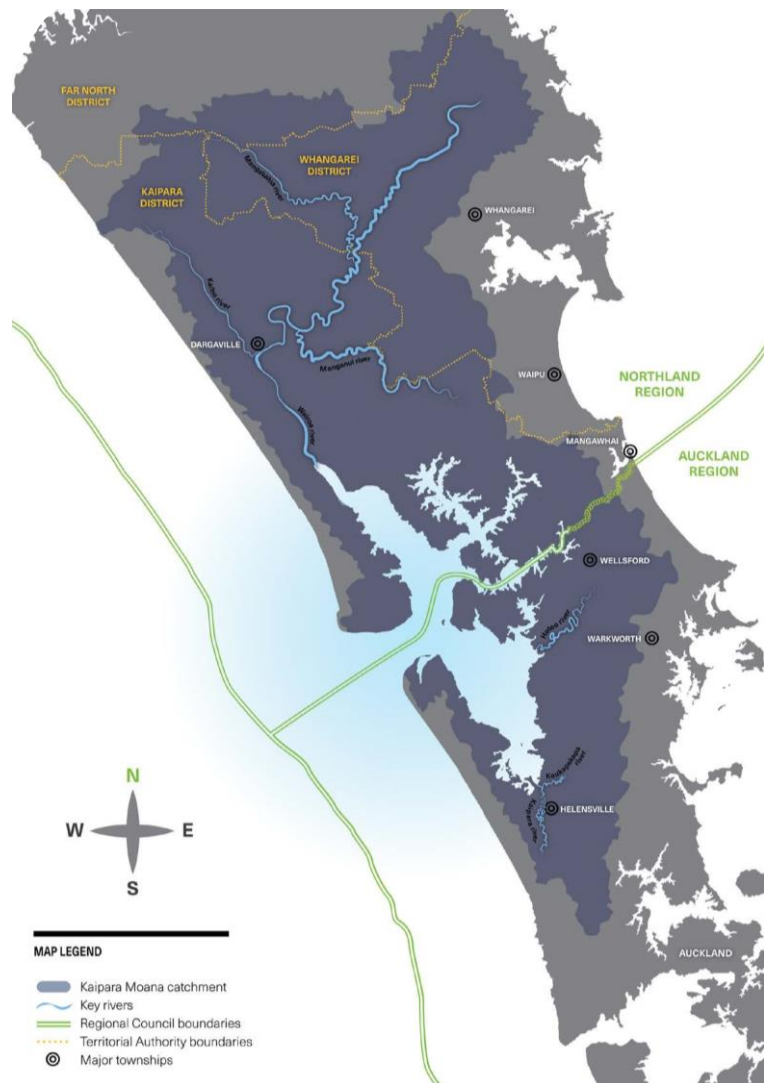


AGENDA

RĀRANGI TAKE

Kaipara Moana Remediation Joint Committee Monday 16 November 2020 at 2:00pm



Kaipara Moana Remediation Joint Committee Agenda

Meeting to be held in the Taita Marae, 1968 State Highway 12, Mamaranui, Kaihū
on Monday 16 November 2020, commencing at 2:00pm

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

NGĀ MANA WHAKAHAERE (MEMBERSHIP OF THE KAIPARA MOANA REMEDIATION JOINT COMMITTEE)

| | | |
|---|--|---|
| NRC Chair Penny Smart | NRC Councillor Joce Yeoman | NRC Councillor Amy Macdonald |
| Auckland Council Daniel Newman | Auckland Council Greg Sayers | Local Board Chair Phelan Pirrie |
| Te Uri o Hau Malcolm Welsh | Te Uri o Hau Willie Wright | Te Rūnanga o Ngāti Whātua Virginia Warriner |
| Te Rūnanga o Ngāti Whātua Tame Te Rangi | Ngā Maunga Whakahī o Kaipara, Cherie Povey | Ngā Maunga Whakahī o Kaipara, Jane Sherard |

KARAKIA/WHAKATAU

Item

Page

1.0 HOUSEKEEPING

2.0 NGĀ WHAKAPAHĀ (APOLOGIES)

3.0 NGA WHAKAPUAKANGA (DECLARATIONS OF CONFLICTS OF INTEREST)

4.0 WHAKĀE NGĀ MINITI (CONFIRMATION OF MINUTES)

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5.0 NGĀ RĪMITI (ITEMS)

