent adjustment on the disposal of Marsden Point Rail Link (MPRL) assets of \$174K.
- **Other gains** have a favourable variance (better than budget) of **\$610K or 24%** which is primarily due to a gain on the disposal of the MPRL properties of \$694K offset by lower than budgeted gains on the externally managed funds of (\$83K). The details for 2019/20 externally managed funds are the subject of agenda item 5.1.

#### Expenditure

- **Personnel Costs – Salaries** has a favourable variance (expenditure less than budget) of **\$363K or 2%** due to general delays in filling LTP positions and the holding of some roles due to the economic uncertainty created by the COVID-19 pandemic.
- **Personnel Costs – Other** has an unfavourable variance (expenditure exceeding budget) of **(\$406K) or (46%)** predominantly due to an increase in annual and flexi leave balances of (\$289K) and higher than budgeted overtime of (\$73K) predominantly relating to the drought and COVID-19 emergency response.

- **Other Expenditure** has a favourable variance (expenditure less than budget) of **\$331K or 1%**.

Expenditure variances offset with fees, grants or subsidies:

- Lower than budgeted expenditure on Freshwater Improvement Fund projects due to delays in work of \$829K, including an adjustment for the herbicide moved to inventory of \$280K (which is inclusive in the \$829K). This funding is carried over into 20/21 with the grant funders approval
- Unbudgeted drought expenditure of (\$420K)
- Unbudgeted COVID-19 welfare support grants of (\$1.65M)
- More than budgeted spend on a water storage project of (\$773K)
- More than budgeted expenditure relating to a mooring maintenance project of (\$204K)
- Unbudgeted expenditure for a wilding conifer project of (\$499K).

Expenditure variances offset with reserve movements:

- Lower than budgeted economic development grants of \$1.1M
- Lower than budgeted sports rate grants of \$786K due to a project being deferred until the 20/21 financial year
- Lower than budgeted operational spend on the Kensington Development of \$112K.

Variances subject to carry forwards:

- Lower than budgeted biosecurity works of \$70K.

Other expenditure variances:

- Lower than budgeted lab testing costs of \$250K
- Lower than budgeted promotions and advertising of \$178K
- Lower than budgeted other biosecurity work of \$453K due to COVID-19.

### Reserves

The net transfer to the Special Reserves is \$5.9M greater than budget (more funds transferred into the reserves) predominantly due to the unbudgeted transfer of \$468K to the Opex reserve, unbudgeted transfer to the COVID-19 Reinstatement Reserve of \$1.7M, lower investment and growth reserve movements for the Northland Inc. projects of \$1.1M, unbudgeted transfers to the sporting facilities reserve of \$786K, higher than budgeted transfers to the infrastructure facilities reserve than budgeted of \$590K due to the wind up of the MPRL joint venture, lower than budgeted transfers to the land management reserve of \$385K due to FIF project delays, and higher than budgeted transfers to the approved carry forward reserve of \$256K. Further detail on the Special Reserves is provided in agenda item 5.5.

### Prior Period adjustment

During this year's annual reporting process a non-cash prior year adjustment of \$2.4M was made to the value of infrastructure assets.

This adjustment was necessary as there was a misinterpretation during the 2017 infrastructure asset revaluation around the amount of land actually owned by council as part of Whangarei Dam Asset (as opposed to council having an easement or right to use). As a result, the Whangarei Dam Asset was overstated in 2017 and the prior year adjustment will effectively reinstate the correct historical asset value. The overall 2018 opening value of infrastructure assets will reduce from \$21.9M to \$19.5M.

Although this adjustment is a non-cash entry and does not affect, or appear, in this year's Statement of Comprehensive Revenue and Expense (formerly known as the Profit and Loss Statement), it does reduce council's equity.

Council's external auditors have reviewed and approved the accounting treatment of this prior period adjustment.

### Capital Expenditure

Total capital expenditure for the year was \$12.8M which is \$2.8M less than the \$15.0M revised annual budget. A detailed breakdown of capital expenditure variances and proposed carry forwards is provided in agenda item 5.4.

---

## Attachments/Ngā tapirihanga

Attachment 1: Draft Operating Statement for Council June 2020 [↗](#)

---

### Authorised by Group Manager

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 13 August 2020

## DRAFT Operating Statement for Council

Attachment One

*For the year ended 30 June 2020*

<b>Total Council</b>	<b>DRAFT Council 30- Jun-19</b>	<b>Revised Budget 30-Jun-19</b>	<b>Variance</b>	<b>Variance %</b>
<b>Revenue</b>				
Rates	29,497,212	29,860,000	( 362,788)	(1%)
User Fees and Sundry	4,842,245	4,313,537	528,708	12%
Grants and Subsidies	12,007,718	7,201,555	4,806,164	67%
Interest Income	579,849	573,291	6,558	1%
Other Revenue	6,590,900	6,704,905	( 114,005)	(2%)
Other Gains	3,190,971	2,581,172	609,799	24%
<b>Total Revenue</b>	<b>56,708,895</b>	<b>51,234,459</b>	<b>5,474,436</b>	<b>-</b>
<b>Expenditure by Type</b>	<b>DRAFT Council 30- Jun-19</b>	<b>Revised Budget 30-Jun-19</b>	<b>Variance</b>	<b>Variance %</b>
<b>Expenditure</b>				
Personnel Costs - Salaries	16,593,913	16,956,550	362,637	2%
Personnel Costs - Other	1,297,693	891,661	( 406,032)	(46%)
Other Expenditure on Activities	31,425,256	31,756,804	331,548	1%
Depreciation and Amortisation	1,740,387	1,837,491	97,105	5%
Finance Costs	930,642	956,938	26,296	3%
<b>Total Expenditure</b>	<b>51,987,890</b>	<b>52,399,445</b>	<b>411,554</b>	<b>-</b>
<b>Net (Cost)/Surplus before transfer from/(to) Special Reserves</b>	<b>4,721,005</b>	<b>( 1,164,985)</b>	<b>5,885,990</b>	<b>-</b>
<b>Total Transfers from/(to) Reserves</b>	<b>( 2,512,998)</b>	<b>1,186,878</b>	<b>( 3,699,877)</b>	<b>(312%)</b>
<b>Net (Cost)/Surplus before transfers to Opex Funding Reserve and Covid-19 Reinstatement Reserve</b>	<b>2,208,007</b>	<b>21,893</b>	<b>2,186,114</b>	<b>9985%</b>
Transfers from/(to) Opex Funding Reserve	( 467,695)	-	( 467,695)	-
Transfers from/(to) Covid-19 Reinstatement Reserve	( 1,700,000)		( 1,700,000)	-
<b>Net (Cost)/Surplus after transfer from/(to) Special Reserves and excluding Non Cash Revaluation Gains</b>	<b>40,311</b>	<b>21,893</b>	<b>18,418</b>	<b>84%</b>

**TITLE: Joint Climate Change Adaptation Committee**

**ID:** A1336874

**From:** Justin Murfitt, Strategic Policy Specialist

---

**Executive summary/Whakarāpopototanga**

This report seeks council agreement to establish and participate in a joint standing committee of Northland councils to provide oversight of local government climate change adaptation activities in Northland.

The impacts of climate change pose significant risks to Northland's environment and community well-being. Local government has several functions related to reducing the impacts of climate change (adaptation) under the Resource Management Act 1991 and the Local Government Act 2002. It is essential that councils, communities and iwi / hapū work collaboratively to ensure an effective, efficient and equitable response to the impacts of climate change.

It is recommended that a joint standing committee of the Far North, Whangarei, Kaipara and Northland Regional councils be established and, that it include iwi / hapū representation to ensure these outcomes are achieved in a coordinated and collaborative way across Taitokerau. The formation of joint council committees and appointment of non-elected members to such committees is provided for in the Local Government Act 2002 (Clause 30 and 30A Schedule 7). Draft terms of reference for the joint committee are **attached** for consideration and adoption by council.

---

**Recommendation(s)**

1. That the report 'Joint Climate Change Adaptation Committee' by Justin Murfitt, Strategic Policy Specialist and dated 7 July 2020, be received.
2. That council authorises the establishment of a Joint Climate Change Adaptation Committee with Far North District Council, Whangarei District Council and Kaipara District Council, pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002.
3. That council nominates two elected members to the joint committee one as primary member being Councillor Amy McDonald and Councillor \_\_\_\_\_ to act as back up.
4. That council endorse the two nominations to the committee by Te Taitokerau Māori and Council Working Party, being Toa Faneva as primary member and Thomas Hohaia as alternate to act as back up, on the basis that they have skills and knowledge that will assist the committee.
5. That council adopt the attached Terms of Reference for the Joint Climate Change Adaptation Committee, delegates those responsibilities and duties to the Joint Climate Change Adaptation Committee and acknowledges that this fulfils the requirements of 30A(1).

---

**Background/Tuhinga**

Climate change is likely to pose significant risks to Northland's communities and environment in the coming decades. Our region has an extensive coastline where numerous communities, a large amount of infrastructure and highly valued cultural and ecological sites are located – all of which are vulnerable to sea level rise to name just one threat. The impact of a drying climate on the region's



water supplies, our primary production sector and unique ecology are other examples of where Northland is likely to be vulnerable.

It is therefore essential that local government in Northland acts collaboratively to plan how we adapt to these threats to ensure an effective, efficient and coordinated approach is adopted across Taitokerau. Collaborative inter-council arrangements have proven effective at dealing with complex issues that benefit from cross-council coordination – these include those established for transport (Regional Transport Committee and Northland Transportation Alliance) and Civil Defence Emergency Management.

Northland councils have already made progress on collaborative planning for climate change adaptation with the establishment of the Taitokerau Councils Climate Change Adaption Group (now known as Climate Adaptation Te Taitokerau or CATT). This group, comprised of staff from the four Northland councils, is currently developing a draft climate change adaption strategy – this strategy will include risk and vulnerability assessments and the proposed approach to climate change adaptation by local government in Northland. It is recommended that a joint council committee is also established to provide governance oversight of climate change adaptation activity. The committee would focus on climate change adaptation as this is where the majority of councils' functions lie and where collaboration is most needed. That doesn't mean councils shouldn't act to reduce emissions, but that there is less need for coordination and each council is likely to pursue more 'bespoke' approaches in emissions reductions.

The proposal was supported by the Chief Executives Forum at its meeting on Monday 3 February 2020, and subsequently endorsed by the Northland Mayoral Forum at the meeting of 24 February 2020. Both the Mayoral Forum and Chief Executives Forum recommended that this committee have equal representation by Māori.

The formation of joint council standing committees is provided for in the Local Government Act 2002 (Clause 30 and 30A Schedule 7). In terms of process, each council would need to formally agree to the establishment of the joint committee and nominate councillors as committee members. Clause 31 of Schedule 7 of the Local Government Act 2002 also allows a local authority to appoint non-elected members to a committee, if in the opinion of the local authority those persons have the skills, attributes or knowledge that will assist the work of the committee.

It is recommended that the committee have eight members with each council nominating two elected members – one as their full member and an alternate as a 'back-up' in the event the first nominee is unable to attend. Each council is to also seek the nomination of two iwi / hapū representatives from their jurisdictions (again one as 'back-up' / alternate). It is also recommended that iwi / hapū representatives should be remunerated for their participation and that remuneration is the responsibility of the nominating council in accordance with its appointed members' allowances policy.

The Te Taitokerau Māori and Council Working Party provided their nominations for membership on the committee at the March 2020 meeting. The nominations were Toa Faneva, Te Rūnanga O Whāingaroa (primary member) and Thomas Hohaia, Te Roroa (back up member). It is understood that the district councils are considering the proposal and identifying elected members and Māori representatives to the committee during July and August – it is understood that the Far North District Council Strategy and Policy Committee have endorsed the draft terms of reference and nominated elected members to the committee.

Draft terms of reference for the committee are included as **Attachment 1** for consideration by Council – these include recommended purpose, responsibilities and representation arrangements. It is not proposed that the committee have decision making powers or delegations. Administrative and technical support would be provided by the Climate Adaptation Te Taitokerau Group.

As noted above, the formation of joint council standing committees is provided for in the Local Government Act 2002 (Clause 30 and 30A Schedule 7). Clause 30A(1) states that a local authority

may not appoint a joint committee under clause 30(1)(b) unless it has first reached agreement with every other local authority or body that is to appoint members of the committee.

Under Clause 30A(2), an agreement under subclause 30A(1) must also specify—

- a. the number of members each local authority or public body may appoint to the committee; and
- b. how the chairperson and deputy chairperson of the committee are to be appointed; and
- c. the terms of reference of the committee; and
- d. what responsibilities (if any) are to be delegated to the committee by each local authority or public body; and
- e. how the agreement may be varied.

The draft terms of reference attached address the requirements above and by each council resolving to adopt the terms of reference the requirements of Clause 30A(1) are considered to be met.

A joint council committee with Māori representation would have significant value in ensuring a coordinated and equitable approach to adaptation planning and implementation in Northland. It would also ensure each council (and Māori) were informed and able to have input into climate change adaptation activity by local government.

---

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	The establishment of a joint council standing committee on climate change adaption is not endorsed	No costs associated with operation of the committee.  Each council has full autonomy to decide its own approach.	No coordinated local government and Māori governance oversight of adaptation planning and activity across Northland.  Effective communication of Northland adaptation initiatives is less likely.
2	A joint council committee is established with Māori representation	Direct governance oversight, including Māori representation.  Single point of contact with dedicated committee of all councils.  Improved communication / support for adaptation planning.	Costs (remuneration and staff reporting / admin time).

<b>3</b>	Councillor only committee (no Māori representation)	Same as for option 2 but with slightly lower cost.	Risks missing issues important to Māori and may negatively impact on council / Māori relationship.
----------	-----------------------------------------------------	----------------------------------------------------	----------------------------------------------------------------------------------------------------

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 not considered to be of high significance when assessed against council's Significance and Engagement Policy because it can be considered 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 the council is able to make decisions relating to this matter without undertaking further consultation or engagement. The establishment of a joint council committee will also improve the level of engagement for Māori and the community in relation to planning climate change adaptation.

## 3. Policy, risk management and legislative compliance

The Local Government Act 2002 (LGA) sets out principles and requirements for local authorities to facilitate participation by Māori in local authority decision-making processes. Councils must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes. Council has a policy on fostering Māori participation in council processes (in the Long Term Plan 2018–2028) which sets out (at a high level) how council will implement the LGA direction. The proposal to include Māori representation on the joint committee implements this policy.

## Further considerations

### 4. Community views

Adapting to the impacts of climate change are of interest to the community and it is envisaged that the establishment of a joint committee of councils and councils taking a proactive step forward to collectively seek to address this issue will be seen as a positive step by the community.

### 5. Māori impact statement

Council has engaged with Māori on the proposal through Te Taitokerau Māori and Council Working Party which also supported the draft terms of reference and nominated members to the joint committee. No significant impacts on Māori were identified and none are expected as a result of the establishment of the joint committee. It should be noted that council has not engaged more broadly with tangata whenua at this stage and that a key role going forward for the joint committee will be to engage with tangata whenua and vulnerable communities around climate change adaptation options.

### 6. Financial implications

The financial implications of the proposed committee are considered minor and generally limited to remuneration and administrative costs and can be accommodated in existing budgets. Additional costs for climate change adaptation will need to be considered through respective councils' future Annual Plans and Long Term Plans.

## 7. Implementation issues

There are no known implementation issues and all councils have some experience with joint committee structures.

---

### Attachments/Ngā tapirihanga

Attachment 1: Joint climate change adaptation committee - Draft Terms of Reference August 2020 [↓](#)

---

### Authorised by Group Manager

**Name:** Jonathan Gibbard  
**Title:** Group Manager - Strategy, Governance and Engagement  
**Date:** 05 August 2020

## **Joint climate change adaptation committee Terms of Reference**

**10 February 2020**

### **Background**

Climate change poses significant risks to the environment and people of Te Taitokerau - local government has responsibilities in reducing the impact of climate change (adaptation). It is essential that councils, communities and iwi / hapū work collaboratively to ensure an effective, efficient and equitable response to the impacts of climate change. Work on adaptation has already started between council staff with the formation of the joint staff working group Climate Adaptation Te Taitokerau and the development of a Climate Change Adaptation Strategy for Taitokerau. The formation of a joint standing committee of the Far North, Kaipara and Whangarei district councils and Northland Regional Council elected council members and iwi / hapū is fundamental to ensuring these outcomes are achieved in a coordinated and collaborative way across Te Taitokerau.

### **Role and Responsibilities**

- 1) Provide direction and oversight of the development and implementation of climate change adaptation activities by local government in Te Taitokerau
- 2) Receive advice and provide direction and support to Climate Adaptation Te Taitokerau
- 3) Make recommendations to member councils to ensure a consistent regional approach is adopted to climate change adaptation activities
- 4) Act collectively as an advocate for climate change adaptation generally and within the individual bodies represented on the Committee
- 5) Ensure the bodies represented on the Committee are adequately informed of adaptation activity in Te Taitokerau and the rationale for these activities
- 6) Ensure the importance of and the rationale for climate change adaptation is communicated consistently within Te Taitokerau
- 7) Receive progress reports from Climate Adaptation Te Taitokerau

### **Membership**

The Joint Climate Change Adaptation Committee (the committee) is a standing committee made up of elected members from the Far North, Kaipara and Whangarei district councils, the Northland Regional Council and representatives from Northland hapū and iwi.

The committee shall have eight members as follows:

One elected member from:

Kaipara District Council
Far North District Council
Whangarei District Council
Northland Regional Council

Iwi / hapū members:

One representative from iwi / hapū nominated by each council from within their jurisdiction. Where possible, this nomination should follow recommendations from council Māori advisory groups or committees.

Each council shall also nominate one alternative elected member and one alternative iwi / hapū member who will have full speaking and voting rights when formally acting as the alternate.

### **Status**

The Committee is a joint standing committee of council as provided for under Clause 30(1)(b) of Schedule 7 of the Local Government Act 2002 and shall operate in accordance with the provisions of Clause 30A of that Act. The committee is an advisory body only and has no powers under the Local Government Act 2002 (or any other Act) other than those delegated by decision of all member councils. The joint standing committee shall operate under Northland Regional Council Standing Orders.

**Committee Chair and deputy Chair:**

The Chair and Deputy Chair is to be elected from members at the first meeting of the committee.

**Quorum**

At least 50% of members shall be present to form a quorum.

**Meetings**

The Committee shall meet a minimum of two times per annum.

**Service of meetings:**

The Northland Regional Council will provide secretarial and administrative support to the joint committee.

Draft agendas are to be prepared by Climate Adaptation Te Taitokerau and approved by the Chair of the Committee prior to the Committee meeting.

**Remuneration**

Remuneration and / or reimbursement for costs incurred by council members is the responsibility of each council.

Respective iwi / hapū representatives will be remunerated and reimbursed by the nominating council in accordance with the Northland Regional Council Non-Elected Members Remuneration Policy.

**Amendments**

Any amendment to the Terms of Reference or other arrangements of the Committee shall be subject to approval by all member councils.

**TITLE:** Environmental Fund Changes

**ID:** A1338269

**From:** Duncan Kervell, Land Manager

---

### Executive summary/Whakarāpopototanga

This report seeks approval for changes to the Environment Fund as previously workshopped with council. Specifically, approval is sought to:

- over allocate by 20% targeted aspects of the Environment Fund budget to ensure withdrawals and underspends are accounted for to enable full use of available budget;
- strictly enforce a minimum riparian buffer of at least 3m;
- increase the funding cap approval for projects under delegated authority from \$20,000 to \$40,000; and
- cease funding fencing of the coastal marine area.

---

### Recommendation(s)

1. That the report 'Environmental Fund Changes' by Duncan Kervell, Land Manager and dated 9 July 2020, be received.
2. That for 2020/21 council approves an over-allocation of the general Land/Biodiversity component of the Environment Fund (not including commitments to Kaipara Moana, IKHMG and Coast Care) budget (\$672K) by up to 20% (\$134.4 K).
3. That council approves other changes to Environment Fund allocation:
  - a. The funding cap for projects is increased to \$40,000 through delegated authority approval;
  - b. That coastal marine area fencing is no longer funded; and
  - c. That a 3m buffer for all riparian fencing is strictly enforced with no payment for non-compliant fencing.

---

### Background/Tuhinga

Environment Fund processes are being streamlined in the 2020/21 financial year to ensure efficient, consistent and fair allocation of resources.

**Over-allocation:** The total land/biodiversity budget for the Environment Fund is \$1,014.4K in 2020/2021 financial year, with commitments to Kaipara Moana, IKHMG and Coast Care of \$340K. The general funds are likely to be over-subscribed. Prior to the extraordinary 2019/20 financial year, which had a 24% underspend due to drought and COVID effects, the average annual underspend of the Environment Fund was 20%.

Accordingly, this paper requests a general Environment Fund over-allocation of 20% (\$134.8 K) of the 2020/21 Environment Fund land/biodiversity budget, as per usual practice each financial year. A 20% over-allocation represents the average of underspends and withdrawals for the five-year period prior to the unusual 2019/20 year. This over-allocation would raise the amount of the general land and biodiversity component of the Environment Fund available to allocate from \$674K to a total of \$808.8K.

**Increased funding cap:** The current funding cap for fund projects approved through delegated authority (DA) is \$20K. The land team is managing more grants for large projects (often undertaken by contractors and/or at catchment scale) that can easily go beyond the current cap. The request to increase the funding cap for delegated authority to \$40,000 is aimed at improved efficiencies for land team staff and councillors by reducing the number of projects that would require council approval as exceptional projects.

**CMA fencing:** Coastal marine area (CMA) fencing has continued to be funded by the Environment Fund despite the Regional Coastal Plan rule requiring stock exclusion since 2009. Removing CMA fencing from the criteria is the first step to stop funding works required by regulation – i.e. it is consistent with the plan to not fund riparian fencing once new national and regional plan rules come into effect.

**3m riparian buffers:** Previously grants requiring a specific riparian buffer strip would be paid a reduced amount if found to be not compliant at signoff. As part of bringing new Environment Fund criteria into line with known best practice and new national rules, we want to strictly enforce the 3m buffer rule for all projects (including those not covered by the rules) – i.e. non-compliance will receive no payment at all. This will reduce time spent recalculating grant refund costs and help to reinforce the environmental messaging associated with the rule.

## Considerations

### 1. Options

#### Over-allocation

No.	Option	Advantages	Disadvantages
1	Provide an over allocation based on 20% of the general 2020/2021 land/biodiversity Environment Fund budget	Ensures greater utilisation of the Environment Fund budget by reducing the impact of withdrawals and underspends.	If withdrawals and underspends are less than 20% then there will be an unfavourable variation to year end budget.
2	Decline the 20% over allocation of the general 2020/2021 environment fund budget	No risk of the fund being over-allocated due to reduced withdrawals and underspends.	The withdrawals and underspends mean that the total Environment Fund is not all spent and less environmental benefit is achieved.

The staff's recommended option is Option 1

#### Options – Increased cap to \$40K

No.	Option	Advantages	Disadvantages
1	Authorise decision making for up to \$40K cap through the delegated authority process	Streamlines processes associated with allocating grant money for large projects using contractors ensuring project completion within planting season/ financial	Reduced governance oversight for grant allocation.



		year; reduces staff inefficiencies.	
<b>2</b>	Decline decision making for up to \$40K funding cap through the delegated authority process	Maintain existing level of governance oversight.	Unnecessary governance and staff time spent through extra paperwork and presentation of projects to council. Time delays could impact on the availability of contractors to undertake the work at scale within seasonal timeframes.

The staff's recommended option is Option 1.

#### Options – CMA fencing

No.	Option	Advantages	Disadvantages
<b>1</b>	Authorise decision making to cease funding CMA fencing	Creates consistency across funding criteria to not fund any projects required by regulation.	No longer funding CMA fencing relies heavily on compliance to ensure stock are removed from the CMA.
<b>2</b>	Decline decision to remove CMA fencing from environment fund criteria	Continues to help fund removal of stock access to coastal environment.	Creates inconsistencies across the fund criteria and creates confusion for staff and the public.

The staff's recommended option is Option 1.

#### Options – Riparian buffers

No.	Option	Advantages	Disadvantages
<b>1</b>	Authorise decision making to strictly enforce minimum 3m riparian buffer strips for all riparian projects	Brings all grant-funded work in line with good practice and proposed national regulation. Reduces time wasted by LMAs.	Potential negative response from disgruntled landowners.
<b>2</b>	Decline decision making to strictly enforce minimum 3m riparian buffer strips for all riparian projects	Maintains council positive working relationship with landowners who don't comply with Environment Fund criteria.	Time is wasted through extra refund calculations; benefits of the buffer width and council's environmental message are not taken seriously by landowners.

The staff's recommended option is Option 1.

## 2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to

tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

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

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

The risks that we aim to mitigate are the underutilisation of the Environment Fund budget caused by underspends and withdrawals and inconsistencies in allocation of the fund. There is also a financial risk, and this is outlined under consideration 6 below.

## Further considerations

### 4. Community views

The community is very concerned about improving water quality in our region. The proposed changes will still support those aspirations, but in a more efficient way by working with groups of landowners rather than individuals. Farmers who have previously received free FEPs from us may react negatively to the need to pay for another FEP, however this is outside the council's control as it is a requirement of the NES.

### 5. Māori impact statement

Tangata whenua value freshwater quality very highly and our proposed changes will continue to support their aspirations for improvements in this area. We will continue to work with Maori-owned farms and the proposed increase in the Environment Fund cap to \$40K will allow us to support big projects on large Maori-owned blocks that have previously suffered from budget constraints.

### 6. Financial implications

There is the potential of an unfavourable variation to year end budget if withdrawn or underspent projects are less than the recommended over-allocation of 20%.

No.	Scenario	Situation	Financial implication
1	Current scenario	No additional over-allocation of budget is authorised.	The Environment Fund budget is underspent due to withdrawals and underspends. If this were 20% of the general land/biodiversity Environment Fund budget, this would result in a favourable variation of \$134.8K.
2	Worst case	20% additional budget is allocated to account for withdrawals or underspends, but no withdrawals or underspends occur.	\$134.8K unfavourable variation to land/biodiversity Environment Fund budget.

3	Most likely scenario	Based on the five-year average of 20% of underspends and withdrawals, it is likely that close to 20% of the total budget will be withdrawn or underspent.	Limited variation to budget. For example, a 5% variance to the land/biodiversity Environment Fund budget would be \$33.7K.
---	----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

If an unfavourable variance to budget occurs, then this would need to be serviced from any potential year end surplus or subsequent years' Environment Fund (that is any overspend will go against an Environment Fund reserve to be repaid in the following year from the Environment Fund budget). However, the 20 % five-year average for underspends and withdrawals indicates that a substantial unfavourable variance to budget is unlikely.

## 7. Implementation issues

No additional implementation issues are perceived over and above those already highlighted elsewhere in this report.

---

### Attachments/Ngā tapirihanga

Nil

---

### Authorised by Group Manager

**Name:** Jonathan Gibbard  
**Title:** Group Manager - Environmental Services  
**Date:** 05 August 2020

**TITLE:** Changing Focus of the Land Management Team

**ID:** A1348914

**From:** Duncan Kervell, Land Manager

---

### Executive summary/Whakarāpopototanga

With the new National Policy Statement for Freshwater Management (NPS-FM) and new National Environmental Standard for Freshwater Management due out shortly, the land management landscape is changing rapidly, and council's focus and delivery functions need to also be flexible and adaptable to respond to this fast-moving policy and regulatory environment.

As a result, it is proposed that council stop developing Farm Environment Plans and refocus on preparing to support landowners at a catchment scale through the development and implementation of catchment scale action plans – as is envisaged will be required through the new NPS-FM.

One of the implications of this move will be that council does not meet one of its current LTP KPI's which requires an annual increase of 25,000 hectares of land being actively managed under a farm environment plan and the linked LTP KPI which required an increase of area (ha) of highly erodible land being actively managed under a farm environment plan.

The report seeks council endorsement to changes to the Land Management Team's focus and deliverables and acknowledgement of the subsequent impact on council's current Long Term Plan 2018–2028 (LTP) key performance indicators (KPI's).

---

### Recommendation(s)

1. That the report 'Changing Focus of the Land Management Team' by Duncan Kervell, Land Manager and dated 5 August 2020, be received.
2. That council supports the adaptive approach and change in focus for the Land Management Team and notes the negative impact on council's ability to achieve its Long Term Plan 2018–2028 key performance indicator relating to the area of land under farm environment plans.

---

### Background/Tuhinga

The current Long Term Plan KPI's for the Land Management Team were written in a very different political, economic and social environment and no longer reflect the future focus of the Land Team, which is changing to adapt to new national regulations (such as the NPS-FW and NES-FW) as well as the impact of the new Kaipara Moana project.

**Provision of FEPs:** Freshwater modules of farm plans will soon be a regulatory tool required under the NES and are likely to be written by certified industry consultants, not council staff. It is also envisaged that the new national template for Farm Environment Plans will cover aspects not currently included in our FEPs, however this detail is yet to be clarified.

Therefore, the Land Team would like to cease writing FEPs now to free up considerable capacity to spend more time engaging with groups of landowners. It is proposed that the Land Management

Team's focus will move from providing one-on-one written plans to one-to-many catchment engagement and advice, ensuring more efficient use of staff time. However, the soil conservation and Efund components of the Land Management Team work programme will continue.

The implications of this move will be that council does not meet two of its current LTP KPI's which requires an annual increase of 25,000 hectares of land being actively managed under a farm environment plan and the intrinsically linked KPI of area (ha) of highly erodible land being actively managed under a farm environment plan. Council staff will workshop with councillors over the coming months on proposed new KPI's for the Land Management Team, as part of preparing council's Long Term Plan 2021–2031.

Please refer to Table 1 below for a summary of the LTP KPI's relating to the Land Management Team activities. KPI's 3, 4 and 5 below will continue to be met.

Table 1: Land Management Team LTP KPI's 2018-2028

	Measure	Required
1	Area (ha) of land being actively managed under a sustainable farm environment plan	Increase from 25,000 ha p.a.
2	Area (ha) of highly erodible land being actively managed under a farm environment plan	7000 ha
3	Kilometres of waterway protected by Efund	220 kms
4	Number of subsidised poplar poles provided for erosion-prone land by the Flyger Road Nursery	7000 poles (base)
5	Number of objectives met that are set out in annual work plan for Freshwater Improvement (objectives are set out in Ministry for the Environment project work plans for the Northern Wairoa and Dune Lakes Freshwater Improvement Fund Projects).	All objectives met

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Support the adaptive management approach and change in focus of the Land Management Team to stop delivering farm environment plans and move to a catchment management approach	<p>Allows the Land Team to be more efficient and flexible to adapt to the changing regulatory environment.</p> <p>Enables council's Land Management Team to support landowners to implement new regulations and focus on</p>	<p>Council will not likely achieve two of its current KPI's relating to the area of land under a farm environment plan and area of hill country under active management.</p> <p>Potential negative public feedback due to a failure to meet previously</p>

		priority issues at a catchment scale.	agreed KPI's and/or farmer expectations of receiving a free council FEP.
2	Don't support the adaptive management approach and refocus of the Land Management Team and require the Land Management Team to continue to deliver Farm Environment Plans	Reduced risk of negative public or farmer feedback about not meeting previously agreed KPI's or continuing historic service provision.	Land Team staff won't be as efficient or flexible in the new political and regulatory climate.

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, while the change in activity will negatively impact on one Long Term Plan KPI, council will still maintain its overall level of service as previously consulted on and provided for in council's Long Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

## 3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with council's 2018–28 Long Term Plan which was approved in accordance with council's decision-making requirements of sections 76–82 of the Local Government Act 2002. This decision anticipates the release of the new National Policy Statement for Freshwater Management, its approach to FEP's and catchment scale land management, and sets council's Land Management Team up well to prepare for its implementation.

## Further considerations

## 4. Community views

The Long Term Plan KPI for area under FEPs was written to support community aspirations for cleaner freshwater quality. Core parts of the FEP process have always been building relationships with landowners, offering advice on good practice land management and supporting implementation through the Environment Fund. These will remain core to the Land Management Team work programme, by focussing on spreading these messages and advice to a wider audience in a more targeted way. So, although the KPI for written FEPs will not be met, the engagement with rural communities and supporting good practice sustainable land management will remain.

**5. Māori impact statement**

Māori value the mauri of freshwater very highly. As landowners they have been recipients of FEPs in the past and (as noted in point 4. above), Māori landowners will continue to receive good practice sustainable land management advice and access to our Environment Fund. Although having a written document detailing the advice is particularly useful for multiple ownership Māori blocks, so the information can be shared around trustees, ultimately the written document will be provided under the new national regulatory farm plan process.

**6. Financial implications**

There is very little risk of unfavourable variations to year end budget because the Land Team staff will be working more efficiently, and the Environment Fund budgets will be managed as usual. The redirection of focus for the Land Management Team will comprise about 50% of FTE and comprise no significant change to OPEX funds.

**7. Implementation issues**

There are no known implementation issues over and above those already highlighted elsewhere in this report.

While the main reason for the proposed change of focus of the Land Management Team is in response to the new NPS-FM and NES-FW, the freeing of skills and capacity in the Land Management Team will also enable council to support in-kind contribution to the Kaipara Remediation Programme, especially during the important first year of its establishment.

---

**Attachments/Ngā tapirihanga**

Nil

---

**Authorised by Group Manager**

**Name:** Jonathan Gibbard  
**Title:** Group Manager - Environmental Services  
**Date:** 05 August 2020

**TITLE: Investment and Growth Reserve: Project Development Funding - COVID-19 Economic Recovery Plan for Northland**

**ID:** A1337509

**From:** Darryl Jones, Economist

---

**Executive summary/Whakarāpopototanga**

The purpose of this paper is to seek agreement from council to allocate funding from the Project Development category of the Investment and Growth Reserve (IGR) to Northland Inc. Limited to support the development of a regional economic recovery plan for Northland. The development of the plan will be overseen by the Economic Recovery Leadership Group. The Group, which represents a wide range of organisations and interest groups, has been set up to lead the economic recovery in Northland as a result of the COVID-19 pandemic.

The request to make this funding decision has come to council from Northland Inc. because the allocation is inconsistent with the current criteria and procedures for the allocation of funding from the IGR as agreed to by council on 21 August 2018 and is unbudgeted within the 2020/21 financial year. Section 80(1) of the Local Government Act 2002 provides for council to make an inconsistent decision under specific conditions, and these conditions have been met within the content of this agenda item.

Staff recommend that council supports the allocation of funding to support the development of a regional economic recovery plan but that the quantum of funding be limited to \$25,000 (plus GST if any).

Representatives from Northland Inc. will be in attendance to answer any questions regarding this request and provide an update on progress with the development/funding of the plan from the Economic Recovery Leadership Group.

---

**Recommendation(s)**

1. That the report 'Investment and Growth Reserve: Project Development Funding - COVID-19 Economic Recovery Plan for Northland' by Darryl Jones, Economist and dated 8 July 2020, be received.
2. That council agree to allocate \$25,000 (plus GST if any) from the Project Development funding category of the Investment and Growth Reserve to Northland Inc. Limited to support the development of a COVID-19 economic recovery plan for Northland.
3. That council records that the allocation of this funding is inconsistent with the criteria and procedures for the allocation of funding from the Investment and Growth Reserve but that the exceptional nature of the COVID-19 crisis requires a one-off response.
4. That \$25,000 be transferred from the Community Investment Fund into the Investment and Growth Reserve to fund this allocation.
5. That the allocation be provided to Northland Inc. once the Chief Executive Officer is satisfied that the funding will be used for the development of a COVID-19 economic recovery plan rather than a regional economic development strategy.



---

## Background/Tuhinga

Council has received a request from Northland Inc. to allocate \$56,000 (plus GST if any) from the IGR to support the development of an economic development “strategy” for the region. The Board paper associated with this request, the proposal for developing the strategy (including scope, structure and process) and the unconfirmed minute from the June 2020 Northland Inc. board meeting are provided (**Attachment One**). Council is required to make this funding decision because it is inconsistent with the criteria and procedures for the IGR, and because the funding allocation is unbudgeted.

While the Northland Inc. paper refers to the development of a regional economic development “strategy” for Northland, given the timeframe and process limitations for its development, it is more likely to produce a COVID-19 economic recovery plan for Northland rather than a full-blown economic development strategy for the region. The relationship between and the implications of the economic recovery plan produced as a result of this proposal and the development of a fuller, more inclusive regional economic development strategy, that is an integral part of the joint economic development model supported at the 16 June 2020 council meeting, will need to be considered once the recovery action plan is developed. The preparation of this economic recovery plan has the potential to create a useful platform for developing the broader, more comprehensive strategy for economic development.

The development of the economic recovery plan is being overseen by the Economic Recovery Leadership Group which has been set up to lead the economic recovery in Northland as a result of the COVID-19 pandemic. One of the main purposes of the plan is to guide and direct further government investment into the region. At the time of preparing this agenda item, the group has yet to consider the proposal for developing the economic recovery plan. Further details of the Group are recorded in section 4.

The proposed total budget cost of developing the economic recovery plan is \$70,000 (plus GST if any). The funding request of \$56,000 represents the unspent balance of the budgeted quantum of funding for Project Development category for 2019/20. The expectation is that the remaining portion of the cost will be obtained from other parties involved in the Economic Recovery Leadership Group once council has made its commitment. It is considered that \$56,000 is the bare minimum required to prepare the recovery plan. The other members of the group have yet to be approached for a funding contribution.

---

## Considerations

### 1. Options

No.	Option	Advantages	Disadvantages
1	Allocate \$56,000 from the IGR Project Development funding category	<p>Provides significant support for the development of a regional economic recovery plan.</p> <p>Shows leadership by council in assisting response to COVID-19.</p>	Continues to draw down on CIF, reducing council’s ability to make future funding decisions.

<b>2</b>	Allocate \$25,000 from the IGR Project Development funding category	Provides support for the development of a regional economic recovery plan.	Development of the economic recovery plan may take longer and be significantly less robust.
<b>3</b>	Not allocate any funding from the IGR Project Development funding category	Maintains budgeted balance of CIF.	Development of an economic recovery plan will be significantly impaired.

The staff's recommended option is Option 2. This is lower than the level of funding requested by Northland Inc. Staff recommend this based on the limited funding available and the desire for other parties to make a funding contribution to the proposal in order to show a commitment to the process. This option carries the risk that other parties do not step forward and the resulting recovery plan is inadequate. A quantum of \$25,000 is suggested as this is close to the "one-third" contribution provided in the IGR criteria for the maximum level of Enabling Investment funding that council may make into a project unless there are demonstrated exceptional circumstances. However, if council wishes to provide a higher funding contribution to support the proposal in order to ensure that progress is made then an allocation of up to \$56,000 would be reasonable.

## 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 2018–2028 and previous decisions of council to set up Northland Inc. Limited as its council controlled organisation. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council can make decisions relating to this matter without undertaking further consultation or engagement.

## 3. Policy, risk management and legislative compliance

Making this decision is inconsistent with the criteria and procedures for the allocation of funding from the IGR (IGR criteria) approved by council. The IGR criteria is available on line (<https://www.nrc.govt.nz/media/12974/investment-and-growth-reserve-criteria-and-procedures-for-the-allocation-of-funding-2018-08-21.pdf>) and is provided as **Attachment 2**.

The criteria and procedures for the allocation of funding from the IGR provides the Board of Northland Inc. the delegated ability to allocate up to \$300,000 per annum for Project Development. Funding from the IGR for Project Development approved by the Board of Northland Inc. Limited is paid to Northland Inc. Limited upon receipt of an invoice accompanied by evidence of the Board decision.

Council is being requested to make this Project Development funding decision as it is inconsistent with the IGR criteria. This is because the scope of work that is being proposed to be funded is outside the purpose of the Project Development funding category. Specifically, clause 5(a) of the IGR criteria states that "Project Development funding cannot be used to fund the preparation of a strategy". The request to make this exception is made because of the significant impact of the COVID-19 pandemic on the Northland economy and to develop an appropriate and co-ordinated response. The Northland Inc. board has recognised this, and therefore made the recommendation to council to make the decision.

Section 80(1) of the Local Government Act 2002 provides for council to make a decision that is inconsistent with policy provided when making the decision, council clearly identifies: (a) the

inconsistency; (b) the reasons for the inconsistency; and (c) whether there is any intention to amend the policy or plan to accommodate the decision. The paragraphs above identify the inconsistency and the reasons for the inconsistency. In terms of an intention to amend the policy, staff consider this decision to be a one-off request and therefore there is no intention to change the current IGR criteria.

## **Further considerations**

### **4. Community views**

The economic recovery plan will be overseen by the Economic Recovery Leadership Group. The 10 members of the group cover a wide range of organisations and interest groups. Members of the group are (listed in alphabetical order):

- Carol Berghan, Chief Executive Officer, Te Hiku Iwi Development Trust
- Deidre Otene, Chief Executive, Te Kotahitanga e Mahi Kaha Trust
- Eru Lyndon, Regional Commissioner, Ministry of Social Development
- Grant Berghan, Principal Advisor Te Taitokerau, Provincial Development Unit
- Murray Reade, Chief Executive Officer, Northland Inc. Limited (co-chair)
- Pita Tipene, Deputy Chairman, Te Rūnanga o Ngāti Hine
- Shaun Clarke, Chief Executive Officer, Far North District Council
- Toa Faneva, Chief Executive, Te Rūnanga o Whaingaroa (co-chair)
- Tui Marsh, Regional Manager, Te Puni Kōkiri
- Wade Tuite, Principal Policy Advisor, Labour & Immigration Policy Branch, MBIE.

### **5. Māori impact statement**

There are no known impacts on Māori which are different from the general public. The economic response and recovery to the COVID-19 crisis is important to Māori leadership in Te Taitokerau, who are taking many active steps to support tangata whenua. To ensure co-ordination, the Economic Recovery Leadership Group is co-chaired by Toa Faneva, Chief Executive Officer Te Rūnanga o Whaingaroa.

### **6. Financial implications**

The criteria and procedures for the allocation of funding from the IGR (IGR criteria) provides the Board of Northland Inc. the delegated ability to allocate up to \$300,000 per annum for Project Development. However, due to the impact of COVID-19 on council revenue, this was reduced to a maximum of \$200,000 for 2019/20 and to \$0 (zero) for 2020/21 at the extraordinary council meeting on 6 May 2020.

Three Project Development funding allocations were made in 2019/20 by the Board of Northland Inc., together totalling \$143,334 out of a potential revised budget allocation of \$200,000:

- Feasibility phase of the Northland Water Storage and Use Project (\$83,334)
- Mokau Pa amphitheatre visitor experience (\$35,000)
- Literature review phase of resilient pasture project (\$25,000).

Because of this underspend, along with the delay in distributing previously allocated Enabling Investment funding to some projects due to COVID-19, the opening balance of the IGR for 2020/21 is higher than budgeted, i.e. \$600,570 compared to \$371,530 (Table 1). However,

the closing budget balance of the IGR for 2020/21 remains at \$32,600, the quantum required for council to meet all its current funding commitments into 2021/22.

**Table 1. Investment and Growth Reserve cashflow budget and actual**

	2019/20 AP	2019/20 Actual	2020/21 Revised AP
<b>OPENING BALANCE</b>	\$1,249,403	\$1,249,403	\$600,570
<b>INCOME</b>			
Redirection of investment income	\$1,700,000	\$1,700,000	\$0
<b>Community Investment Fund</b>			
Funding of the CPI adj on Operating grant	\$72,148	\$72,148	\$111,135
Project funding	\$500,000	\$375,000	\$1,825,000
Funding of shortfall in REL Loan proceeds	\$0	\$0	\$8,446
<b>WITHDRAWALS</b>			
Payment to Northland Inc. (Baseline Operational)	-\$1,335,876	-\$1,335,876	-\$1,365,266
<b>Enabling Investment funding</b>			
Extended Regional Promotion	-\$200,000	-\$200,000	-\$200,000
Extension 350	-\$100,000	-\$100,000	-\$100,000
Twin Coast Cycle Trail	-\$113,734	\$0	-\$113,734
Manea Footprints of Kupe	-\$500,000	-\$375,000	-\$125,000
Te Hononga (Kawakawa Hunderwasser Park Center)	-\$200,000	-\$100,000	-\$100,000
Hundertwasser Art Centre	-\$500,000	-\$500,000	-\$500,000
Water Storage and Use Project	-\$50,749	-\$76,187	\$0
<b>Project Development funding</b>	-\$200,000	-\$143,334	\$0
<b>OTHER</b>	\$50,338	\$34,416	-\$8,551
<b>CLOSING BALANCE</b>	\$371,530	\$600,570	\$32,600

There is no funding available in the IGR budget for 2020/21 to make this allocation. However, the Long Term Plan 2018–2028 allows council to make discretionary additional input from the Community Investment Fund (CIF) into the IGR as needed for economic development initiatives, provided the CIF does not fall below \$12.5 million. The current budgeted closing balance of the CIF for 2020/21 is just over \$13 million. Deducting \$12.5 million from this, we can assume an available funding envelope of \$0.5 million at present which could be transferred into the IGR.

## 7. Implementation issues

There are no implementation issues associated with the proposal. The development of the economic recovery plan will be overseen by the Economic Recovery Leadership Group. This group is co-chaired by Murray Reade, CEO of Northland Inc. with secretariat support provided by Northland Inc. Council will have input into the development of the plan.

## Attachments/Ngā tapirihanga

Attachment 1: Northland Inc board paper, attachment and resolution [↓](#)

Attachment 2: Criteria and procedures for the allocation of funding from the Investment and Growth Reserve [↓](#)

## Authorised by Group Manager

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

# NorthlandInc X.X Investment

Growing Northland's Economy  
Kia tupu ai te ōhanga o Te Tai Tokerau

## Long Term Strategy Development

**Subject:** Funding the development of a Regional Strategy

**Report by:** Vaughan Cooper, GM Investment & Infrastructure

**Dated:** June 2020

**Commercial in Confidence:** No

### Recommendation:

Recommend that \$56,000 of project development funding be approved to support the development of a long term strategy for the region from the Investment and Growth Reserve, Project Development Fund.

Recommend that a one off decision be made to support this activity (which is in-consistent with the current criteria) primarily due to the need driven by COVID.

### Strategic Context:

In December 2019, the world's first case of COVID-19 was identified, resulting in the ongoing 2019-2020 pandemic. With more than 3.15 million cases globally by April end, across 185 countries and territories, most borders closed, and the international economic shock began.

New Zealand reported the first case late February and in March the country moved into Level 4 then Level 3 lockdown, with Level 2 pending.

Despite government's moves to date to invest heavily in support packages to reduce the economic impact of the COVID-19 pandemic, it is clear global, national, regional and local economies will be forever changed. The economic and social impacts will be long-lasting and significant with Tai Tokerau Māori historically experiencing significantly worse and inequitable outcomes from these events, than the rest of New Zealand. The region is already seeing significant job losses, rapidly rising unemployment, the affects of supply chain disruption, the global situation affecting exports and travel, an increase in insolvencies, financial hardships and rising social impacts.

Pre COVID-19 Tai Tokerau's traditionally underperforming economy was 'on the rise' aided by early Provincial Growth Fund and private sector investment. The region now needs to build on recent collaborative efforts, ensuring whanau and community wellbeing are at the heart of any action.

Through a collective approach and from a platform that supports long-term meaningful benefits for our communities, there is an opportunity to develop a long term strategy that focuses on the transformation of the Northland economy. This activity is considered urgent and should be undertaken as soon as possible.

### **Project Overview:**

#### **Background**

Please refer to attached paper for background on the preparation of a long term strategy. This paper is in draft and has not yet been presented to the Economic Recovery Leadership Group.

### **Project Development Funding Application:**

#### **What part is the feasibility and or business case funding application for:**

The funding application is to cover the development of a regional strategy. This is currently specifically excluded within the criteria of the Investment and Growth Reserve. However, given the effect of COVID19 on our economy and the need to urgently plan for our short /medium and long term recovery, it is considered appropriate to recommend this activity as a one off response.

#### **Estimate of project costs and timeframes:**

The indicated budget for the Strategy Development work is \$70,000 excluding GST. It is envisioned that the work can get underway straight away and co-funding will be sought from other members of the Economic Recovery Leadership Group.

### **Admin**

#### **What is the current available allocation of feasibility and business case funding?**

This would be the fourth application within the 2019/20 financial year, NRC has reduced the available funding to \$200k therefore the potential funding available is \$56,000.



## Fast Tracking a Long Term Strategy for the Region

The purpose of this report to outline the process for fast tracking the development of a long term strategy for the region. This report is seeking approval in principle to proceed.

### Purpose of strategy

We need to be clear on why we are doing this piece of work. Knowing this will help guide decision making when things get difficult / under pressure. The document has, in my view, a number of key purposes:

- Guide and direct government investment (PGF etc.)
- Guide and direct the new joint CCO (Northland Inc)
- Give confidence to Northlanders that there is a plan
- Guide long term planning of key organisations (including but not limited to Councils, members of EDLG etc.)
- Identify what Councils (and others) can do in this space to assist
- Confirmation of what growth/development aspirations we want as a region

### Scope of the document

Is this an economic development strategy for the region, a growth strategy for the region, a spatial plan or a strategy for the region? What's the difference? The difference is in regard to what is specifically included by design compared with things that get included / addressed as a result of other activity. For example, a pure economic development strategy will not have social components but the activities of economic development will have social benefits.

Perhaps not something that needs to be completely resolved before starting but the recommendation would be, given the time and process constraints, to have a strong economic focus, recognising that there will be a need to inter-weave social, cultural and environmental elements as well as portray these in different ways at different places in the region (the spatial component).

### Structure of the document

There are a number of schools of thought regarding the best way to structure a strategic document such as this. Taking a sector based approach is consistent with previous studies, the recent Martin Jenkins review and the current Action Plan Structure. However thought will need to be given as to how the document may reference more strategic interventions as well, such as ensuring a tikanga

based approach is embedded, concepts such as localism, provenance, circular economy and recognising regional strengths and opportunities are overlaid across the sectors.

#### **Development process**

Fast tracking is required. Therefore compromise is going to be necessary as well as a recognition that this was done quickly and may need to be reviewed/update in a relatively short time period (1-2 years). To genuinely engage Maori and community, one should go to them with a blank piece of paper and co-author the future – however to do this effectively across the entire rohe would require an engagement process that was spread over 6-12 months. Hence this is the first big compromise, we will need to develop a “strawman” document using a different, quicker process and then engage with groups on that strawman. This will cause some frustration that will need to be managed carefully.

The four councils of Northland are considering the establishment of a joint CCO for economic development and part of this proposal includes the development of a long term strategy occurring in financial year 2020/2021 for incorporation into their Long Term Planning processes. This proposal in this report is attempting to fast track this process which comes with some compromises as already identified. There is, in all likelihood, the need to complete a two-step process and complete a more rigorous strategy development process once the joint CCO structure is properly in place. Whilst there will be some duplication of effort, that does appear insignificant compared to the risks of not making any progress for a further 6-12 months whilst we wait for the joint CCO process to conclude. Continued engagement with Councils on this process will be important.

#### **How**

Development of this strategy is proposed to be championed by the Economic Recovery Leadership Group and supported by the working group with the leg work being managed by Northland Inc. An indicative outline of a development process could be:

##### **Step 1:**

Two or three workshops with key stakeholders from Northland to brainstorm the “strawman”. Workshop attendance could include:

- Leadership group members and working group members
- Maori leaders (would seek EDLG’s advice on this
- Leadership of Councils (CEO’s or Mayors?)
- Thought leaders within the region (those on Peter Heath’s videos, others etc.)
- A select range of consultants with expertise in this process and who know the region (paid on hourly rate to participate and share thoughts / knowledge) – e.g. David Wilson, Patrick McVeigh, Sue Dobbie, Te Hiku/Berl??



Step 2:

Draft the strawman document – led by Northland Inc

Step 3:

Test strawman with both the previous workshop attendee's and a broader audience (broader than workshops but still not a full public engagement process). This can be agreed closer to time as there may be a desire to fast track publishing the document or there may be desire to add a month to the process to undertake a fuller engagement process

Step 4: Finalise document – endorsed/signed off by the Economic Development Leadership Group

**Budget and timing:**

Northland Inc **may** have the ability to allocate \$70,000 towards this project (subject to Board and Council approval to re-allocate funds from I&GR). This would primarily be used to support attendance and management of the workshops (step 1 – \$20,000) and to assist with the drafting of the strawman (step 2 - \$20,000). Some money should also be available to support/facilitate engagement in step 3 (\$10,000).

Note we would also look to see what match funding Councils could provide – any additional funding would be directed into enhancing the stakeholder engagement in step 3.

In regard to timing, step 1 could be completed within 1 & ½ months – starting as soon as funding is confirmed (which needs to be completed before 1 July). Step 2 could be 3-4 weeks and step 3 is flexible (can be as targeted or as broad as required).



## Investment and Growth Reserve

### Criteria and procedures for the allocation of funding

#### Version 4 – Adopted 21 August 2018

#### **Objective of the Investment and Growth Reserve**

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

#### **Available funding categories**

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

#### **Procedures and criteria for Project Development funding**

4. The purpose of the Project Development category is to provide funding support to assist with developing, proving and/or planning for the success of projects that will contribute toward economic growth within the region for the purpose of making them investment ready. Priority is given to assisting project funding applications to the Provincial Growth Fund. This funding category will be reviewed during the development of the next Statement of Intent for Northland Inc. Limited.
5. For clarity, Project Development funding cannot be used to fund:
  - a. the preparation of a strategy;
  - b. design and engineering related work;
  - c. building or resource consent applications or any other approval required for the project to proceed;
  - d. ongoing capability or delivery functions once a project is funded; or
  - e. a project that is determined to potentially have significant adverse impacts on environmental, social, and/or cultural well-being, regardless of the positive economic impacts.
6. Decisions on funding any single Project Development costing less than \$100,000 is delegated from council to the Board of Northland Inc. Limited. Funding from the IGR for Project Development approved by the Board of Northland Inc. Limited will be paid to Northland Inc. Limited upon receipt of an invoice accompanied by evidence of the Board decision.
7. Decisions on funding any single Project Development of \$100,000 or more require a council resolution. These must be accompanied by a Board of Northland Inc. Limited recommendation.
8. Project Development funding decisions made under delegated authority must be reported to council through Northland Inc. Ltd quarterly and annual reporting. Copies of the work carried out with Project Development category funding must be provided to council as they are completed.

**Procedures and criteria for Enabling Investment funding**

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

- e. Management case – e.g. how will the project be undertaken and over what time frame? Do the project proponents have the competence, experience and capacity to deliver the project? What statutory approvals are required (e.g. resource consents)?

**TITLE:** Tāngata Whenua Water Advisory Group  
**ID:** A1347155  
**From:** Ben Lee, GM - Strategy, Governance and Engagement

---

### Executive summary/Whakarāpopototanga

Council is in the early stages of preparing a plan change to give effect to the water quality planning requirements of the National Policy Statement for Freshwater Management<sup>1</sup> (the water quality plan change). The plan change is scheduled to be notified late 2021. Council approval is sought for proposals involving tāngata whenua in the plan change development.

In June 2019, council approved the project plan for developing the water quality plan change. It included a phase of engagement with iwi and hapū prior to drafting the plan change. A paper was then presented to Te Taitokerau Māori and Council Working Party (TTMAC) and it was agreed that council staff were to work with the Māori Technical Advisory Group (MTAG) to develop recommendations on how tāngata whenua perspectives are sought and considered in the development of the plan change.

Staff and MTAG met three times<sup>2</sup> and developed a proposal (**attached**). The proposal was presented to TTMAC and they resolved to recommend that council adopt the proposal (11 July 2020). The proposal centred on setting up a “Tāngata Whenua Water Advisory Group” as the main vehicle for providing tāngata whenua-led analysis, feedback and advice on the development of the plan change for issues of relevance to tāngata whenua (for example identifying Māori values in freshwater<sup>3</sup>). A terms of reference will be prepared detailing the group’s functions, scope, roles and how meetings are run.

It is important to note that while the Tāngata Whenua Water Advisory Group will not fulfil council’s obligations for wider consultation with tāngata whenua. The RMA requires council to consult tāngata whenua through iwi authorities<sup>4</sup>. However, the group may provide a forum for advice to council (and iwi authorities) on how to consult tāngata whenua (for example, where and when to hold hui).

TTMAC also considered and endorsed a proposal from council on how tāngata whenua are involved in decision making on the water quality plan change<sup>5</sup>. The proposal is:

- three tāngata whenua TTMAC members to sit alongside councillors in their workshops to prepare the water quality plan change;
- the same members to also sit on the Tāngata Whenua Water Advisory Group; and
- the members to be paid in accordance with council’s Appointed Members’ Allowances Policy.

The tāngata whenua TTMAC members in recommendations three and four were endorsed by TTMAC.

---

<sup>1</sup> See <https://www.mfe.govt.nz/fresh-water/national-policy-statement/about-nps>

<sup>2</sup> 16 April, 21 May and 5 June 2020.

<sup>3</sup> As set out in the new National Policy Statement for Freshwater Management.

<sup>4</sup> RMA, Schedule 1, Clause 3.

<sup>5</sup> Endorsed by council at workshop on 23 June 2020.

---

### Recommendation(s)

1. That the report 'Tāngata Whenua Water Advisory Group' by Ben Lee, GM - Strategy, Governance and Engagement and dated 31 July 2020, be received.
2. That a "Tāngata Whenua Water Advisory Group" be formed to provide tāngata whenua-led analysis, feedback and advice on the development of the plan change to give effect to the water quality planning requirements of the National Policy Statement for Freshwater Management, as outlined in the attached Māori engagement approach: Water quality plan change.
3. That the following be appointed as the selection panel for considering and appointing the members of the Tāngata Whenua Water Advisory Group:
  - a. Mira Norris (tāngata whenua member of Te Taitokerau Māori and Council Working Party);
  - b. Juliane Chetham, or Janelle Beazley if Juliane Chetham is unavailable (tāngata whenua members of Te Taitokerau Māori and Council Working Party);
  - c. Councillor Blaikie; and
  - d. Councillor Yeoman.
4. That Te Taitokerau Māori and Council Working Party Māori members Nora Rameka, Rowan Tautari and Alan Riwaka (and Antony Thompson as an alternative to Alan Riwaka) be appointed to the Tāngata Whenua Water Advisory Group and be invited to attend all council workshops on the content of the plan change that gives effect to the water quality planning requirements of the National Policy Statement for Freshwater Management.

---

### Considerations

#### Options

No.	Option	Advantages	Disadvantages
1	Approve the recommended engagement approach	<p>Assists with council meeting its obligations to work with tāngata whenua to understand Māori values in freshwater.</p> <p>Provides a vehicle for tāngata whenua-led analysis, feedback and advice on the development of the plan change for issues of relevance to tangata whenua.</p> <p>Provides a forum to give guidance to council on</p>	<p>There will be a financial cost to council as set out in the financial implications section.</p>

No.	Option	Advantages	Disadvantages
		how to consult with tāngata whenua on the development of the plan change.  Endorsed by TTMAC and respects the advice of TTMAC.	
2	An alternative engagement approach	Would depend on the approach. May be less financial cost to council.	TTMAC likely to be aggrieved.  Cause delays as it will take time to come up with engagement model.  May be greater financial cost to council (depending on the engagement model).
3	No engagement with iwi and hapū tāngata whenua prior to notification of the plan change	Low / no financial cost to council in the short term. However, may be significant longer term costs due to legal challenge.	Council at risk of legal challenge as it would not meet legal obligations.  Iwi and hapū significantly aggrieved.  Potential to significantly compromise relationships with iwi and hapū.

Staff recommend council adopt Option 1.

## 2. Significance and engagement

The decisions recommended in this report are assessed as not being significant in accordance with council's Significance and Engagement Policy. This means specific consultation with the community on the decisions recommended in this report is considered to not be necessary.

The decision is not one identified in the policy as automatically being significant and nor does it meet any of the thresholds for significance. This does not mean that this matter is not of significance to tāngata 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 Local Government Act 2002 (LGA) sets out principles and requirements for local authorities to facilitate participation by Māori in local authority decision-making processes. Councils must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes. Council has a policy on fostering Māori



participation in council processes (in the Long Term Plan 2018–2028) which sets out (at a high level) how council will implement the LGA direction. Relevant provisions from the policy are:

- Support continuation and operation of the TTMAC Working Party as an avenue for input into council’s decision making; and as an avenue to build the capacity of the wider Māori community to contribute to the decisions of council.
- Undertake early pre-consultation with Māori on all RMA planning processes.

The National Policy Statement for Freshwater Management directs that councils recognise Te Mana o te Wai<sup>6</sup> in the management of fresh water. To do this, councils must engage with tāngata whenua, and take reasonable steps to involve tāngata whenua in the management of fresh water and reflect tāngata whenua values in decision making regarding fresh water.

The RMA requires council to consult with tāngata whenua during the preparation of plan changes (Clause 3, Schedule 1).

The recommendations in this report will give effect to these legislative and policy directions.

## Further considerations

### 4. Community views

It is likely tāngata whenua will be supportive of the recommendations. While there are no known community views on the matter, it is anticipated that the wider community would not be un-supportive of the recommendations.

### 5. Māori impact statement

The proposal is an example of council facilitating participation by Māori in council decision-making processes. It helps meet Local Government Act 2002 (section 81(1)) obligations for local authorities to ‘establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority’.

The proposal is endorsed by TTMAC.

### 6. Financial implications

There are two key financial implications for the proposal, both of which are covered by existing budgets:

- tāngata whenua members meeting attendance fees (estimated to be \$16,000 20/21 and \$2500 21/22); and
- a \$20,000 budget for the Tāngata Whenua Water Advisory Group (refer attached proposal) to commission advice.

### 7. Implementation issues

No significant implementation issues identified.

---

## Attachments/Ngā tapirihanga

Attachment 1: Proposed Maori engagement approach - Water quality plan change [↓](#)

---

<sup>6</sup> Te Mana o te Wai recognises the connection between water and the broader environment – Te Hauora o te Taiao (the health of the environment), Te Hauora o te Wai (the health of the waterbody) and Te Hauora o te Tangata (the health of the people)

---

---

**Authorised by Group Manager**

**Name:** Jonathan Gibbard  
**Title:** Group Manager - Environmental Services  
**Date:** 05 August 2020

## Māori engagement approach: Water quality plan change

<i>Version</i>	<i>Date</i>	<i>Purpose</i>
1	7 May 2020	Initial draft for review by Juliane
2	12 May 2020	Draft for MTAG
3	26 May 2020	Updated post MTAG meeting
4	28 May 2020	Further update
5	29 May 2020	Update in response to Juliane C comments
6	5 June 2020	Updated post MTAG meeting for TTMAC endorsement
7	31 July 2020	Post TTMAC endorsement for council approval

### Scope

This document sets out the proposed approach for Māori engagement on the water quality plan change. It covers the period up until the plan change is notified for public submissions.

This document does not address

- Governance arrangements.
- How the plan change will be implemented, e.g. monitoring and enforcement of rules and consents.

### Background

The Northland Regional Council (NRC) is required to undertake a plan change to implement the water quality requirements of the National Policy Statement for Freshwater Management 2017<sup>7</sup>.

NRC are aiming to formally notify the plan change for submissions in late 2021.

### Proposed Māori engagement approach

#### Tāngata Whenua Water Advisory Group

Set up a 12 member “Tāngata Whenua Water Advisory Group” (name TBC) to be the main vehicle for providing tāngata whenua-led analysis, feedback and advice on the development of the plan change.

The group to be set up as follows:

- three tāngata whenua members of TTMAC members to be appointed to the Tāngata Whenua Water Advisory Group
- a pānui to all Māori contacts will be sent seeking nominations for membership on the group for the nine remaining places
- TTMAC to appoint a selection panel consisting of four TTMAC members (two councillors and two tāngata whenua members)
- the selection panel to select members by assessing nominations against the criteria in Appendix one.

---

<sup>7</sup> Government will be releasing a new version in a few month’s time. It will continue to require council to do a plan change, but there are likely to be some changes to the details of what must be included in the plan change.

The Tāngata Whenua Water Advisory Group members will be eligible for payments for council approved meeting attendance and mileage in accordance with the council's 'Appointed Members Allowance Policy'. Payments will include:

- meeting allowance
- mileage (one claim per vehicle)
- attendance at other working parties, as endorsed by council.

The Northland Regional Council to allocate a \$20,000 budget to the Tāngata Whenua Water Advisory Group to commission advice<sup>8</sup>.

It is anticipated the Tāngata Whenua Water Advisory Group will meet six to 10 times starting in September 2020 through to mid 2021.

### **Development of Wai Māori assessment framework**

An initial focus of the Tāngata Whenua Water Advisory Group will be to identify a framework to assess the likely consequences (impacts) on tāngata whenua values<sup>9</sup>. The framework will seek to identify:

- key tāngata whenua values in fresh water
- evaluation criteria to assess the impacts of management scenarios on the values, and
- any associated indicators to ensure the future impacts on these values can be observed.

---

<sup>8</sup> This is in addition to the meeting payments.

<sup>9</sup> Framework examples:

- [Keir Volkerling. April 2015. Northland Tāngata Whenua Freshwater Values: A Literature Review. Prepared for Northland Regional Council, Ministry for Primary Industries and Ministry for the Environment. See <https://www.nrc.govt.nz/media/9468/northlandtangatawhenuafreshwatervaluesaliteratureview.pdf>](https://www.nrc.govt.nz/media/9468/northlandtangatawhenuafreshwatervaluesaliteratureview.pdf)
- [Keir Volkerling. August 2015. Northland Tāngata Whenua Freshwater Values: A Framework to Guide Decision-Making. Prepared for Northland Regional Council, Ministry for Primary Industries and Ministry for the Environment. See <https://www.nrc.govt.nz/media/9467/northlandtangatawhenuafreshwatervaluesaframeworktoguidedecisionmaking.pdf>](https://www.nrc.govt.nz/media/9467/northlandtangatawhenuafreshwatervaluesaframeworktoguidedecisionmaking.pdf)
- A recent report by Perception Planning Ltd and Manaaki Whenua – Landcare Research: See <https://www.nrc.govt.nz/media/13642/kaupapa-maori-assessments-final-jan-2019.pdf>

## **Appendix 1:**

### **Individual membership criteria (desired)**

- tāngata whenua (whakapapa to Te Taitokerau)
- freshwater kaitiaki knowledge and/or experience
- an understanding of Te Ao Māori (the Māori world view)
- knowledge of the Treaty of Waitangi and He Whakaputanga (Declaration of Independence, 1835)

### **Collective membership criteria (desired)**

The group may consist of up to 12 freshwater kaitiaki experts allowing for a diverse range of knowledge/experience whilst ensuring agile decision making is achievable.

Many of the issues that need to be addressed to improve water quality are challenging – technically, legally, economically, socially and culturally. To ensure the group, as a collective, possess the breadth of knowledge and experience needed to consider these challenges and fulfil its purpose, the below criteria will be applied prior to final selection. The final group makeup should allow for:

- diverse representation of member gender and age
- balanced geographical affiliation/connections across Te Taitokerau
- a mix of people who have practical experience gained at a national, iwi, hapū, and/or whanau level
- at least one person with legal and/or policy background
- at least three people with on-the-ground freshwater kaitiaki experience
- at least two people with experience in Māori land management
- at least one person should have project management experience
- at least 50% of the working group are competent with Te Reo me ona tikanga / kawa o Taitokerau (competence in Te Reo and Māori processes in Northland).

**TITLE: Delegation to Make Expert Consenting Panel Nominations  
Under the COVID-19 Recovery (Fast-track Consenting) Act 2020**

**ID:** A1347472

**From:** Colin Dall, Group Manager - Regulatory Services

---

**Executive summary/Whakarāpopototanga**

The COVID-19 Recovery (Fast-track Consenting) Act 2020 ("the Act") is new legislation that only came into effect on 9 July 2020. The Act provides for an alternative consenting pathway for projects listed in Schedule 2 of the Act or those that are referred to an expert consenting panel under the relevant sections of the Act.

Under Schedule 5 clause 3(2)(a) of the Act, the Northland Regional Council has the power (right) to nominate a person or persons to be a member of an expert consenting panel for infrastructure works located in Northland.

For consent hearings under the Resource Management Act 1991, the council has delegated the power to appoint hearing commissioners to the Chief Executive Officer and Group Manager – Regulatory Services. It is considered that it would be consistent to also delegate to those officers the power to nominate a person or persons to be a member of an expert consenting panel. The delegation also provides for administratively efficient and prompt nominations.

---

**Recommendation(s)**

1. That the report 'Delegation to Make Expert Consenting Panel Nominations Under the COVID-19 Recovery (Fast-track Consenting) Act 2020' by Colin Dall, Group Manager - Regulatory Services and dated 31 July 2020, be received.
2. That pursuant to Schedule 7 clause 32(1) of the Local Government Act 2002, the council delegate to the Chief Executive Officer and Group Manager – Regulatory Services the power to nominate a person or persons to be a member of an expert consenting panel appointed under Schedule 5 of the COVID-19 Recovery (Fast-track Consenting) Act 2020.

---

**Background/Tuhinga**

A copy of the COVID-19 Recovery (Fast-track Consenting) Act 2020 can be viewed on the Parliamentary Counsel Office's "New Zealand Legislation" website using the following link – <http://www.legislation.govt.nz/act/public/2020/0035/latest/LMS363335.html>

---

**Considerations**

**1. Options**

No.	Option	Advantages	Disadvantages
1	Approve the delegation	<ul style="list-style-type: none"><li>• The delegation will allow administratively efficient and prompt nominations.</li></ul>	<ul style="list-style-type: none"><li>• None – apparent.</li></ul>

2	Do not approve the delegation	<ul style="list-style-type: none"><li>• None – apparent.</li></ul>	<ul style="list-style-type: none"><li>• Would not facilitate prompt nominations at short notice.</li></ul>
---	-------------------------------	--------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------

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 functions.

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

This report complies with Schedule 7 clause 32 of the Local Government Act 2002 and the ability for council to delegate specific delegations down to an officer level.

The recommended delegation is considered to be consistent with similar delegations and provides for administratively efficient and prompt action.

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

---

**Attachments/Ngā tapirihanga**

Nil

---

**Authorised by Group Manager**

**Name:** Colin Dall  
**Title:** Group Manager - Regulatory Services  
**Date:** 13 August 2020

**TITLE:** Marsden Maritime Holdings Interview Panel

**ID:** A1351304

**From:** Jessica Matson, Human Resources Advisor

---

### Executive summary/Whakarāpopototanga

The purpose of this report is to confirm the Northland Regional Council interview panel for the Marsden Maritime Holdings (MMH) Directors appointments.

---

### Recommendation(s)

1. That the report 'Marsden Maritime Holdings Interview Panel' by Jessica Matson, Human Resources Advisor and dated 12 August 2020, be received.
  2. That Council nominates Councillor Smart, Councillor Bain and Councillor Stolwerk for the interview panel for the MMH Director appointments.
- 

### Background/Tuhinga

Northland Regional Council (NRC) is the majority shareholder for MMH. This year MMH were seeking a more collaborative approach to the recruitment process for the Director appointments. Ultimately, NRC holds the decision-making authority, however it was agreed that MMH would carry out the advertisement campaign and shortlisting and NRC would manage the remainder of the process including interviews and selection for the Director appointments. It was discussed at the Council Workshop held on 4 August 2020 that Councillor Smart, Councillor Bain and Councillor Stolwerk be nominated as the interview panel for MMH.

---

### Considerations

#### Options

No.	Option	Advantages	Disadvantages
1	Approved interview panel	NRC knowledge and understanding of MMH	None
2	Do not approve interview panel	None	NRC is not represented on interview panel

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 is part of council's day to day activities. This does not mean that the matter is not of significance to tāngata 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 provided for in the Policy on the Appointment of Directors to Council Organisations, and as such are in accordance with the provisions of the council's decision-making process and sections 76 to 82 of the Local Government Act 2002.

In relation to section 9 of the Local Government Act 2002, this issue is considered to be of low significance under council's policy because it is in accordance with the provisions of the council's Policy on the Appointment of Directors to Council Organisations.

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

---

---

#### Attachments/Ngā tapirihanga

Nil

---

---

#### Authorised by Group Manager

**Name:** Bruce Howse  
**Title:** Group Manager - Corporate Excellence  
**Date:** 12 August 2020

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

**ID:** A1346558

**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 July 2020.

---

### **Recommendation**

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 3 August 2020, be received.

---

### **Strategic issues**

#### **Flooding impact and NRC CDEM response**

The July floods have had a huge impact on the Northland eastern district and communities.

NRC's CDEM team and NRC support staff, along with district councils and agencies were up and running again as soon as the flood hit. True to form they all did a very professional job at coordinating, communicating and providing help where needed throughout the flooding and in the clean-up. Community resilience is a major part of what NRC does and will be a topic we will be discussing with communities via our Long Term Plan consultation early next year.

#### **PGF funding welcomed for fast tracking of flood programmes**

NRC was also the recipient in July of approximately \$12 million of extra funding for the fast tracking of programmed flood works in the Northland region. Some of which will go towards much needed flood mitigation in the Morewa and surrounding areas.

#### **\$100 million for Kaipara Moana remediation**

Confirmation on 5 July of \$100 million in 'Kaipara Moana Remediation' funding is a critical turning point for mana whenua affiliated to Kaipara Moana, Northland councils and communities.

It is estimated about 200 new jobs will be needed each year for direct work on farms – fencing, water reticulation of streams and wetlands, preparing and planting land, weeding, and hill country stabilisation. Another 100 jobs will be required annually in the rural sector for nurseries, fencing manufacture, and farm advisory services.

#### **Blessing of Kensington Landing project**

The redevelopment of the former Whangārei Kensington supermarket site is largely complete. Local Tangata Whenua Te Parawhau presided over a small dawn blessing ceremony on 3 August to mark its first tenants Kensington Health officially setting up shop there.

The council has been working with project development partner Argyle Estates Ltd since late 2018, with Whangārei-based Arco Group awarded the main contract for the redevelopment just under a year ago.

Council is very pleased with both the quality and pace of the work, despite losing 23 working days to the national pandemic lockdown/response.

### **Acknowledgements**

The Te Puke Ariki Awhina 2E4A Poutō Ahu Whenua Trust has expressed their gratitude for funding from the NRC Environment Fund, and also the support of the Poutō Catchment Group.

---

### **Meetings/events attended**

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

- Meetings attended with the council's CEO, Malcolm Nicolson:
  - Regional Sector meeting.
  - Environmental Awards celebration.
  - LGNZ Zone One meeting.
  - Northland|Forward Together Strategic Planning Workshop.
- Regular Mayors and Chair catch up meetings.
- Meeting with staff of Griffiths & Associates and North Chamber, and elected members and staff Whangarei District Council, and Northland Regional Council – Oruku Landing.
- Meeting with Mayor and CEO, Whangarei District Council, and Strategy Projects Manager – Oruku Landing.
- Provincial Growth Fund announcement at Matakōhe.
- Murray Jagger, Marsden Maritime Holdings.
- Regenerative Agriculture Focus Group.
- David Wilson – NZ First candidate for Whangārei.
- Councillor Jack Crow and I, together with the General Manager – Parks, Sports and Recreation, Auckland Council, met with Minister Damien O'Connor – Regional delivery of National Kauri Dieback programme.

### **Correspondence**

During July I sent out the following correspondence:

Date	Addressed To	Subject
01.07.2020	Hon Damien O'Connor Ministry of Biosecurity	Regional delivery of the National Kauri Dieback Programme
06.07.2020	Murray Jagger Chair Marsden Maritime Holdings Ltd	Director appointments and other matters
07.07.2020	Hon David Parker Minister for the Environment	Acknowledging the Crown's considerable investment towards the Kaipara Moana Remediation Programme
16.07.2020	Dave and Avril Warren	Councillors' Remuneration, Pomare Grid and Marine Pest Management Plan
30.07.2020	Foundation North	Letter of support for Project Island Song

---

**Attachments/Ngā tapirihanga**

Nil

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

**ID:** A1346416

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

---

**Recommendation**

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

---

**7.2.1 HIGHLIGHTS**

---

**Financial Response to COVID-19**

Please refer to advice received by the CEO from Council's Independent Financial Advisor Geoff Coptick (Attachment 1).

**Ambulance Donation Ceremony**

On Thursday 30 July, a small ceremony was held in Kaikohe to celebrate the donation of a new ambulance for Kaikohe and the Mid-North. Council is able to support life-saving services - like St Johns, NEST, CoastGuard and Surf Lifesaving - through the emergency services rate. Recent events like pandemic, drought and flooding have reinforced the importance of having good local lifelines. The ambulance service provides one of these vital links and helps supports resilient communities.

**CDEM Welfare Projects**

The Northland CDEM Welfare Coordination Group is currently working towards completing resurgence planning for COVID-19. This planning will include workshops with key welfare sector stakeholders to ensure the resurgence plan clarifies welfare roles and responsibilities and that these understood by welfare service agencies. There is also the regional implementation of the new national welfare arrangements such as caring for communities and the network of welfare service agencies and involvement with strategic planning for emergency housing, water and kai security across Te Tai Tokerau.

**7.2.2 CEO'S OFFICE**

---

**Current Legal Proceedings**

Department	Description	Status
Consent decision appeal	Replacement consents for, and new consents for an expansion of, Doug's Ōpua Boat Yard in Walls Bay, Ōpua.	No further update.
Consent decision appeal	Replacement discharge consents for East Coast Bays Wastewater Treatment Plant (Taipā)	Cultural induction day for mediation process on Friday 14 September 2020.

**COUNCIL PROPERTY UPDATE**

**Mt Tiger Accessways**

The recent significant storm event washed out some small sections of various Mt Tiger Forest access ways, to the order of \$20,000 value for repair.

The Forest Manager will oversee essential repairs, such risks are foreseen and budgeted for. However, he will withhold works where they can be done later (as access to many stands is not currently required) given further storm events may occur over the next few years prior to harvest.

### Kaipara Service Centre

The Head Contract tender has been awarded to Canam Commercial Limited. Their test piling is to begin in mid-August 2020 and project commitment is contingent on the results.

### Kensington Crossing

- Council's Kaiārahi Tikanga Māori and Property team engaged over the last year with Te Parawhau kaumatua to ensure council was respectful of the tikanga and protocols associated with such a significant project in Whangārei.
- Councillors attended an initial blessing and karakia to begin the construction (demolition) and ensure the safety of all those involved in the project.
- Following demolition, the laying of a mauri stone occurred so that every person who visits the new development is protected culturally with the manaakitanga representative of our treaty partners.
- On 3 August the opening of the building and dawn service was held in recognition of the work that has been done and the GP's "Kensington Health" medical tenancy now operating. Our Chair recognised the new beginnings and provision of a new property to support all our communities and stakeholders. The remaining tenancies will be progressively completed through to December 2020 and handed over with businesses operational by February 2021.



## 7.2.3 CORPORATE EXCELLENCE

---

### Fraud Declaration

I became aware of a theft of \$100 from a till float on 21 July 2020. Although this is an isolated incident involving a relatively minor amount of cash, an internal enquiry has been undertaken and a Police report lodged.

Council staff have followed the formal procedures of the Fraud, Dishonesty and Corruption Control Policy, and the requirement of an internal enquiry has identified three recommendations which will be considered and once approved implemented to help prevent a loss of this kind happening again.

It is considered uneconomical to pursue any individual for recovery of the lost funds, or disciplinary action, as the prime suspect in this case has left the organisation. In my 24 July weekly update, I informed all staff of the theft and reminded them of council's zero tolerance policy on dishonest and fraudulent acts.

Although not applicable in this case, council holds \$1M of Crime Insurance covering financial loss sustained as a result of theft, fraud, dishonesty or criminal acts of employees and/or third parties – the excess of this policy is \$25,000.

## 7.2.4 REGULATORY SERVICES

---

### Consents in Process

During July 2020, a total of 114 decisions were issued. These decisions comprised:

- |                             |    |
|-----------------------------|----|
| • Moorings                  | 4  |
| • Coastal Permits           | 33 |
| • Coastal Discharge Permits | 3  |
| • Air Discharge Permits     | 1  |

- Land Discharge Permits 5
- Water Discharge Permits 0
- Land Use Consents 32
- Water Permits 26
- Bore Consents 10

The processing timeframes for the July 2020 consents ranged from:

- 461 to 2 calendar days, with the median time being 34 days;
- 95 to 2 working days, with the median time being 20 days.

Thirty-five applications were received in July 2020.

Of the 100 applications in progress at the end of July 2020:

- 52 were received more than 12 months ago (most awaiting further information from the applicant);
- 9 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 39 less than 6 months.

#### Appointment of Hearing Commissioners

The following commissioners were appointed in July 2020:

- Mr Alan Watson and Mr Fraser Campbell for consents associated with Stage 2 subdivision works at Hall Road, Kerikeri. The hearing is scheduled for 10 September 2020.
- Ms Sharon McGarry and Dr Rob Lieffering for consents associated with a proposed wharf facility in the coastal marine area of Mangawhai Estuary. The hearing is scheduled for 21 September 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 July 2020 is (by number):

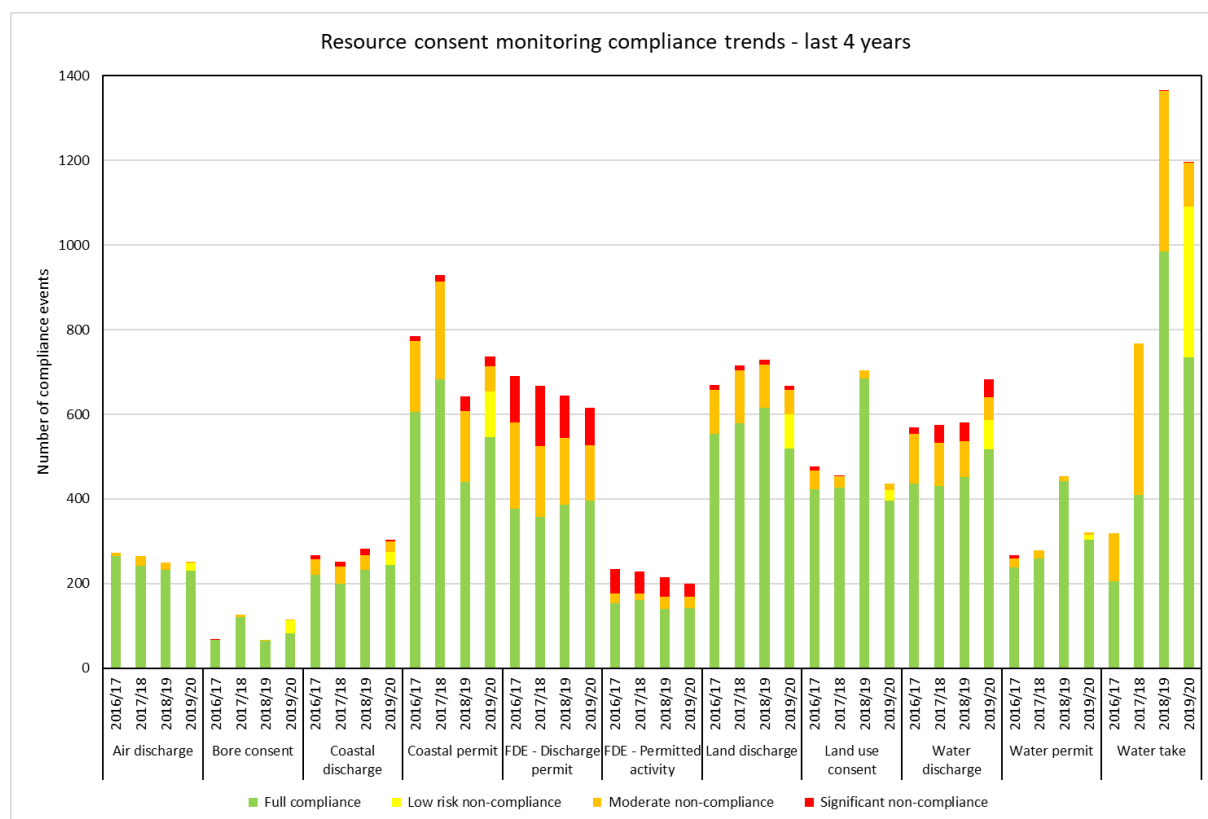
- Applications Publicly/Limited Notified During Previous Month 0
- Progress on Applications Previously Notified 9
- Hearings and Decisions 0
- Appeals/Objections 2

#### COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 31 July 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 Discharge	22	17	3	0	0	2
Bore Consent	5	4	1	0	0	0
Coastal Air Discharge	2	2	0	0	0	0
Coastal Discharge	11	7	3	1	0	0
Coastal Permit	13	9	1	2	0	1
FDE – Discharge permit	5	4	0	1	0	0

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
FDE – Permitted activity	6	4	0	2	0	0
Land Discharge	47	26	9	4	2	6
Land Use Consent	55	44	5	5	0	1
Water Discharge	32	27	0	3	1	1
Water Permit	40	36	3	1	0	0
Water Take	202	139	52	11	0	0
<b>Total</b>	<b>440</b>	<b>319</b>	<b>77</b>	<b>30</b>	<b>3</b>	<b>11</b>
<b>Percentage</b>		<b>72.5%</b>	<b>17.5%</b>	<b>6.8%</b>	<b>0.7%</b>	<b>2.5%</b>
<b>Year to date</b>	<b>440</b>	<b>319</b>	<b>77</b>	<b>30</b>	<b>3</b>	<b>11</b>
<b>Percentage</b>		<b>72.5%</b>	<b>17.5%</b>	<b>6.8%</b>	<b>0.7%</b>	<b>2.5%</b>



## Coastal

The majority of consents monitored during the reporting period related to coastal structures and coastal discharges from treated municipal sewage and industrial facilities.

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

### • General

One of our Compliance Specialists attended a workshop on asbestos management in late July. Asbestos has historically caused issues in the region with no one agency responsible for its management. We will continue to upskill in this area and work towards defining a protocol that helps us define our responsibility as a Regional Council.



- *Water use*

Rainfall throughout July has topped up dams and groundwater supplies, so some of the recent long-standing issues with water supplies running dry have been resolved. Further work is required to ensure newly installed dams are undergoing the necessary safety checks.

- *Wastewater*

A large number of overflows and damage to wastewater infrastructure was reported during the recent flood event. There is little that can be done at this stage, other than ensuring remedial works are undertaken without exacerbating issues when working near or in waterways.

- *Forestry and Earthworks*

Staff have been working through a large number of issues in the region relating to sediment and control following the recent storm event. A significant amount of repair work has been undertaken under emergency works provisions as provided in the RMA.

- *Waste management*

Four incidents involving the discharge of hazardous substances and 31 enquiries regarding contaminated land were received and responded to. No hazardous waste was disposed of during the reporting period.

A contractor to assist with the hazardous waste disposal programme has been chosen. The next steps include setting up a contract and discussing logistics with our key stakeholders prior to launching the marketing campaign for the change in programme.

The tender to clean up some one million litres of solvents and other hazardous waste has been awarded to InterGroup Limited and work on the Ruakaka/Bream Bay site will begin in early September. The Whangārei District Council (WDC) is managing the contract, with the initial costs being jointly funded by the WDC, NRC, Ministry for the Environment, WorkSafe and the Environmental Protection Authority.

### **Farm Dairy Effluent (FDE) Monitoring**

FDE inspections commenced on 27 July 2020. A total of 804 farms will be visited by the contractor or NRC staff before Christmas – 25 less farms than last year. Six hundred and nine of the farms are consented and 195 are operating under the permitted activity criteria in our Regional Plans.

### **Drought Recovery Grant – partial reimbursement of transport costs**

NRC is administering an MPI funding grant of \$250,000 to help Northland livestock owners mitigate animal welfare issues, subject to set criteria.

The grant has been live since 1 July 2020 and we have received 12 applications so far (all dairy). Initially the maximum available per business group was \$1000, however, given the slow uptake, feedback from industry professionals and recent flooding, NRC has amended the criteria to enable a reimbursement of 90% of transport costs up to a maximum of \$5000.

It is hoped that the change in criteria will encourage more farmers to apply for the grant. This change was made live on our website from 30 July. Previous applicants will be contacted to inform them of the change. The funding is available until November, when any remaining funds would be returned to MPI.

Funds allocated so far (under the previous \$1000 criteria):

July – Week 1	July – Week 2	July – Week 3	July – Week 4	TOTAL
\$2,000.00	\$2,579.12	\$1,382.72	\$748.54	<b>\$6,710.38</b>

The decision panel - comprised of Land Management, Civil Defence and Farm Monitoring staff - meets once a week to review and determine the applications.

## 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:

Nature of Offence	Infringement Notice		Abatement Notice		TOTAL *	
	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices
Burning & smoke nuisance	1	1	4	5	4	6
Discharge to land	1	1	1	1	2	2
Earthworks / land use	1	1	2	3	2	4
Illegal activity in coastal marine area	1	1	3	6	3	7
Illegal take, dam or diversion of water	0	0	1	2	1	2
Occupy CMA	1	1	0	0	1	1
Other water discharge	0	0	1	1	1	1
Sewage	0	0	1	1	1	1
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>13</b>	<b>19</b>	<b>14</b>	<b>24</b>

\*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

- 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. The farm has a poor history of compliance with regional rules for animal effluent disposal. The defendants pled guilty to a total of 14 charges on 23 July 2020. Sentencing is scheduled for 18 September 2020 in the Whangārei District Court.

- Sand dune removal – Tokerau Beach*

Charges were 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. Guilty pleas were entered by the individual on 22 May 2020, with the charges against the company withdrawn. The individual has requested to participate in the restorative justice process, this has been agreed and directed by the Judge, and we are awaiting a date to be set. The next court appearance will be 23 September 2020 to monitor the restorative justice process and to set a sentencing date.

- Timber treatment plant*

Charges were filed in the Whangārei District Court on 12 March 2020 against a company and an individual for discharges from a timber treatment processing plant. The plant has a history of poor compliance with resource consent conditions. Not guilty pleas were entered on 29 May 2020. Further charges were filed on 8 July 2020. The first appearance date was 23 July 2020 in the Whangārei District Court. The judge has agreed that the two sets of charges be joined. The case has been adjourned until 18 September 2020 for entering of pleas in the Whangārei District Court.

- *Earthworks without erosion and sediment controls – Totara North*

Charges were laid in the Kaitiāia District Court on 20 July 2020 against an individual for earthworks undertaken without controls, and work within a watercourse and the riparian management zone. There are six charges against the individual. A summons to the defendant has been prepared and is awaiting service. The first court appearance will be 21 August 2020 in the Kaitiāia District Court.

- *Abatement notice appeal – open burning, Orongo Bay*

An abatement notice issued in May 2020 for burning of prohibited materials has been appealed by the alleged offender. All parties have agreed to court assisted mediation, which has been scheduled for 25 August 2020 in Kerikeri.

## **COASTAL / WATER QUALITY FIELD OPERATIONS**

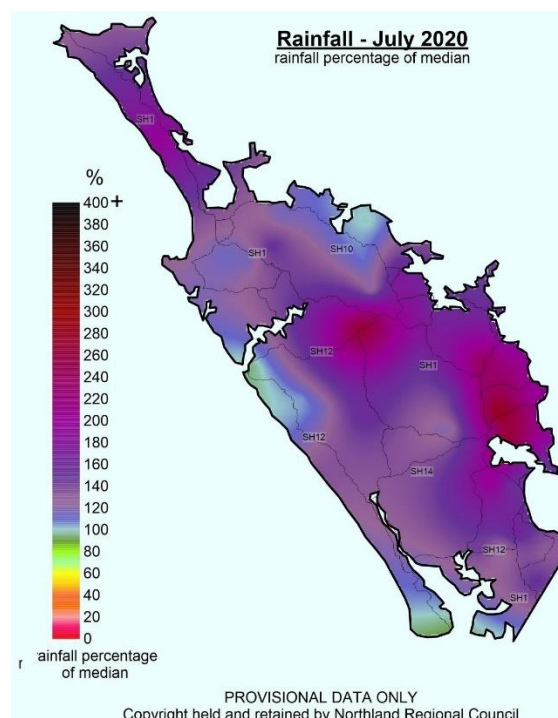
- All routine monthly water quality and ecological programmes were undertaken, including:
  - Four coastal water quality sampling runs
  - Nine river water quality, priority catchment and periphyton sampling runs
  - Six continuous water quality stations (five freshwater and one coastal) were validated
  - Quarterly coastal buoy deployments at Hātea River, Waitangi and the outer Bay of Islands
- Staff undertook water quality monitoring following the 17 July 2020 weather bomb to determine effects of the storm on river and coastal water quality.
- Fifteen continuous dissolved oxygen sensors were retrieved in July. These sensors, installed in early May, helped determine the effects of the low flow conditions still being experienced at the time and also captured the 17 July weather bomb. They will be reinstalled in early spring 2020.

## **HYDROLOGY**

### **Rainfall**

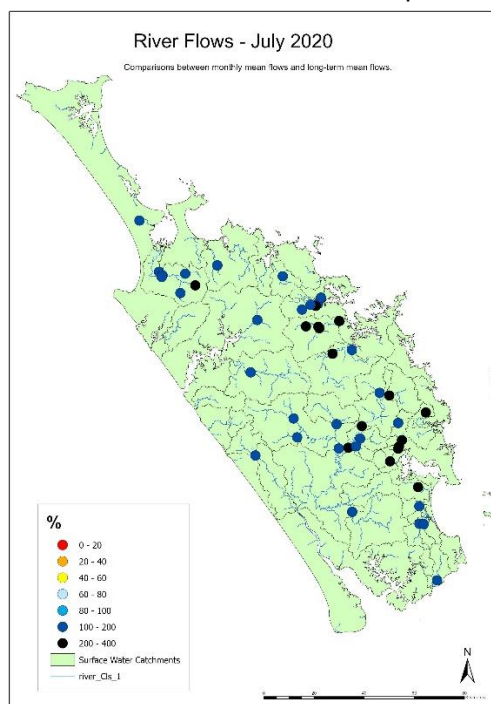
- July 2020 was marked by a significant weather event which began with a moderate event on 15 and early 16 July with flooding around Kaeo, Taipā and Waimate North Road. This was followed by a day of little rain for the remainder of 16 July, then a long series of intense storm cells from early morning 17 July until midday 18 July.
- These storm cells began in the already saturated and elevated Waitangi Catchment with periods of intense rain up to 45mm per hour from 4am to 3pm causing the second highest flows in the Waitangi since 1979. Widespread rain then began spreading throughout the region and recurring storm cells became more concentrated around Whangārei:

- 60mm in 30 minutes falling at the North Regional Council Glenbervie Forest rain gauge (1:100-year rainfall)
- 50.6mm in 30 minutes at the North Regional Council Water Street rain gauge (1:100-year rainfall)
- This led to significant flooding in the Whangārei township, the highest recorded flows in the Hātea River since 1986, the Wairohia River since 1979 and what would have been the highest recorded flow in the Raumanga River had the Hopua te Nihotetea Detention Dam not ‘throttled back’ the flows.
- The month overall was wet, with rainfall around 92% of that expected at Poutu Point to closer to 280% of that expected in Kaikohe, the Hātea catchment and Whangārei township.



### River Flows

- River flows were 200-400% above normal along the east coast of the region with the remaining catchments at 100-200% compared with long term averages for the month of July.



### Groundwater

- Groundwater levels have increased as a result of the recent wet conditions, particularly after the 15 to 18 July 2020 weather event. Groundwater levels are near or above normal (ok) for this time of year at all measured aquifers, except Mangawhai and Ruawai.

Area	Status (July 2020)
Aupōuri	OK
Taipā	OK
Russell	OK
Kaikohe	OK
Whangarei	OK
Mangawhai	Below Average
Marsden - Ruakaka	OK
Ruawai	Below Average

### Weather Forecast

- NIWA predict near normal rainfall from now to October. There still remains a chance of La Nina conditions developing over coming months which would typically mean wetter conditions for Northland.

### Hydrology Projects

- High flows through the Maungaparerua River have damaged the weir. Hydrology staff and contractors are assessing damage and flow record will be unreliable until this is repaired.
- The Waiarohia flow recorder at Lovers Lane is being shifted to the opposite bank to make way for the new Civic Centre development.
- The Hydrology Team is working through the large volume of information gathered during the flood including surveyed flood levels, photographs and videos. This information will be used to assess the validity of the current flood thresholds regarding main access routes and key infrastructure.

### NATURAL RESOURCES DATA

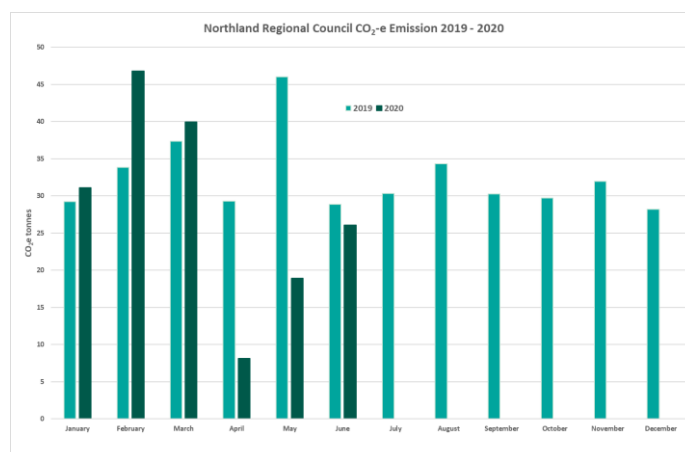
- LAWA: The Natural Resources (NR) Data Team is reviewing audit files to ensure that the data is complete and correct as part of the Annual Refresh 2020 for Rivers, Lakes and Groundwater topics 2020, which will be completed from July to September 2020. The national picture content for the river water quality topic will be published on LAWA for World Rivers Day on 27 September 2020 (lakes, groundwater and land cover topics will be promoted later in October/November).
- The ecological database (KiEco) is still under construction and is expected operational by December 2020.
- The NR Data Team continued to work with the Online Services Team to update the platform for displaying environmental data on the council's website.

### NATURAL RESOURCES SCIENCE

#### Air quality and carbon emission

- Ambient PM<sub>10</sub> monitoring results for June 2020 for the Whangārei and Marsden Point airsheds and Kawakawa township show that compliance was met with the National Environmental Standards for Air Quality. Ambient PM<sub>2.5</sub> monitoring results for Whangārei were within the Ambient Air Quality Guideline value.
- The unsealed road PM<sub>10</sub> monitoring (2019/20) report was completed and distributed to WDC, FNDC, KDC and dust nuisance incident reporters. The Kaiwaka site recorded the highest PM<sub>10</sub> concentrations, with several concentrations exceeding 50 µg/m<sup>3</sup> over a 24-hour averaging period.
- The air quality monitoring network review continued.

- A suitable air monitoring site in Mairtown, Whangārei has been found and power connection for the installation of the PM<sub>10</sub> monitor (mobile BAM) has been completed. The monitor will be installed in early August 2020.
- Council's CO<sub>2</sub>-e (carbon dioxide equivalent) emission is presented in the graph below. The graph shows a comparison of council's monthly emission of CO<sub>2</sub>-e between 2019 and 2020. The effect of lockdown can be seen with reduced emissions in April and May. High CO<sub>2</sub>-e in February is contributed to by increased fuel consumption, which could be the result of extra vehicle use associated with our drought response.



- Statistics New Zealand released “Greenhouse gas emission by regions (industry and household): Year ended 2018 on 23 July 2020”. In summary:
  - Northland contributed 5.8 percent of total national emissions.
  - Northland is the eighth largest regional contributor to New Zealand’s emissions.
  - CO<sub>2</sub> is the main gas emitted.
  - Between 2007 and 2018, Northland’s emissions fell by 545 kilotonnes (10.8%)
  - During this period Northland’s population rose 19%, while household emissions rose 23%
  - For more detail, visit <https://www.stats.govt.nz/news/mixed-performance-by-regions-leaves-national-emissions-picture-unchanged>

### Freshwater Ecology

- The draft report assessing the ecological impacts of drought on stream invertebrate communities in Northland was received from Massey University. The report has been reviewed and the final report will be available soon. The report reviews historical macroinvertebrate data and aims to set the background for assessing the impacts of the 2020 drought once that data is available.

### Monitoring Network Review

- Our rivers and lakes water quality monitoring networks have been optimised, so that they are fit for purpose to meet the objectives of the Proposed Regional Plan and national statutory requirements/policy. Integration with our other monitoring networks (ie. hydrometric, freshwater allocation, groundwater and coastal) were considered together with other key regional initiatives (including the Kaipara Harbour Freshwater Improvement Fund) and emerging issues such as climate change impacts. Implications of various network options were tested to reach a most pragmatic and optimum monitoring network to provide a better understanding of the current state and implement national policy with a greater efficiency.

- Outcomes from the monitoring network review together with knowledge gaps in climate change impacts on freshwater ecosystems have been drafted as new initiatives for the purpose of upcoming Long-Term Plan.

#### Water Quality Modelling Work

- Land and Water Science has provided the final draft report on Northland's steady state water quality. The report has been externally peer reviewed by a leading water quality modeller – Dr Ton Snelder – and is currently being internally reviewed by relevant staff.
- NIWA is currently in the process of calibrating the E. coli load model based on the most up to date landcover database (LCDB5) and AgriBase data. NRC is currently working with other consultants to map where current land management mitigations are in place, so that NIWA can make a baseline scenario to relate that to current water quality loads. The modelling regarding mitigation scenarios is currently on hold until the baseline scenario is derived. NIWA's water quality load model is due by the end of this year.

#### Marine

- Sediment sampling was undertaken in Whangārei Harbour. The sampling is undertaken every two years to monitor levels of metal contaminants. This year four additional sites, located in “in-water hull cleaning zones”, were added to the sampling programme to monitor any impact of the new in-water hull cleaning rules in the Proposed Regional Plan for Northland. The contaminants diuron and isoproturon, which are herbicides used in antifouling paint, were also added to the suite of contaminants tested for at these new sites.
- Additional water quality sampling was undertaken in the Whangārei Harbour following the torrential rain that fell on 17 and 18 July 2020. The results will be compared with our routine water quality data to help us understand how these large rain events affect water quality in our harbours.

### 7.2.5 ENVIRONMENTAL SERVICES

#### LAND MANAGEMENT

##### Farm Plan and Environment Fund Update

Farm Environment Plans 2019/2020		Environment Funds 2019/2020*	
FEPs Commenced 2019/20	FEPs Completed 2019/20	No of Environment Funds Granted	Amount Granted
135	162	167	\$1,152,305

*\*This includes MfE fund proportion of Hātea projects*

##### Waimā Waitai Waiora – Freshwater Improvement Fund

Objective	Status
Te Kawa Waiora	<ul style="list-style-type: none"> <li>• The Research Committee has been meeting regularly and has included a change in membership. Good progress made to date on key documents.</li> <li>• The introduction, description of the study area and the section titled “a tangata whenua view of rivers” of the master document are in their first iteration.</li> </ul>
Farm Environment Plans	<ul style="list-style-type: none"> <li>• 52 Farm Environment Plans (FEP's) have been completed, exceeding the 40 FEP annual KPI.</li> </ul>

Objective	Status
Landowner grants	<ul style="list-style-type: none"> <li>Total of \$142,499.05 spent toward landowner subsidies in 19/20 financial year.</li> <li>Planting of ~100,000 plants is currently underway across eight separate planting projects.</li> </ul>
Communication & engagement	<ul style="list-style-type: none"> <li>Video series – is on track.</li> <li>Signed contract in place for web page development - due late September.</li> </ul>
Water quality monitoring	<ul style="list-style-type: none"> <li>Signed contract in place with Manaaki Whenua for mātauranga monitoring app development.</li> <li>Seven new monitoring sites have been established to further monitor mātauranga, feeding information into app development.</li> </ul>

### Sustainable Hill Country and Regional Priorities

Milestones	Status
<b>Research</b>	
Coastal erosion buffers	A research plan has been approved by Ministry for Primary Industries (MPI) and a coastal erosion tool utilising remote sensing and LiDAR data is in development. A search is on for a coastal planting pilot.
Mature poplar / willow	A research plan has been approved by MPI and poplar has been milled into a range of products for treatment and mechanical testing.
<b>Farm Environment Plans</b>	
	This target was achieved in 2019-20 year.
<b>Stakeholder Engagement</b>	
	A project engagement strategy has been approved by MPI. Promotional material is in development including a 'planting hub' on the council website.
<b>Land Treatments</b>	
Retirement fencing	In 2020-21 there is \$121,000 (MPI) and \$132,000 (council) dedicated to retirement fencing. Efund applications will be submitted in September.
Contractor capacity development	A list of contractors interested in planting work has been prepared. A contractor training programme is in development and will be delivered in May 2021.

### Hātea Catchment Project

The final three months of the project have seen three planting projects approved (3,300 plants) and a further project proposed (1,170 plants). Several previous fencing and planting projects in the catchment were badly damaged in the recent storm and flooding event including the loss of the "Journey of the awa" sign that was erected at Otuihau.

### New Whangārei Urban Awa (blue/green) Project

Funding has been approved to hire a project manager for this project, so the recruitment process has started. Stage 2 planning for the project work programme and the first year annual work plan are underway.



## BIODIVERSITY

### FIF Dune Lakes Project

Objective	Status
Aquatic weed and pest fish control	<ul style="list-style-type: none"> <li>The post herbicide operational Monitoring Plan has been accepted by Environmental Protection Agency and the three herbicide operations are on track for September.</li> <li>Grass carp removal operations have been confirmed for October.</li> <li>The pest fish operational schedule has been confirmed for this season.</li> </ul>
Sediment and nutrient mitigation	<ul style="list-style-type: none"> <li>Planning is underway for physical nutrient management works over summer at lakes in the Far North, including Lake Ngatu and Rotokawau.</li> </ul>
Māori Lakes Strategy	<ul style="list-style-type: none"> <li>The first of five dune lakes education days was held in the Far North on 31 July.</li> </ul>
Fencing	<ul style="list-style-type: none"> <li>Progress is being made to move the fence at Lake Ngatu.</li> </ul>
General	<ul style="list-style-type: none"> <li>The Year 3 Annual Report, Quarter 4 budget reports and Change Requests were submitted to the Ministry for Environment awaiting signoff.</li> </ul>

### Lakes

The Dune Lake Galaxias Working Group met on 7 July. The Taharoa Domain Board voted to stop further releases of trout into the lakes from Fish & Game NZ this year. The Dune Lake Galaxias Working Group is undertaking further monitoring of the lake this summer, and are working in conjunction with Te Roroa, Department of Conservation and NorthTec to design a robust sampling package which will help inform any decision around any future trout releases should they occur.

The three-yearly reed bed health survey at Lake Waikare was carried out with Te Roroa and the results are being analysed.

A meeting set up by the Ruakākā Parish Residents and Ratepayers Association to discuss concerns around Ruakākā Dune Lake and aspirations for its future was attended by council staff, Whangārei District Council, residents, iwi, Department of Conservation and other stakeholders with a variety of opinions being expressed. Advice about improving water quality and protecting biodiversity values was given. A letter outlining recommendations was also sent to the Whangārei District Council concerning nutrient mitigation and management of the stormwater reserve at the northern end of the lake.

### CoastCare

A weed control plan for the dune area south of the Ruakaka estuary to Paradise Shores was finalised and distributed to key stakeholders. CoastCare staff have been liaising with Department of Conservation, Whangārei District Council and local volunteer groups on implementation of the plan. Contractors have undertaken weed control work at several CoastCare dune restoration sites to release the dune plants from encroachment of exotics and help maintain the integrity and functioning of these dune areas.

A dune planting day was held at Tauroa Point with Te Rarawa and Ahipara Takiwā. One thousand spinifex were planted to help restore damaged dune areas.

A planting day was held at Pātāua North with Tahī, QEII and Whangārei Primary School. Eighteen hundred wīwī were planted as part of an ongoing effort to restore the dune system of this QEII Covenanted area, gradually removing exotic grasses from the mid-dune area and replacing with native dune plants to restore the natural biodiversity values and function.

### **Poutō Catchment Group**

A meeting of the Poutō Catchment Working Group was held on 20 July. Agenda items included:

- Discussion of hornwort finds in two Poutō Lakes and the plan to eradicate it.
- Ideas for the use of catchment group funding for the financial year. Planting and maintenance are top of the agenda for this year.
- Update on the wilding conifer control proposal for Lake Humuhumu.

### **BIOSECURITY PARTNERSHIPS**

#### **Kiwi Coast**

As at 30 June 2020, 159 entities have linked into Kiwi Coast, 153 of which are community led groups and active projects. Collectively, these groups and projects manage approximately 198,300 ha. Monitoring results demonstrate the strength of Kiwi Coast's collaborative approach. Collated trap catch data shows that 396,634 animal pests were trapped by groups and projects involved in the Kiwi Coast over the last seven years. On average, 1,800 animal pests are now trapped on the Kiwi Coast every week. A total of 16,187 people attended Kiwi Coast supported events and workshops during the past seven years. These events were also prime opportunities to deliver key messages around kiwi recovery and the importance of good dog control to kiwi survival.

#### **Predator Free Whangārei**

The Predator Free Whangārei Project, and associated funding was officially announced at a celebration at Barge Park on 10 July. Ministers Jones and Sage attended the event to announce \$6M in project funding over the next five years. This funding will build on many years of successful predator control in our community.

Predator Free Whangārei aims to eradicate possums from the Whangārei Heads area, and significantly reduce possum, mustelid and rat numbers in the wider Whangārei area. It is work that could not be done without the tireless efforts of our community volunteers – many of whom were also in attendance at the celebration, alongside representatives from council, Predator Free 2050, Department of Conservation, and local iwi and hapū.

Conservation Minister Eugenie Sage (centre right) together with representatives from some of the partner organisations for the Predator Free Whangārei project.



### **MARINE BIOSECURITY**

#### **Hull Surveillance Programme**

The 2020/2021 Hull Surveillance Programme was launched in July by marine biosecurity staff checking 20 high risk vessels in Tutukaka marina, with no marine pest incidence found. Compliance with the Pathway Plan was low, which is characteristic of vessels over the winter months.

**Table 1: Hull Surveillance Programme Results (25/05/2020 – 25/07/2020)**

Hull Surveillance Programme Results	Total this period	Total YTD
<b>Pathways Plan Compliance</b>		
Number of vessels surveyed this period	20	20
<b>% Pathways Plan Compliance*</b>	<b>40%</b>	<b>40%</b>
<b>Vessels found with Marine Pests</b>		
Sabella spallanzanii (fanworm)	0	0
Styela clava (clubbed tunicate)	0	0
Undaria pinnatifida (Japanese kelp)	0	0
Eudistoma elongatum (Australian droplet tunicate)	0	0
Pyura doppelganger (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.

## WILDING CONIFER CONTROL

Work on the removal of wilding pines from Northland's iconic lakes and wetlands continues. The most recent project is a collaboration at Lake Ngatu involving council, local iwi (Ngāi Takato), Department of Conservation and the Far North District Council. This project has removed mature pines which were at risk of falling into the lake and across adjacent properties, followed up with replanting the margins with natives. Staff are hopeful that the Ministry for Primary Industries will announce additional funding for wilding conifer action in Northland during August.

## RIVERS

### Long Term Plan Projects

Rivers	Comments
Awanui	JNL Spillway is 95% completed. The Resource Consent is lodged for the Awanui Scheme upgrade. We expect the archaeology authority to be delivered first week of August. Detailed design work and landowner engagement is progressing.
Kerikeri-Waipapa	Design work is complete and resource consent is expected to be lodged in two weeks.

## NATURAL HAZARDS

Work Streams	Status	Comments
Awanui and Kerikeri Flood Model	100%	The updated flood maps are live on council web page.
Coastal erosion hazard mapping	99% complete	New coastal erosion assessments and updates complete, and draft report and maps delivered
	75% complete	Auckland University is mapping Northland historic shorelines and erosion risk. Now due September 2020.
Coastal flood hazard mapping	Kaipara Project is 99% complete	Coastal flood model for the Northern Kaipara Harbour complete. Draft report and maps being peer reviewed.

Work Streams	Status	Comments
	Regional coastal flood project – 80% complete	Region wide coastal flood hazard assessment progressing as expected. Report and maps expected early August
Region-wide flood mapping	Design storm project – 65% complete	Project to develop area-specific design storm rainfall characteristics to improve the accuracy of flood models
	Hydro enforced DEM project – 95% complete	New hydro-enforced digital elevation model – draft deliverables received
	Region wide flood model – kick-off phase	Tender awarded to Water Technology and kick-off meeting held 30 July. \$150,000 will come from the Natural Hazards Budget with a transfer of budget between cost centres required (\$70k from the Minor River Works budget).

### 17 - 18 JULY 2020 FLOOD RESPONSE

During the flood the Hōpua te Nihotetea Detention dam filled to 58.19 mRL (OTP), which was approximately 9m above the service spillway inlet holding 400,000 cm of water. This reduced the flow from 1:90 to 1:27 year for the Raumanga Stream. Flood water peaked at the base of the Woods Road Flood Wall; however, this was two hours before low tide. The Rivers team undertook a comprehensive flood level survey across Northland to provide valuable data for the Region's flood model.

### CLIMATE CHANGE RESPONSE

#### Climate Adaptation Te Taitokerau (Regional Joint Adaptation Group)

- Adaptation planning*  
Cost estimates for a collaborative adaptive pathway planning program have been delivered. This is informing LTP funding bids which are aligned between councils.
- Regional climate adaptation strategy*  
Components of strategy to be delivered October 2020. Components being developed by council staff include a Regional Risk Assessment (60% complete) and Adaptation Options Framework (70% complete). Consultants are working on GIS climate risk analysis (90% complete).
- Region wide governance*  
Draft terms of reference for the inter-council joint committee are being consulted on with iwi/hapū at each council. A joint paper was distributed to territorial authorities following presentation at Northland Forward Together meeting on 28 July.
- Climate change strategy*  
The council climate change strategy proposal was presented to TTMAC on 9 July and will be further developed with MTAG.

#### Northland Light Detection and Ranging (LiDAR) Capture

The new LiDAR data set is now being used widely throughout council and the Northland community. Council is also discussing additional deliverables with RPS, including buildings and road centrelines.

## 7.2.6 STRATEGY, GOVERNANCE AND ENGAGEMENT

### PROPOSED REGIONAL PLAN

During July 2020, all appeals on Topic 8 (Discharges to Air) to the Proposed Regional Plan were resolved via consent order. Rule C.7.2.5 (Discharges to air from industrial or trades premises) was

set down for a hearing in late July, but the relevant parties managed to reach an agreement before the hearing. All other provisions within this topic (objectives, policies and rules) had previously been agreed between the parties.

This consent order can be found here: <https://www.nrc.govt.nz/your-council/about-us/council-projects/new-regional-plan/consent-orders/>

The Environment Court hearing for the mangrove provisions started 10 August 2002. The next scheduled hearing is for the land preparation provisions starting 21 September 2020.

## NATIONAL INITIATIVES

### Water Services Bill

The Government has introduced the Water Services Bill (the Bill) to the house. The Bill follows the establishment of Taumata Arowai (the Water Services Regulator) and is to ensure provision of safe drinking water by suppliers (excluding domestic 'self-supplies') by:

- providing a drinking water regulatory framework that is consistent with internationally accepted best practice, including requiring suppliers to have a drinking water safety plan and meet drinking water standards
- establishing a risk management framework (in conjunction with Resource Management Act mechanisms)
- building capacity and capability among drinking water providers
- establishing a framework for the improvement of the quality of water services (including stormwater and wastewater).

The Bill also makes amendments to the Local Government Act 2002 requiring assessment of drinking water, waste water and other sanitary services and section 104G of the Resource Management Act to require regard be had to effects of proposals on a registered drinking water supply and any risks identified in a water risk management plan. The Bill would require Te Mana o te Wai to be given effect to (as defined in the NPS for Freshwater).

The main implication for the regional council is a requirement (Section 45) to:

- annually publish information on source water quality and quantity
- every three years assess the effectiveness of rules and non-regulatory interventions to manage risks or hazards to source water.

No date has been set for submissions to a Select Committee. The Bill is available here:

[https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_93442/taumata-arowai-the-water-services-regulator-bill](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_93442/taumata-arowai-the-water-services-regulator-bill)

### Resource Management Reform

The Government has released a review of the resource management system *New Directions for Resource Management in New Zealand*. It recommends significant changes to the system including repeal of the Resource Management Act 1991 and replacing it with two new laws: a Natural and Built Environments Act and a Strategic Planning Act.

The Natural and Built Environments Act would focus on enhancing the quality of the environment and on achieving positive outcomes to support the wellbeing of present and future generations – this act would require that the principles of the Te Tiriti o Waitangi be given effect to - not just taken into account.

The Strategic Planning Act would set long-term strategic goals and integration of functions across the Local Government Act, the Land Transport Management Act and the Climate Change Response Act. It would also integrate land use planning with the provision of infrastructure and associated funding and investment.

Regional spatial planning will play a critical part in delivering the intended outcomes for the resource management system. Another new law recommended is a Managed Retreat and Climate Change Adaptation Act, which would establish an adaptation fund and address legal and technical issues

involved in the process of managed retreat. <https://www.mfe.govt.nz/publications/rma/new-directions-resource-management-new-zealand>

Government have signalled there will be consultation on the recommendations, but have yet to set a date.

### National Policy Statements

The Government has released the new National Policy Statement on Urban Development (NPS-UD), replacing the National Policy Statement on Urban Development Capacity (NPS-UDC) that was introduced in 2016. The NPS-UD seeks to ensure that local authorities anticipate the demand for both housing and businesses in their regions/districts over the short, medium and long term, so that their planning documents provide for sufficient development capacity to accommodate that demand.

The NPS-UD identifies 3 tiers of urban environment, and 3 corresponding tiers of local authorities. Tier 1 and 2 urban environments and local authorities are those experiencing the greatest urban development. Auckland, Hamilton, Tauranga, Wellington and Christchurch are 'Tier 1 urban environments'. Whangārei is identified as a Tier 2 urban environment requiring a housing and business development capacity assessment (HBA) and Future Development Strategy (FDS), and set 'housing bottom lines' for the short-medium term (next 10 years) and the long term in the regional policy statement and district plan.

The HBA is required by 31 July 2021 and the FDS by 2024 (to inform the LTP). Council is required to insert 'housing bottom lines' into the Regional Policy Statement and criteria to assess 'out of sequence' plan changes. The timing appears to align well with the five-year review of the Regional Policy Statement.

The NPS-UD is available here: <https://www.mfe.govt.nz/about-national-policy-statement-urban-development>

The government has advised that the release of the National Policy Statement for Highly Productive Land has been delayed and will be progressed in the late 2021.

The government has also advised that the National Environmental Standards for Marine Aquaculture Regulations 2020 (NES Marine Aquaculture) will come into force on 01 December 2020. These regulations provide for replacement coastal permits for existing marine farms, including in some situations, the ability for an existing marine farm to realign or make changes to consented species.

Our Proposed Regional Plan rules for the re-consenting of aquaculture are generally aligned with direction coming out of the NES (noting that many of our aquaculture rules are subject to Environment Court appeals). This aside, the regulations stipulate that a regional plan may adopt a more lenient rule for replacement coastal permits with regards to many of the rules outlined within the NES. The regulations also prescribe specific requirements for seeking the views of tangata whenua on draft coastal permit applications.

The NES Marine Aquaculture is available here:

<http://legislation.govt.nz/regulation/public/2020/0170/latest/LMS377269.html>

### ECONOMIC DEVELOPMENT

#### Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
Resources Enterprise Limited (REL)	Worked with lawyers to review the new evidence from defendants and submit a response to the High Court.	Defendants have until 21 August to respond. After which a decision will be made by the judge.
Northland Water Storage and Use	Final invoice request sent to Te Tai Tokerau Water Trust to complete council's responsibility for the project. First quarterly payment	Consider options for council investment into future development once consents have



Project	Update	Future developments/ reporting
	made to Trust under funding agreement. Provided information to Trust to assist with their application to the EPA for fast track approval.	been granted and commercial modelling completed.
<b>Twin Coast Cycle Trail (TCCT)</b>	Received completion report from FNDC. Worked with MBIE to confirm acceptance of report.	Make final payment to FNDC.
<b>Extension 350</b>	Quarterly report for the period ending 30 June received, and first quarter payment made for 2020/21.	

#### Other Work Undertaken

- Review and provide advice to council on Oruku Landing development opportunity.
- Support Northland water strategic opportunities assessment being undertaken by GNS (funded by PDU)
- Joint economic development initiative – co-ordinate inter-council officers forum and preparation of presentation for Northland Forward Together Strategic Planning Workshop

#### ONLINE CHANNELS

**Most popular content on Facebook:** A video interview with Natural Hazards Engineer, Matt de Boer, appealing for photos and videos of the 17 July flood event from members of the public to contribute to help get a better understanding of flooding in Taitokerau. The video has over 3,000 views, reached over 17,000 people and engaged with more than 200 people.

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

Key Performance Indicators	Mar-20	Apl-20	May-20	Jun-20	Jul-20
<b>WEB</b>					
# Visits to the NRC website	30,300	25,100	27,900	33,800	48,900
E-payments made	8	5	6	5	31
# subscription customers (cumulative)	1,171	1,182	1,210	1,221	1,238
<b>SOCIAL MEDIA (cumulative)</b>					
# Twitter followers	1,523	1,525	1,517	1,519	1,529
# NRC Facebook fans	9,553	9,599	9,627	9,713	9,767
# NRC Overall Facebook Reach	172,300	60,300	75,400	201,900	106,500
# NRC Engaged Daily Users	14,900	6,529	5,164	12,000	7,950
# CDEM Facebook fans	17,900	18,000	18,000	18,100	20,800
# CDEM Overall Facebook Reach	161,900	172,800	114,300	72,300	518,000
# CDEM Engaged Daily Users	20,600	19,200	11,800	5,817	92,200
# Instagram followers	1,137	1,163	1,172	1,193	1,203

NOTE: July - increase in visits to the website was due to the flood event, 17 July 2020.

## **ENVIROSCHOOLS / EDUCATION**

### **Project Pest Control assessment workshops held**

On 29 and 30 July the Whangārei Project Pest Control workshops were held at the Rayonier Matariki Forest in Glenbervie. Nearly 70 senior students handed in their theory papers and were assessed in practical tasks including trapping, skinning and machine plucking. Can Train, Rayonier and NRC staff shared their biosecurity and forestry career pathways with students.

### **Traps into Schools**

On 27 July, two trap training workshops were held in Whangārei and Waipapa. School teachers and some students learnt how to use a range of traps before taking them back to school for use in their local communities. The traps were funded by the Biosecurity team as part of the Environmental Leaders Fund. An NRC Biosecurity Officer led the workshops, supported by the EnviroSchools facilitators. Similar events will take place in Kaitiāia and Dargaville.

### **School Communities Facilitated**

Despite the school holidays, EnviroSchools facilitators had specific interactions with 41 school and early childhood communities.

## **MARKETING AND ENGAGEMENT**

### **2020 Whakamānawa ā Taiao - Environmental Awards**

The second Whakamānawa ā Taiao - Environmental Awards were delivered with a two-pronged approach due to COVID-19. The original awards ceremony was cancelled and so a virtual ceremony was held via the NRC Facebook page instead. This was the first virtual event held by NRC via a social media platform. A kanohi ke ti kanohi event was held in Whangārei on 22 July to celebrate the winners and highly commended recipients. This provided a great opportunity for networking and learning more about each of the projects. Each of the winners received their trophies and prize packs.

The awards was the culmination of an extensive process involving many staff, planning and advertising the nomination process, receiving and judging applications virtually and organising two events.

There has been a lot of positive feedback from the community on the awards and appreciation for having their work acknowledged. The four-page spread went in the Northern Advocate on the 29 July. Video footage has been captured of each of the winners, highlighting their amazing mahi. The videos will be provided to all of the winners and will be released via the NRC social media channels.

## **MĀORI ENGAGEMENT**

***Ahakoā he iti, he pounamu “Referring to the tiniest piece of pounamu that still has significance”***

### **Te Whāriki Core Cultural Competency Programme**

Te Whāriki Core Cultural Competency Programme is council's commitment to an organisational wide cultural training programme, with its main aim and purpose to build and improve the capabilities of staff to engage in a meaningful way. Our Kaiārahi Tikanga Māori re-established the one day noho marae after these were postponed due to COVID-19. These are being held on Terenga Paraoa Marae, Whāngarei and will be held monthly to ensure all staff have an opportunity to experience te reo me ona tikanga in one of the many prestigious marae in Te Taitokerau.





Staff are asked to complete a self-assessment of their competencies (from 1 – no competency to 5 – highly competent) prior to the noho or training and then post-workshop to ascertain the learning outcomes and evaluations. Whereas prior to the training 57% of responses were either a 1 or a 2 (with an average competency of 2.4), following the workshop this reduced to 16% with an increased average competency of 3.4 (above average) as an example of the outcomes achieved.

To date we have received positive feedback and any recommendations for improvement have been incorporated in the planning of further workshops. There will be a full review of the programme in six months.

### Māori Constituencies

Our team co-ordinated a positive workshop with guest speakers:

- Doug Leeder – Chair, BOPRC
- John Cronin - Previous BOPRC Chair when Māori constituencies were first established in the BOP
- Arapeta Tahana - Councillor, BOPRC Māori Constituencies Okūrei
- Andrew Judd - Previous New Plymouth Chair and an advocate for Māori constituencies
- Meng Foon - Previous Gisborne Mayor and currently Race Relations Commissioner HRC.

The main purpose was to provide the councillors with an opportunity to hear a range of diverse experiences as they consider Māori constituencies.

### Long Term Planning

Workshops after our Kaiārahi Kaupapa Māori presented the process and timelines associated with the LTP at the formal TTMAC June meeting are scheduled with MTAG. This will be to review the feedback that was received from the previous consultations, identify those that are still relevant as priorities for tangata whenua and make recommendations for TTMAC to consider in the formal meeting in September.

### Mana Whakahono ā Rohe – statutory agreement between council and hapū

Initial meetings have been held with Te Roroa, Patuharakeke, Ngāti Rehia and Te Uri o Hau to prioritise a collective approach to support the implementation as a pilot. Patuharakeke have agreed to progress this agreement with their Board.

### TTMAC Panui

The first TTMAC panui since it's re-establishment has been revamped and released thanks to the great support from our Communications and Marketing team and one of the many positive and informative platforms we have to share of TTMAC and the outcomes achieved.

<https://www.nrc.govt.nz/your-council/online-services/enewsletters/#Panui>

### LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Month	LGOIMA requests received 2019/20	LGOIMA requests received 2020/21
July	15	25
August	22	

Month	LGOIMA requests received 2019/20	LGOIMA requests received 2020/21
September	16	
October	29	
November	11	
December	12	
January	14	
February	21	
March	13	
April	12	
May	13	
June	15	
<b>TOTAL LGOIMA REQUESTS RECEIVED</b>	<b>193</b>	<b>25</b>
<b>LGOIMA requests not responded to within 20 working days*</b>	<b>18</b>	<b>2</b>

- \* REQ.599631 – Request for all records held relating to Wairere 2F2B Block, 50 McDonnell Road, Horeke. Staff called the requester to clarify what information was sought. Subsequently this request was superseded by a duplicate request.
- REQ.599617 – Request regarding property at Southend Avenue. Delay in completing the response to the request was due to the request having to be transferred between departments to ensure all (if any) information held by council in relation to the request is provided to the requester.

## 7.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

### CUSTOMER SERVICES

#### Telephone Inbound Call Statistics & Enquiries

	July 2020	Target
Call volume via Customer Services	2,650	
Conversion rate	97.4%	> 95%
Average wait time	5 sec	
Calls answered in under 30 sec	95.8%	> 90%

During the peak of the flooding experienced this month, FNDC closed their offices leaving relatively few staff dealing with high call volumes. In frustration many residents called NRC and our customer services staff responded and directed calls to appropriate services.

#### Regional Offices

Dargaville and Waipapa offices have extended their opening hours to 0800 - 1630 to align with Whangārei's opening hours.

#### Resident Survey

The draft survey has been received and returned for minor edits to ensure verbatim responses have been grouped correctly. This has delayed the final report which is now due in the first week of August.

## 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 / people	1
<ul style="list-style-type: none"> <li>Land Management – K Drake</li> </ul>	
Overall service	2
<ul style="list-style-type: none"> <li>Compliance Monitoring</li> <li>Land Management</li> </ul>	
<b>Total compliments recorded</b>	<b>3</b>
Complaints received	Total
Disagree with decision or process	2
<ul style="list-style-type: none"> <li>Compliance Monitoring</li> <li>Hydrology</li> </ul>	
<b>Total complaints recorded</b>	<b>2</b>

Both complaints are still open and being actively resolved.

## CIVIL DEFENCE EMERGENCY MANAGEMENT

### Northland Flood July 2020

On Wednesday 15 July weather warnings were issued for the Northland region predicting up to 130mm of rain in some locations over 24 hours. As a result, there was widespread rainfall across the region, with maximum falls in the 24-hour period being 160mm in and around the Waitangi catchments.

On Friday 17 July further heavy rain and thunderstorms were forecast and caused widespread flooding, road closures, slips and damage to property.

During the afternoon of 17 July up to 180mm of rain accumulated in and around Waitangi with lesser falls in other parts of the mid North. At 7.00pm the thunderstorms had moved south towards Whangārei and high intensity rainfall occurred in and around the city and surrounding areas. Between 8.00pm and 10.00pm the Northland Regional Council rain gauge in the city recorded 88mm in 2 hours, a 1:100-year return period event.

As a result, the State Highway 1 network was blocked in numerous places due to flooding, including Mangamuka, Turntable Hill at Moerewa, Puketona, Rangiahua and further north with a number of council roads blocked by flood waters, slips and downed trees.

A number of homes, clubs and businesses were affected by flooding, slips and ground movement in various locations across the region, including Puketona, Moerewa, Waikare and Whangārei.

The CDEM Group and emergency services responded to the immediate event with FENZ and Police (approximately 220 recorded calls to FENZ in four hours) responding to calls for assistance with flooding in houses, around houses, arcing of power in water and several rescues of people from vehicles trapped in flood water.

Police also responded to numerous 111 calls and assisted with the evacuation of three houses in Heretaunga Street, Tikipunga (three families were evacuated and provided with emergency accommodation).

Two Civil Defence Centres (CDC) were established in Whangārei - one in the Onerahi Community Hall and one at the Kamo Scout Hall - with support from council staff and community volunteers including the NZ Red Cross, Kamo Scout leaders and members of the community. Eleven people were supported through the Kamo CDC and two people were supported through the Onerahi CDC. Most evacuees made their own shelter arrangements.

Two community shelters were opened in Kawakawa and Moerewa to support locally displaced people and those travelling on route through Northland - 45 people were supported overnight. Insurance companies report over 2,000 claims for flood damage and the Earthquake Commission report over 121 separate claims.

Infrastructure issues were managed by the relevant department managers over the following days with some works continuing, with water restrictions placed on the Whangārei district for the following seven days and several district roads are still closed.

The New Zealand Transport Agency (NZTA) are dealing with large slips on State Highway 1 Mangamuka, with a 4 to 6-week timeframe to repair the major slips.

Over 110 homes in Moerewa were assessed and homes had septic tanks emptied as well as providing support with skip bins to remove flood damage house hold goods. Properties in Waikare were also assessed and support provided.

The Minister of Civil Defence, Honourable Peeni Henare and MP Kelvin Davis visited the region on Sunday 19 July together with the Acting Director of the National Emergency Management Agency (NEMA) David Cotezee. Discussions included the impact to people, homes and businesses as well as infrastructure and the rural sector. Minister Henare announced a \$30,000 Mayoral Relief Fund for the region. The Northland CDEM Group is administering the fund on behalf of the Mayors.

The New Zealand Insurance Council (NZIC) and EQC both sent representatives to Northland and a meeting was held on 20 July with the various representatives to understand the scale of the event and number of claims lodged for the region.

Recovery updates are being issued by the Northland CDEM Group and recovery operations led by the Northland CDEM Group Recovery Manager.

### **Rural Water**

Iwi, representatives of the Northland DHB Public Health Unit, Te Puni Kōwhiri, FNDC, KDC and the Northland CDEM Group have collectively recognised that there is a vulnerable community of whānau living in rural communities in Northland that are struggling to access the quantity and quality of water they need for drinking, cooking, bathing, hand washing, and growing their kai.

Due to the socio-economic constraints and poor infrastructure (failing tanks and poor supply systems) many whānau have had difficulty throughout the drought maintaining a reliable water supply.

As a result, a scoping exercise designed to identify and prioritise the at-risk communities that would most benefit from assistance in repairs, maintenance or upgrading of water supply infrastructure has commenced and evaluation of the various potential funding mechanisms and the criteria that may support the various initiatives that might support this project.

### **CDEM Work Programme**

Since mid-January the Northland CDEM Group professionals have been involved with responses to drought, COVID-19 and a flooding emergency. As a consequence a number of activities that were identified in the annual work programme have been reviewed, with some activities being paused whilst other have been stopped. A review of the project plan for the development of the Northland CDEM Group Plan review has been carried out. Although some due dates for milestones have changed, it is anticipated that the plan review will be completed on time in late 2021.

### **COVID-19 Response Review**

The National Emergency Management Agency (NEMA) held a two-day de-brief for the COVID-19 response on 27 and 28 July, which was attended by the Northland CDEM Group Controller and Welfare Manager. The two Group Controllers from Northland have also had the opportunity to contribute to the national review of the response via a two-hour video interview session.

One of the key aspects of the review has been the need to undertake "Resurgence Planning" which is based upon various scenarios that may unfold if/when the coronavirus reemerges in communities.

## TRANSPORT

### Regional Transport Planning

- *Government Policy Statement*
  - The Government Policy Statement may be released a month later than expected.
  - At this time, there is no indication as to what extent the government may change the GPS due to the financial impacts of the Covid-19 pandemic. Whilst the initial indications were that there would be little change from the Draft GPS, this may now no longer be the case.
- *Draft Regional Land Transport Plan (RLTP) and Draft Regional Public Transport Plan (RPTP) Update*
  - Following the Investment Logic Mapping workshop held in June 2020, a copy of the Problem Statements, Benefits to be achieved by addressing the problem statements and the Objectives to be achieved, were distributed to all elected representatives and their support staff with a request for feedback.
  - There were a number of recommendations put forward to adjust the wording of the above to better align with the Draft GPS released earlier in the year. These recommended changes will be tabled at the 12 August 2020 Regional Transport Committee meeting for consideration.
  - There is concern regarding the reported late release of a number of NZTA documents and programmes which feed into, direct and record the content and outcome of both the RLTP and the RPTP. These delays have the potential to result in both documents not being completed by 30 April 2021.
  - In spite of the above, staff have continued to work on the strategic front end of both documents.

### PASSENGER TRANSPORT ADMINISTRATION

Bus Link stats for June (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	33,552	30,010	3,542	314,549	349,050
CityLink Revenue	\$30,194	\$40,514	-\$10,320	\$388,521	\$471,218
Mid North Link Passengers	166	156	10	1,809	1,830
Mid North Link Revenue	\$604	\$780	-\$176	\$6,725	\$9,150
Hokianga Link Passengers	39	78	-39	609	924
Hokianga Link Revenue	\$478	\$1,017	-\$539	\$5,912	\$12,049
Far North Link Passengers	386	611	-225	4,909	7,424
Far North Link Revenue	\$948	\$1,483	-\$535	\$11,672	\$18,561
Bream Bay Link Passengers	47	24	23	507	270
Bream Bay Link Revenue	\$315	\$86	\$229	\$3,117	\$972

Bus Link stats for July (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	27,347	29,331	-1,984	27,347	29,331
CityLink Revenue		\$39,597			\$39,597
Mid North Link Passengers	153	156	-3	153	156
Mid North Link Revenue	\$537	\$780	-\$243	\$537	\$780

Bus Link stats for July (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
Hokianga Link Passengers	43	78	-35	43	78
Hokianga Link Revenue	\$465	\$1,017	-\$552	\$465	\$1,017
Far North Link Passengers		699			699
Far North Link Revenue		\$1,748			\$1,748
Bream Bay Link Passengers	64	30	34	64	30
Bream Bay Link Revenue	\$430	\$108	\$322	\$430	\$108

*\*Far North Link Stats were unavailable at the time of the report and CityLink were based on provisional reports*

### 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
June 2020	1647	\$28,909	\$25,000	+\$3,909	\$220,488	\$300,000	-\$79,512

### Total Mobility Trips

Total Mobility trips in 2018/2019 were 34,879, compared to 2019/2020 31,882 a decline of 2997 trips due to COVID-19.

### Total Mobility Figures

Actual spend for the 2019/20 financial year was \$220,488 as against \$215,502 for the 2018/19 financial year. The increase of \$4,986 can be attributed to increasing the maximum fare and more trips in May and June due to FREE FARES, COVID-19.

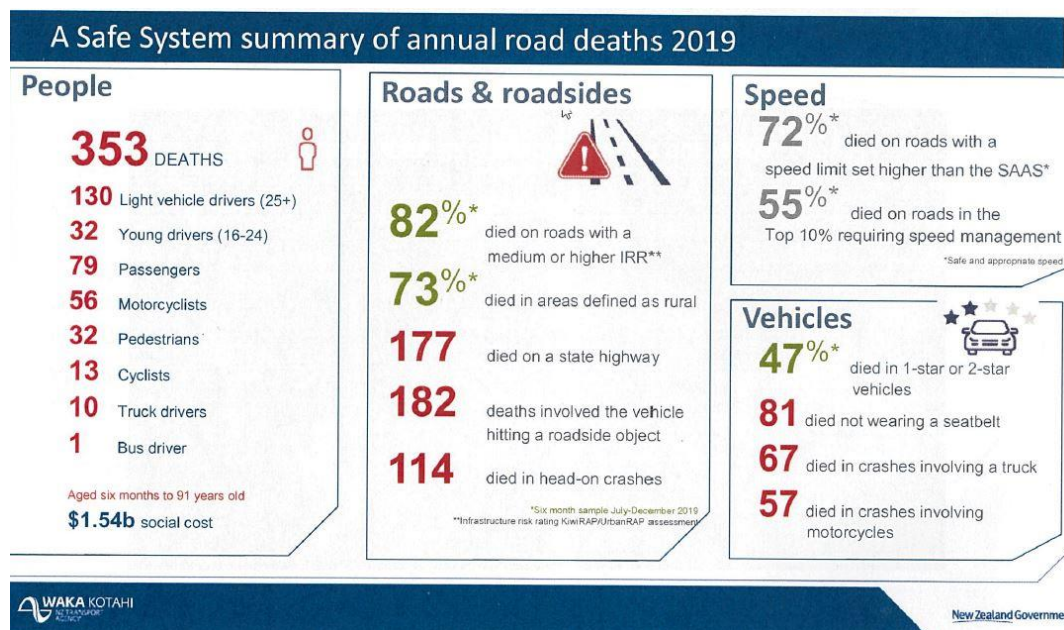
### ROAD SAFETY UPDATE

The following crash data for both 2019 and year to date 2020 offers a snapshot of crash statistics for both national and Northland deaths.

The 'RIDS' factors – Restraints, Impairment, Distraction and Speed were influencing factors in many of the fatal crashes and the issues that have been identified in the current Northland Road Safety Issues 2014-2018 document to help us better understand the scale, progress and key factors that need to be targeted to reduce these numbers in avoidable deaths and serious injuries on our roads.



## Road Trauma Update: New Zealand 2019 Road Death Overview



**National** 353 - 24 fatalities below the figure for the same period in 2018 and 25 less than in 2017

**Northland** 29 - 6 fatalities below (18%) the same period in 2018 and 12 less (30%) than in 2017

### 2020 YEAR TO DATE ROAD DEATH STATISTICS

**National** 176 deaths compared to 206 at the same time in 2019

**Northland** 16 deaths compared to 17 at the same time in 2019

### Police/Waka Kotahi crash snapshot of Northland deaths 2020 year to date

3 January	SH 1, Waipu	Head on crash	49yo M
26 January	Kaitaia	Car vs tree	44yo M
23 February	Whananaki North Road	Ute vs tree	35yo M, 12yo F, 5yo M
3 March	SH 10, Mangonui	Car vs ute	34yo F
13 March	SH 1, Hukerenui	Car vs SUV	66yo F, 63yo F, 57yo F
26 March	Oakleigh-Paparoa Road	Ute vs bank	4yo M
6 April	Brooks Road, Waipu	Car vs tree	66yo M
19 April	Moerewa	Car vs parked car	18yo F
15 May	Mangawhai	Motorcycle (offroad)	52yo M
17 June	Kaitaia	Motorcycle (offroad) – no helmet	17yo M
26 June	Wheki Valley	Car vs truck	43yo F
29 July	SH 1, Okaihau	Car vs culvert – no seatbelt	26yo F

Work is continuing on an updated Northland Road Safety Issues 2015-2019 crash data reference document. Key issues identified in the 2014-2018 document again highlight the frequency of -

- Open road crashes
- Loss of control on bends
- Hitting roadside objects

- Impairment
- Travel Speed
- Seatbelts

#### **Ride Forever (R4E) Rider Training Update:**

There have been 240 motorcycle riders trained through the ACC initiated R4E training courses held in Northland in the 2019/2020 year. 61 riders successfully completed the Bronze Course, 112 the Silver Course and 67 the Gold Course.

Road safety promotion work: centred around supporting Police with road safety promotional items for motorists recognising safe driving practices and promoting seatbelt wearing.

New annual contracts with both the Northland MediaWorks and NZME radio networks including print and digital platforms have been renewed for 2020/2021.

Key messaging will target - Restraint use, Impairment, Distractions, Speed, Fatigue, Driver Behaviour and planning journeys. This regional messaging was also further supported by Waka Kotahi NZTA national road safety campaign messaging. Advertising themes for July & August have been Alcohol, Safe Vehicles, Speed, Seatbelts.

#### **MARITIME**

Twenty-five incidents were received during the month of July, most of which were related to severe weather events. The weather event saw most of the Council-managed aids to navigation within the Hātea River shifted out of position, and several owner-occupied vessels dragged anchor and grounded. Live-aboard vessels are prone to dragging in poor weather, are usually in poor condition, occupy areas for prolonged periods and often obstruct navigation channels and access to wharfs and facilities. Increasing time is being spent by the maritime team dealing with the problems that result.

Two wrecked or abandoned boats have been dealt with this month, with another eleven throughout the region in various stages of progress to be removed or destroyed.

The National Harbourmasters Special Interest Group (presently chaired by Northland) and the Port and Harbour Safety Code Forum convened via virtual meetings, attended by the HM, DHM and Marine Manager. The topic of risk and assessing risk comprehensively featuring prominently in both.

The Bay of Islands Pilot Training Manual is currently under its periodic review. We have also recently had under review several existing and new Pilot Exemption Training Manuals for Whangārei Harbour, most notably the recent approval of a PEC manual for McCallum Brothers operating a tug and barge for uplift of cement out of Portland.

---

#### **Attachments/Ngā tapirihanga**

Attachment 1: NRC Response to COVID-19 [📄](#)



## Northland Regional Council – August Council Meeting – CEO update

### NRC's response to financial impacts of Covid-19 on the 2019-2020 financial year and beyond.

*Geoff Copstick – Independent Financial Advisor*

Malcolm,

I have attended the month-end result review meetings throughout the year with Simon Crabb, yourself and, until recently, Dave Tams. In the months from February to June of 2020, Simon walked us through the impacts that could be fairly attributed to the Covid-19 pandemic on the financial position of NRC, these being primarily;

- Unprecedented volatility in equity and bond markets which in the month of March wiped more than \$3Million off the value of our managed funds, but as Simon's full year graph illustrated the managed funds recovered strongly to end the financial year, ending up very close to budget.
- NRC incurring costs and savings associated with the NZ governments lockdown (remote working etc.).
- The NZ Governments wage subsidy and other relevant economic stimuli.
- Pressure on rent and lease returns from NRCs commercial property.
- Delays to many work streams (operational and capital).

At our meetings we also anticipated possible future impacts attributable to general even global economic stresses, namely:

- Future downturn in equity markets lowering the returns we make from our managed funds.
- Decrease in the amount of dividend income we receive from Marsden Maritime Holdings Ltd.
- Lower rates revenue (more correctly) lower collection rates as unemployment and uncertainty impact rates affordability.
- Weakness in the property market lowering returns in the medium and long term.
- Increased project delivery risk on current developments and capital works.
- NZ Government ongoing economic stimuli (both direct to NRC and indirectly via the wider community).

In my opinion and comparing NRCs response to the other organisations I am associated with, you and your team have responded appropriately and quickly to the immediate and anticipated impacts. Furthermore, your actions which have been profound and far-reaching have been executed with no deterioration of the controls and checks & balances you have put in place to manage the finances of council prudently and to protect the council's assets. I am confident Deloitte will issue a clean audit report for NRC in September – this is a huge achievement given the stressed working environment and the many issues and initiatives your teams were dealing with over the last months of this financial year. OAG and Deloitte as auditor require us to comment on NRC's assessment of Covid-19 on its business and a description and review of our responses to date and planned future actions. I am happy to help out if needed.

You and your ELT focussed immediately on non-essential work streams and costs which could be “done cheaper, postponed or cancelled” without risking the confidence and trust of the ratepayer on the key obligations and duties of a regional council.

The finance team applied for and NRC was awarded a significant (\$1.5M) wage subsidy and the process was overseen and signed off by a MBIE case manager.

Where feasible, the wider NRC portfolio (including managed funds) was de risked by use of term deposits which are by nature safer than shares or bonds.

In terms of possible future impacts, the ELT re ran the 2020-2021 annual plan and pulled NZ\$2.7M from approved 2021 activity (these ‘savings’ went someway to offset the NZ\$4.8M reduction in revenue (mainly rates and dividend income) in the ‘post Covid’ version of the annual plan – the residual being balanced from NRC equity reserves.

As of today, we are in the fortunate position of being able to create a reserve (an appropriation of 2019-2020 surpluses) to reinstate some of the ‘culled’ 2020-2021 projects and work streams as and when circumstances permit.

In summary Malcolm – it looked a lot worse when we looked forward in March 2020 through the remainder of the 2020 calendar year. NRC will report a very acceptable result for 2020. I do feel obliged to advise caution about 2021 and even 2022. The recovery in equity markets is in part due to the huge amounts of money governments round the world are pumping in to keep their economies working. The chances of a serious, deep and prolonged recession are still very real and if that does happen NRC will not be immune from it. Councillors can be very confident that you and your teams have acted wisely and prudently **as far as could be expected** to shock-proof NRC, but if Covid-19 is the global ‘black swan’ event some predict even that may not be enough.

**Geoff Copstick**

**TITLE:** Code of Conduct Complaint  
**ID:** A1348224  
**From:** Malcolm Nicolson, Chief Executive Officer

---

### Executive summary/Whakarāpopototanga

On 18 June 2020 I received a complaint alleging a Code of Conduct breach by Cr Rick Stolwerk for “his statements made at the NRC meeting last Tuesday, in the discussion about GMO agenda item 6.5”.

Following the procedure specified in the Code of Conduct an independent investigator was appointed to undertake a preliminary investigation.

The investigation upheld the complaint but found them to be non-material.

Non-binding recommendations were made about additional professional development for the council as a whole. The annual governance training programme has been adjusted to give effect to the recommendations.

---

### Recommendation

That the report ‘Code of Conduct Complaint’ by Malcolm Nicolson, Chief Executive Officer and dated 4 August 2020, be received and councillors take cognisance of its recommendation.

---

### Background/Tuhinga

On 16 June 2020 at the monthly council meeting, council considered its approach to the GMO appeals to the Proposed Regional Plan. There was a packed public gallery and an intense debate followed.

On 18 June 2020 I received a complaint from the Northland Toxin Awareness Group alleging a Code of Conduct breach by Cr Stolwerk. The facts on the case were not under dispute as the meeting had been livestreamed and a video recording of the meeting was available.

I followed the procedure as laid out in Code of Conduct: Elected Members and in particular the complaints procedure flowchart.

On 19 June 2020 the receipt of the complaint was acknowledged, and Cr Stolwerk was advised on the same day.

On 25 June 2020 a letter of appointment was issued to the independent investigator and her appointment finalised the following day. The investigator was provided a range of material relevant to the investigation, including the video clip of the council meeting of 16 June 2020.

On the same day as the appointment was confirmed the complainant and Cr Stolwerk were advised of the appointment and contact details.

The preliminary investigation report was received on 15 July 2020 and the parties notified and provided copies on 20 July 2020.

A copy of the report is **attached**.

The independent investigator made ruling on five statements she determined to be pertinent to the complaint, making a determination that “the complaint is upheld but non-material”. Also, that as the alleged breach occurred during a council meeting that the complaint did not meet the criteria to be considered under the Code of Conduct.

She, however, issued a none-binding recommendation “that all councillors participate in an appropriate training session on the Code of Conduct and Standing Order 20 – Conduct”.

As I am responsible for governance training, I have accepted this recommendation and have modified the annual training programme to comply.

---

---

**Attachments/Ngā tapirihanga**

Attachment 1: Code of Conduct Report from Independent Preliminary Investigation [↓](#)

---

**Authorised by Group Manager**

**Name:** Malcolm Nicolson  
**Title:** Chief Executive Officer  
**Date:** 13 August 2020

## Code of Conduct Complaint-Independent Preliminary Investigation on behalf of the Northland Regional Council.

I have been appointed by the Chief Executive of the Northland Regional Council as an independent investigator to undertake a preliminary assessment as contemplated in clause 12.2 of the council's Code of Conduct into a complaint by a member of the public that Cr Rick Stolwerk has breached 5.3 of the Code during a Council meeting on 16 June 2020.

As part of this assessment I have reviewed the following,

- a copy of an email to the Chief Executive Officer of the Northland Regional Council from lodging an official complaint about councillor Stolwerk for an alleged breach of the council's COC
- the council's Code of Conduct adopted on 17 December 2019
- a video clip of the Council meeting of 16 June 2020 where the alleged breach of the COC took place
- Councils Standing Orders 2019-2022 Triennium
- LGNZ's Code of Conduct Guidelines

I have not contacted or been contacted by the complainant.

Cr Stolwerk contacted me via email stating he had further information, in the form of emails that he would like me to consider as part of this investigation. I replied to Cr Stolwerk that as the complaint against him only relates to what occurred during the Council meeting these emails were not relevant to my investigation. Cr Stolwerk emailed me thanking me for my explanation.

### Preliminary Assessment.

As part of this assessment I am required to determine whether this alleged breach of the Code of Conduct is material as, if it were proven it would bring a member of the council into disrepute or, if not addressed, reflect adversely on the council.

The following from the Council's Code of Conduct is relevant to this assessment.

#### 5.3 Relationship with the public

Given that the performance of the Council requires the trust and respect of individual citizens, members will:

- interact with members of the public in a fair, respectful, equitable and honest manner,
- be available to listen and respond openly and honestly to community concerns,
- represent the views of citizens and organisations in a fair, respectful, equitable and honest manner,
- consider all points of view or interests when participating in debate and decision making,
- treat members of the public in a courteous manner, and
- act in a way that upholds the reputation of the local authority.

The complainant has accused Cr Stolwerk of a breach of the Council's Code of conduct by "ridiculing the intellect of some members of the public", discredited "the validity of science" and "he was condescending about 83 submissions.....claiming they did not represent the all Northlanders."

The complaint alleges “unacceptable and unprofessional behaviour” which has ‘sullied the image of all Councillors’, “jeopardised the relationship of the Northland Regional Council with the public and all government agencies.”

The following statements made by Cr Stolwerk during the Council meeting of 16 June where a motion regarding the use of genetically modified organisms in the Coastal Marine Area was being debated are relevant to this assessment.

1. “Frankly I’ve had enough of the bullying the bullying of councillors and staff. I’ve had a gut’s full.”
2. “Look the majority of those 83 submitters were in favour of including submissions in the proposed regional plan. However, there are over 180,000 people in Northland so that submission rate is 0.0005%. It’s a very small number to be persuaded by.”
3. “Well frankly the comments of a five year old often make a lot more sense than some of the inane comments I’ve seen on Facebook.”
4. “If we surrender to these bullying tactics we run the risk of having to do a plan change in the future.”
5. “Let’s go to the science next, the debate goes on. If you dig deep enough, if you bluff and bully enough scientists they will agree to your point of view.”

Statement no 1. This statement is not relevant to this assessment as it does not refer to any of the types of comments or behaviour, or interactions with members of the public that could be considered a breach of the council’s Code of Conduct.

Statement no 2. This statement could be considered a breach of the council’s Code of Conduct 5.3. It does demonstrate that Cr Stolwerk either does not understanding or chooses to misrepresent how the council submission process works. But I am unable to determine whether it demonstrates that he has failed to represent the views of citizens or organisations in a fair, respectful, equitable and honest manner or that he has considered all points of views or interests when participating in debate and decision making.

Statement no 3. This statement could be considered a breach of the council’s Code of Conduct 5.3. But Cr Stolwerk’s assertion does not relate to any interaction he has had with a member of the public during the council meeting, and as I have no information about the comments he is referring to I cannot assess if he failed to represent the views of citizens accurately.

Statement no 4. This statement is not relevant to this assessment as it does not refer to any of the types of comments or behaviour, or interactions with members of the public that could be considered as a breach of the council’s Code of Conduct.

Statement no 5. This statement could be considered a breach of the council’s Code of Conduct 5.3. As Cr Stowerk refers to ‘scientists’ in general rather any specific scientist or group of scientists he has not misrepresented the views of citizens or groups in a fair, respectable, equitable and honest manner as he does not refer to any individuals or any specific group of scientists who may or may not have been involved in the matter being debated.

None of these statements could be considered to jeopardise the council’s relationship with any or all government agencies.

As a result of this preliminary assessment I have determined this alleged breach of the Code of Conduct does not meet the materiality test as set out in clause 12.4 as it is not proven that Cr Stolwerk has brought himself or the council into disrepute or, if not addressed reflect adversely on the council.

It is my determination that the complaint is upheld but non-material.

As the alleged breach occurred during a Council meeting, I have considered the implications of clause 13.3 and I find that this complaint does not meet the criteria to be considered under the Code of Conduct.

However, it is my opinion that Cr Stolwerk's behaviour could have been dealt with more effectively during the meeting under council's Standing Orders.

It is therefore my non-binding recommendation that all councillors participate in an appropriate training session on the Council's Code of Conduct and Standing Orders 20. Conduct.

Ali Ballantine Timms MNZM

15 July 2020



ReplyForward

**TITLE: Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2020**

**ID:** A1347486

**From:** Robyn Broadhurst, Policy Specialist

---

**Executive summary/Whakarāpopototanga**

This report presents the results of council's key performance indicators, as set and adopted in the Long Term Plan 2018–2028, for the financial year 1 July 2019 to 31 June 2020.

---

**Recommendation**

That the report 'Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2020' by Robyn Broadhurst, Policy Specialist and dated 1 August 2020, be received.

---

**Background/Tuhinga**

The Long Term Plan 2018–2028 comprises 51 key performance indicators that measure aspects of council's service provision across five activity groupings:

- Governance and engagement
- Regulatory services
- Environmental services
- River management
- Customer services and community resilience.

Each performance measure provides a snapshot of the activity's performance.

Of the 51 measures, 27 have been achieved, and 24 have not been achieved. It is important to note that a number of those measures not met are outside of council's control, with many falling short as a result of both the drought response and the impacts of COVID-19. A summary of all measures is set out in the table below. The full results will be in the final annual report, which is scheduled to be presented to council for adoption in October.

**Governance and engagement | Ratonga whakahaere whakauru**

1.1 Governance		
1.1.1 Maintain effective, open and transparent democratic processes		
Percentage of official information requests that are responded to within 20 working days.	100% compliance	90% – <b>not achieved</b>  18 out of 193 LGOIMA requests were not responded to within 20 working days.
Percentage of time that council receives a favourable ("unqualified") audit opinion on its Long Term Plan, Annual Plan, and Annual Report.	100% compliance	100% – <b>achieved</b>
Percentage of time that elected members attend council meetings.	90% compliance	93% – <b>achieved</b>



Percentage of the community surveyed that is satisfied with the way council involves the public in the decisions it makes.	Improve	25% – <b>not achieved</b>  Baseline data = 33%
<b>1.2 Māori relationships</b>		
<b>1.2.1 Establish enduring and robust governance relationships between council and Māori of Taitokerau</b>		
Ten meetings (five formal meetings and five marae-based meetings) of the Te Taitokerau Māori and Council Working Party are held each 12-month period.	10 meetings held annually	<b>Not achieved</b>  Local body elections and re-establishment of TTMAC saw no meetings between Oct 2019 – March 2020. All April/June marae-based meetings were cancelled due to the impacts of COVID-19.
<b>1.2.2 Provide opportunities for Māori to participate in council processes</b>		
Percentage of time council meets all relevant requirements of Treaty of Waitangi settlement legislation.	100% compliance	95.6% – <b>not achieved</b>  This measure comprises three elements: the recording of statutory acknowledgements in regional plans; attendance and support of co-governance committees; and circulation of consent applications to Treaty settlement groups.  Council has achieved two of these elements in full, with the third (the circulation of consent applications) achieved in part. This was due to 83 bore consents failing to be circulated.
Percentage of time targeted pre-consultation engagement is undertaken with Māori during council's statutory Resource Management Act planning processes.	100% compliance	100% – <b>achieved</b>
<b>1.3 Communication and engagement</b>		
<b>1.3.1 Support and deliver environmental education initiatives</b>		
Percentage of schools and kindergartens participating in the EnviroSchools programme. Schools include primary, intermediate and secondary schools.	Maintain or increase	66% – <b>achieved</b>  Baseline data = 62%
<b>1.3.2 Promote effective community engagement</b>		
Number of subscribers to online and social media channels (includes social media, eNewsletters and web alerts).	25% annual increase  (number and percentage increase to be reported)	14% – <b>not achieved</b>  18,617 subscribers in total  This is due to a shift in focus from increasing FB likes/followers to improving reach and overall engagement with our audience.
Frequency of engagement with council's Collaborative Community Engagement Groups.	Annual engagement	98% – <b>not achieved</b>

	with 100% of groups  (Actual number of groups and percentage compliance to be reported)	Engagement was achieved with 123 out of 126 active groups. One instance was due to limited staff resourcing; one was engaged with via phone and email but not face-to-face; and the final one was the far north civil defence group of Moehinui marae.
<b>1.4 Economic development</b>		
<b>1.4.1 Invest in economic development projects and ventures within Northland to improve Northland's economic performance</b>		
Northland Inc's compliance with Local Government Act requirements relating to its Statement of Intent (SOI).	100% compliance	100% – <b>achieved</b>
Percentage of Northland Inc's SOI key performance indicators achieved by 30 June each year.	100% compliance	63% – <b>not achieved</b>  10 of the 16 key performance indicators were achieved. Of the six not achieved, four were due to the impacts of COVID-19. The fifth one was just below target (44 vs 45) with reporting data only available up until the end of March. The sixth one has not been reported on due to lack of data.

## Regulatory services | Ratonga a ture

<b>2.1 Planning and policy</b>		
<b>2.1.1 Develop and maintain regional planning documents for the management of Northland's natural and physical resources</b>		
Develop a new Regional Plan.	2019/20: Engage Māori and stakeholders in plan preparation process	<b>Not achieved</b>  Planning for engagement on the plan change to implement the NPS Freshwater Management has started, but not the engagement itself. This is largely due to the delay in the release of the updated NPS Freshwater Management, and staff effort focussed on resolving appeals on the Proposed Regional Plan.
Make changes to the new Regional Plan and Regional Policy Statement (RPS) as necessary to implement national direction and to respond to resource management issues.	2019/20: Engage Māori and stakeholders in plan preparation process	<b>Not achieved</b>  See explanation above for measure "Develop a new Regional Plan".
<b>2.2 Consents</b>		
<b>2.2.1 Provide efficient and effective processing and administering of resource consents</b>		
Percentage of all resource consent applications that are processed within the statutory timeframes.	98% compliance	100% – <b>achieved</b>
<b>2.3 Monitoring (compliance monitoring)</b>		

<b>2.3.1 Provide efficient and effective compliance monitoring of resource consents</b>		
Percentage of monitored resource consents that are not graded as significantly non-compliant.	90%	94.4% – <b>achieved</b>
Percentage of monitored permitted farm dairy effluent activities that are not graded as significantly non-compliant.	90%	85% – <b>not achieved</b>  30 of 199 permitted activity dairy farms were inspected and found to be significantly non-compliant. This measure is dependent on landowner behaviour which, while influenced by council activities, is also influenced by factors outside of council's control.
Percentage of consents for industrial, municipal sewage and farm discharges, and major water takes requiring monitoring, that are monitored as per the council's consent monitoring programme.	100%	90.9% – <b>not achieved</b>  881 of 969 consents were monitored as per their monitoring programme. Of the 88 consents that were not fully monitored, 69 of them had some monitoring during the year. Only 19 consents had none of the required monitoring undertaken. This was largely due to lack of resources during the drought 2020 response and the impacts of COVID-19.
<b>2.3.2 Efficient and effective response to and resolution of reported environmental incidents</b>		
Percentage of environmental incidents with more than minor effects reported to the Environmental Hotline resolved within 30 working days.	80% resolved within 30 working days	89% – <b>achieved</b>
<b>2.4 Monitoring (State of the environment monitoring)</b>		
<b>2.4.1 Gather and make available information on the suitability of water bodies for swimming and shellfish collection</b>		
Monitor at least 50 popular swimming sites weekly during the summer for faecal indicator bacteria and publish the results (sites are monitored weekly in the summer from late November/early December to late February/early March).	50 or more sites monitored weekly during summer	60 sites – <b>achieved</b>
Monitor at least 15 popular shellfish collection sites weekly during the summer and publish the results (sites are monitored weekly in the summer from late November/early December to late February/early March).	15 or more sites monitored weekly during summer	15 sites – <b>achieved</b>
<b>2.4.2 Monitor the life-supporting capacity of water (fresh and marine), uses and values</b>		
Percentage of sites monitored for macroinvertebrates showing improved or maintained trend in their Macroinvertebrate Community Indices (MCI).	At least 90%	<b>Data Unavailable</b>  Results have not been received from the provider due to delays because of the impacts of

		COVID-19. Results are expected in September 2020.
Percentage of fish monitoring sites showing improved or maintained trend in their Index of Biotic Integrity (IBI).	At least 90%	<b>Data Unavailable</b>  No data to assess due to the drought response and the impacts of COVID-19, with no following data expected.
Percentage of lake sites monitored for ecological status showing improved or maintained trend in their Submerged Plant Indices (SPI).	At least 90%	0% – <b>not achieved/data unavailable</b>  Ecological Survey was booked in April with NIWA but was postponed until August/ September 2020 due to impacts of COVID-19.
Percentage of lake sites monitored for level of nutrient enrichment showing improved or maintained trend in their Trophic Level Indices (TLI).	At least 90%	100% – <b>achieved</b>
Comprehensively monitor at least 40 coastal sites monthly for general water quality.	40 sites monitored annually	<b>Not achieved</b>  The impacts of COVID-19 meant that one coastal site was not completed in March and no sampling was completed in April. All other months were completed as required.
<b>2.4.3 Monitor the standard of ambient air quality in Northland</b>		
Percentage of air sheds meeting the national air quality environmental standards.	100% compliance	100% – <b>achieved</b>

## Environmental services | Ratonga i te taiao

<b>3.1 Natural Hazard Management</b>		
<b>3.1.1 Identify and make available information on areas potentially affected by natural hazards through mapping</b>		
Number (and percentage) of river catchments flood-mapped to identify river flooding hazards.	2019/20: 29 (22.5%)	<b>28 catchments (21.7%) – not achieved</b>  The preliminary region-wide LiDAR was only delivered in March. Awanui and Kerikeri Catchments have been upgraded to reflect new LiDAR.  The upgraded models better reflect the best available data.
<b>3.2 Hydrology</b>		
<b>3.2.1 Provide information on water resources including rainfall, flood levels and ground water</b>		
Percentage of time that flood level monitoring is accurate to enable flood warnings to be developed.	100% compliance	100% – <b>achieved</b>
<b>3.3 Biosecurity</b>		
<b>3.3.1 Promote community involvement in pest management</b>		

Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum.	Increase by 5000 ha annually	10,953ha increase – <b>achieved</b>
Increase in kiwi populations within council supported programmes monitored in accordance with the standardised Department of Conservation kiwi call count monitoring scheme.	Increase by 2% annually	1.4% – <b>not achieved</b> (7.3 calls per hour)  Baseline data = 7.2 calls per hour
<b>3.3.2 Implement measures to slow the introduction and spread of new and established marine pests</b>		
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme.	2000 hulls annually	2,048 hulls inspected – <b>achieved</b>
<b>3.4 Biodiversity</b>		
<b>3.4.1 Maintain and enhance indigenous biodiversity and eco-systems around our rivers, lakes, wetlands and coastal margins</b>		
Number of wetlands (includes Top Wetlands) enhancement and protection projects funded via Efund annually.	2019/20: 14	13 wetlands – <b>not achieved</b>  One project was withdrawn as landowner was unable to have contractor carry out work due to impacts of COVID-19.
Number of plants provided through CoastCare programme.	2019/20: 12,000	12,962 – <b>achieved</b>
Number of objectives met that are set out in annual work plan for Freshwater Improvement (objectives are set out in Ministry for the Environment project work plans for the Northern Wairoa and Dune Lakes Freshwater Improvement Fund projects).	100% of objectives met	60% – <b>not achieved</b>  Of six objectives, three have been largely achieved with some actions and events delayed due to impacts of COVID-19. One is not due to start until 2020/21 and one has been repealed.
<b>3.5 Land and water</b>		
<b>3.5.1 Promote improved water quality by providing advice and funding on sustainable land management, soil conservation, and biodiversity through farm management and catchment management initiatives</b>		
Area in hectares (ha) of land being actively managed under a sustainable farm environment plan.	Increase 25,000 ha per annum	32,730 ha – <b>achieved</b>
Area in (ha) of highly erodible land being actively managed under a farm environment plan.	Maintain or increase (from baseline data)	6,519 ha – <b>not achieved</b>  Baseline data = 7,000 ha  This is due to the area of highly erodible land being highly variable based on the farms we interact with.
Number of subsidised poplar poles provided for erosion-prone land by the Flyger Road nursery.	2019/20: 7,000	4,616 – <b>not achieved</b>  Lower numbers due to the impacts of the drought response and COVID-19. No subsidy package provided this year until SHaRP begins.
Kilometres of waterway margins protected to reduce sediment, nutrient run-off and general	Increase (from baseline data)	181kms – <b>not achieved</b>

contamination of water, funded by the Environment Fund.		Baseline data = 297kms  This is due to concentrating on hill country and wetland fencing, which is more expensive, therefore we were not able to complete as much.
---------------------------------------------------------	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## River management | Ratonga whakahaere a awa

4.1 River management		
4.1.1 Build, monitor and maintain flood protection schemes to protect life and property		
Number of flood events occurring as a result of failures of flood protection systems for the Awanui, Whangārei, and Kāeo schemes below specified design levels (the number of flood events arising due to the failure of the flood protections systems is considered to be the most direct measure of whether these systems are repaired and renewed to the standards set out in the activity management plans).	Zero	Zero failures – <b>achieved</b>

## Customer services and community resilience | Ratonga manawaroa a hapori

5.1 Customer services		
5.1.1 Providing meaningful customer service		
Percentage of customers surveyed that are satisfied with the quality of service received following an interaction with council.	Maintain or increase (specific targets will be set once baseline established)	58% – <b>achieved</b>  Baseline data = 52%
5.2 Civil defence emergency management		
5.2.1 Provide accurate and timely flood warnings to enable communities to take precautionary measures to protect life and property		
Percentage of time that accurate flood warnings are issued in accordance with the council's flood warnings procedures.	100% compliance	N/A – <b>no weather events that required activation</b>
5.2.2 Maintain an effective civil defence emergency management system		
Percentage of time that emergencies (emergencies that require the activation of an emergency operations centre) are debriefed within one month, and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100% annually	100% – <b>achieved</b>
5.3 Oil pollution response		
5.3.1 Maintain an efficient and responsive oil pollution response		
Maintain a regional oil spill response plan, including a minimum of 30 up-to-date trained responders.	Maintain a minimum of 30 responders at all times	30 responders – <b>achieved</b>
5.4 Harbour safety and navigation		
5.4.1 Provide regional navigational safety control of shipping and small craft, provide aids to navigation to ensure the region's navigable waters are safe for people to use, and manage the region's moorings		

Percentage of time that the operational safety management system for the pilotage areas of Whangārei and Bay of Islands complies with the Port and Harbour Safety Code.	100% compliance	100% – <b>achieved</b>
Percentage of time that pilotage in the Bay of Islands is provided in accordance with the safety management system.	100% compliance	100% – <b>achieved</b>
Percentage of reported aids to navigation faults that are responded to within five working days.	100% compliance	100% – <b>achieved</b>
Percentage of moorings either serviced within the past three years or booked to be serviced.	95% of moorings	98.5% – <b>achieved</b>
<b>5.5 Transport</b>		
<b>5.5.1 Provide an efficient and effective public bus service</b>		
Number of passengers for the Whangārei urban bus service (other bus services apart from Whangārei not included as they are either minor, temporary or trial services only).	Maintain 310,000 per annum	308,789 – <b>not achieved</b>  Due to the impacts of COVID-19, passenger numbers on the CityLink services severely declined.
Percentage of passengers satisfied with overall Whangārei bus service (passenger satisfaction rating of six or above on a 10 point scale).	95% compliance	91.8% – <b>not achieved</b>  Lower satisfaction is due to current frequency, the need for a better terminal, and road works causing delays.
<b>5.5.2 Plan for the future transport needs of the region</b>		
Develop and maintain statutory transport planning documents including the Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP).	2018/19: Adopt RPTP and RLTP 2020/21: Adopt RLTP	<b>Achieved</b>

## Attachments/Ngā tapirihanga

Nil

## Authorised by Group Manager

**Name:** Ben Lee  
**Title:** GM - Strategy, Governance and Engagement  
**Date:** 05 August 2020

**TITLE:** Legislative Compliance for the Period 1 January - 30 June 2020

**ID:** A1347548

**From:** Kyla Carlier, Acting Strategic Policy and 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 2020.

---

### Recommendation

That the report 'Legislative Compliance for the Period 1 January - 30 June 2020' by Kyla Carlier, Acting Strategic Policy and Planning Manager and dated 3 August 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 provides assurance for compliance with legislation that is fundamental to the council's operations and/or poses significant potential risk. This includes:

- 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.

Legislative compliance reporting is completed six-monthly by group managers. Reporting requires group managers to confirm compliance (or otherwise) 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 January – 30 June 2020, and the results are reported here by exception.

Reporting indicated that compliance was achieved with all of council's core legislation, with two exceptions:

- Part compliance was achieved with the **Local Government Official Information and Meetings Act** (LGOIMA). Fourteen LGOIMA requests were not processed within the statutory timeframe, which were reported to council during the period. Covid-19 was a contributing factor to this part-achievement. All other requirements were met in full.
- Part compliance was achieved with the **Resource Management Act 1991** in terms of use and development of land, and compliance with consented activities. Earthworks required as part of the Awanui flood scheme were alleged to not be compliant with resource consent conditions, and a retrospective consent for the works was obtained.

No new legislation requiring consideration of implementation was reported by group managers, who continued to stay informed via ListServes, national steering groups, parliamentary alerts, legal advice, and audit processes.

---

#### **Attachments/Ngā tapirihanga**

Nil

---

#### **Authorised by Group Manager**

**Name:** Ben Lee  
**Title:** GM - Strategy, Governance and Engagement  
**Date:** 13 August 2020

**TITLE:**       **Receipt of Committee Minutes**  
**ID:**            A1348386  
**From:**        Chris Taylor, Governance Support Manager

---

**Recommendation**

That the unconfirmed minutes of the:

- Regional Transport Committee – 10 June 2020; and
  - Civil Defence and Emergency Management Group – 17 June 2020
- be received.

---

**Attachments/Ngā tapirihanga**

Attachment 1: Unconfirmed RTC Minutes - 10 June 2020 [↓](#)

Attachment 2: Unconfirmed CDEM Committee Meeting Minutes - 17 June 2020 [↓](#)

---

**Authorised by Group Manager**

**Name:**        Chris Taylor  
**Title:**         Governance Support Manager  
**Date:**         13 August 2020

Regional Transport Committee  
10 June 2020

## Regional Transport Committee Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Wednesday 10 June 2020, commencing at 9.30am

### Present:

Chairman, Councillor John Bain  
NRC Councillor Rick Stolwerk  
FNDC Councillor Ann Court  
WDC Councillor Greg Martin  
KDC Alternate Representative Councillor Peter Wethey  
Waka Kotahi, NZTA Representative Mr Steve Mutton

### In Attendance:

#### Full Meeting

NRC Committee Secretary – Evania Arani  
NTA Manager – Calvin Thomas  
NTA Transport Manager – Jeffrey Devine  
NTA Strategy & Planning Manager – Jeffrey Devine  
FNDC Infrastructure & Asset Management GM – Andy Finch  
NRC Policy Specialist- Michael Payne  
NRC Customer Services and Community Resilience GM – Tony Phipps  
Transport Manager – Chris Powell  
Transport Projects Officer – Ian Crayton-Brown  
Members of the Public

#### Part Meeting

Sharlene Selkirk (arrived at 10.12am)

The Chair declared the meeting open at 9.31am.

### Apologies (Ngā whakapahā) (Item 1.0)

#### Moved (Bain /Stolwerk)

That the apologies from KDC Councillor David Wills for non-attendance be received.

Carried

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

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

Regional Transport Committee  
10 June 2020

### **Confirmation of Minutes - 08 April 2020 (Item 3.1)**

**ID: A1319851**

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

**Moved (Stolwerk/Court)**

That the minutes of the Regional Transport Committee meeting held on 08 April 2020, be confirmed as a true and correct record.

**Carried**

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

**ID: A1317852**

**Report from Chris Powell, Transport Manager - Northland Transport Alliance**

**Moved (Bain/Stolwerk)**

That the report 'Northland Regional Land Transport Plan 2018-2021 Funding Uptake' by Chris Powell, Transport Manager - Northland Transport Alliance and dated 20 May 2020, be received.

**Carried**

### **Draft Government Policy Statement 2021 and Draft NZ Rail Plan 2019 Submissions (Item 5.1)**

**ID: A1317929**

**Report from Chris Powell, Transport Manager - Northland Transport Alliance**

**Moved (Court/Martin)**

That the report 'Draft Government Policy Statement 2021 and Draft NZ Rail Plan 2019 Submissions' by Chris Powell, Transport Manager - Northland Transport Alliance and dated 20 May 2020, be received.

**Carried**

### **Regional Road Safety Report (Item 5.2)**

**ID: A1318900**

**Report from Ian Crayton-Brown, Transport Projects Officer**

**Moved (Martin/Bain)**

That the report 'Regional Road Safety Report' by Ian Crayton-Brown, Transport Projects Officer and Nick Marshall Team Leader – Road Safety & Traffic Engineering - Northland Transport Alliance dated 22 May 2020, be received.

**Carried**

Regional Transport Committee  
10 June 2020

### **Regional Land Transport Plan and Regional Public Transport Plan - Progress Report (Item 5.3)**

**ID: A1319371**

**Report from Chris Powell, Transport Manager - Northland Transport Alliance**

**Moved (Bain/Stolwerk)**

That the report 'Regional Land Transport Plan and Regional Public Transport Plan - Progress Report' by Chris Powell, Transport Manager - Northland Transport Alliance and dated 25 May 2020, be received.

**Carried**

### **Waka Kotahi New Zealand Transport Agency Report (Item 5.4)**

**ID: A1322361**

**Report from Steve Mutton, NZTA - Director Regional Relationships Upper North Island**

**Moved (Martin/Stolwerk)**

That the report 'Waka Kotahi New Zealand Transport Agency Report' by Steve Mutton, NZTA - Director Regional Relationships Upper North Island and dated 2 June 2020, be received.

**Carried**

### **Supplementary Information for Item 5.4 – Waka Kotahi Proposals to toll the new Ara Tūhono – Pūhoi to Warkworth motorway Submission**

**ID: A1322361**

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

**Moved (Bain/Stolwerk)**

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

- Supplementary Information for Item 5.4 - Waka Kotahi Submission

**Carried**

*Secretarial note: Steve Mutton to circulate to the committee the Pūhoi to Warkworth Tolling Assessment Summary.*

### **Conclusion**

**The meeting concluded at 10.26am.**

Civil Defence Emergency Management Group Meeting  
17 June 2020

## Civil Defence Emergency Management Group Meeting Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Wednesday 17 June 2020, commencing at 11.00am

### Present:

Chairperson, NRC Councillor Rick Stolwerk  
WDC Mayor, Sheryl Mai  
KDC Mayor, Jason Smith – Arrived at 11.10am  
FNDC Councillor, Dave Collard  
FENZ Representative, Mr Commander Brad Mosby  
NEMA Representative, Ms John Titmus (Observer Status)

### In Attendance:

#### Full Meeting

Committee Secretary, Evania Arani  
Northland CDEM, Graeme MacDonald  
Northland CDEM, Claire Nyberg  
Northland CDEM/NRC, Tony Phipps  
Northland CDEM, Kim Abbott  
Northland CDEM, Jenny Calder  
Northland CDEM, Tegan Capp  
Northland CDEM, Murray Soljak  
Northland CDEM, Victoria Harwood  
Northland CDEM, Bill Hutchinson  
Northland CDEM, Sarah Boniface  
Northland CDEM, Shona Morgan  
NRC Chair, Penny Smart (Via Zoom)  
WDC Councillor, Nicholas Connop  
FNDC, Glen Rainham  
Members of the public

#### Part Meeting

NRC, Arama Morunga – left at 11.20am

The Chair declared the meeting open at 11.05 am

### Apologies (Ngā whakapahā) (Item 1.0)

An apology was received from KDC Mayor Jason Smith for late arrival.

The chair adjourned the at 11.06 am.

KDC Mayor, Jason Smith arrived at 11.10 am.

The chair reconvened the meeting at 11.12 am.

### Moved (Collard / mai.)

That the apologies from NZ Police, Superintendent Tony Hill. for non-attendance be received.

Carried

Civil Defence Emergency Management Group Meeting  
17 June 2020

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

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

### **Confirmation of Minutes (Item 3.1)**

**ID: A1319911**

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

**Moved (Mai/Stolwerk)**

That the minutes of the Civil Defence Emergency Management Group meeting held on 16 April 2020, be confirmed as a true and correct record.

**Carried**

### **Monthly update from Director, Ministry of Civil Defence & Emergency Management (Item 4.1)**

**ID: A1326151**

**Report from Graeme MacDonald, Civil Defence Emergency Management Manager**

**Moved (Collard/Stolwerk)**

That the report 'Monthly update from Director, Ministry of Civil Defence & Emergency Management' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 6 June 2020 received.

**Carried**

### **Supplementary Information for Item 4.1 - Monthly Update from Director, Ministry of Civil Defence & Emergency Management (Item 4.1a)**

**ID: A1328263**

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

**Moved (Collard/Stolwerk)**

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

- Supplementary Information for Item 4.1 - Monthly Update from Director, Ministry of Civil Defence & Emergency Management

**Carried**

*Secretarial note: KDC Mayor, Jason Smith asked if Waitemata police should have representation on the committee as Mangawhai is supported by Waitemata District and not the Northland Police.*

*The GM of Customer Services and Community Resilience is to request advice from Northland Police about the Mangawhai area and report back at next meeting.*

### **CEG Chair's Report (Item 5.1)**

**ID: A1326165**

**Report from Tony Phipps, CDEM Coordinating Executive Group Chairman**

**Recommendation**

---

ID: A1328282

**2**

Civil Defence Emergency Management Group Meeting  
17 June 2020

1. That the report 'CEG Chair's Report' by Tony Phipps, CDEM Coordinating Executive Group Chairman and dated 10 June 2020, be received.

*Secretarial note: Discussion from the committee on the water shortage issue in the region and what is being done for the future. The committee asked that it be reported back at the next meeting what all the different groups are doing (NRC, 4 Waters Project and MN10) so that it can be identified where the gaps are.*

*Discussion from the committee around the \$10 million drought relief package that was provided from the Government in March 2020. The committee asked that it be reported back at the next meeting how much of the \$10 million has been spent to date.*

### **Northland CDEM Group, CEG and Group appointments (Item 5.2)**

**ID: A1326171**

**Report from Graeme MacDonald, Civil Defence Emergency Management Manager**

**Moved (Stolwerk/Mosby)**

That the report 'Northland CDEM Group, CEG and Group appointments' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 10 June 2020, be received.

**Carried**

### **Northland CDEM Group work programme (Item 5.3)**

**ID: A1326173**

**Report from Graeme MacDonald, Civil Defence Emergency Management Manager**

**Moved (Stolwerk/Mai)**

That the report 'Northland CDEM Group work programme' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 10 June 2020, be received.

**Carried**

*Secretarial note: A CDEM Group Plan and priorities workshop is to be scheduled for mid-August. Committee secretary to circulate an invite to the CDEM and CEG members.*

### **Northland CDEM Group COVID-19 Response and transition to Recovery (Item 6.1)**

**ID: A1326174**

**Report from Victoria Harwood, Civil Defence Emergency Management Officer**

**Moved (Stolwerk/Mai)**

That the report 'Northland CDEM Group COVID-19 Response and transition to Recovery' by Victoria Harwood, Civil Defence Emergency Management Officer and dated 10 June 2020, be received.

**Carried**

*Secretarial note: Committee Secretary and CDEM group manager to send an official letter to the FENZ advisory group congratulating them on their appointments.*

### **Conclusion**

**The meeting concluded at 12.25pm.**



Civil Defence Emergency Management Group Meeting  
17 June 2020

UNCONFIRMED MINUTES

## **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 - 21 July 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	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).
9.3	Shovel Ready Project for Public Consultation	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 on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

3. That the Independent Financial Advisors 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.