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KARAKIA WHAKAMUTUNGA

TITLE: Confirmation of Minutes - 30 October 2020
ID: A1382397
From: Leah Porter, PA/Administrator Environmental Services
Authorised by Jonathan Gibbard, Group Manager - Environmental Services, on date 10
Group Manager: November 2020

Recommendation

That the minutes of the Kaipara Moana Remediation Joint Committee meeting held on 30 October 2020 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Kaipara Moana Remediation Joint Committee meeting minutes - 30 October 2020 [↓](#) 

Kaipara Moana Remediation Joint Committee Meeting Minutes

Meeting held in the Haranui Marae, 64 Haranui Road, Parakai, Helensville
on Friday 30 October 2020, commencing at 2:30pm

Tuhinga (Present):

NRC Chair Penny Smart
NRC Councillor Joce Yeoman
NRC Councillor Amy Macdonald
Auckland Council Daniel Newman
Auckland Council Greg Sayers
Local Board Chair Phelan Pirrie
Te Uri o Hau Malcolm Welsh
Te Uri o Hau Willie Wright
Te Rūnanga o Ngāti Whātua Virginia Warriner
Te Rūnanga o Ngāti Whātua Tame Te Rangi
Ngā Maunga Whakahī o Kaipara, Cherie Povey
Ngā Maunga Whakahī o Kaipara, Jane Sherard

I Tae Mai (In Attendance):

Full Meeting
Malcolm Nicolson
Penny Pirrit
John Hutton
Alan Wilcox
Duncan Kervell
Sarah Nolan

The Chair declared the meeting open at 2:32.

Ngā whakapahā/Apologies (Item 1.0)

There were no apologies.

Nga whakapuakanga (Declarations of Conflicts of Interest)

It was advised that members should register their existing interests and make declarations item-by-item as the meeting progressed.

Action: All members to send Leah Porter any Interests to register by 13 November 2020

1. Confirmation of Minutes - 09 October 2020 (Item 4.1)

ID: A1374625

Report from Leah Porter, PA/Administrator Environmental Services

Moved (Sherard/Smart)

That the minutes of the Kaipara Moana Remediation Joint Committee meeting held on 09 October 2020 be confirmed as a true and correct record.

Carried

2. Kaipara Moana Remediation Joint Committee Members Allowance Policy (Item 5.1)

ID: A1377632

Report from Penny Pirrit, Northland Regional Council Management Representative

Recommendation(s)

1. That the report 'Kaipara Moana Remediation Joint Committee Members Allowance Policy' by Penny Pirrit, Northland Regional Council Management Representative and dated 20 October 2020, be received.
2. That the Kaipara Moana Remediation Joint Committee Members Allowance Policy attached to this report be adopted.
3. That a review of the Members Allowance policy occurs after one year of operation

Amendment to recommendations Moved (Smart/Wright)

That the following amendments are made to the recommendations:

1. That the report 'Kaipara Moana Remediation Joint Committee Members Allowance Policy' by Penny Pirrit, Northland Regional Council Management Representative and dated 20 October 2020, be received.
2. That a subcommittee of two Kaipara Uri, One NRC and one AC member, plus an independent person (appointed by the Chair and Deputy Chair) be set up to consider further both the daily rates, and the number of days remunerated under the Members' Allowance Policy, taking in to account the specific requirements Kaipara Uri members have to communicate with their member entities; and the skills and knowledge they bring.
3. That the subcommittee is to report back to the 16th November committee meeting
4. That Virginia Warriner, Malcolm Welsh, Greg Sayers and Penny Smart be appointed to the subcommittee.

Carried

3. Establishment Tasks and Arrangements (Item 5.2)

ID: A1377614

Report from Alan Wilcox, Kaipara Uri Management Representative

Moved (Newman/Sherard)

1. That the report 'Establishment Tasks and Arrangements' by Alan Wilcox, Kaipara Uri Management Representative and dated 20 October 2020, be received.
2. Note the 12 month work tasks anticipated to be required under a Year 1 Work Programme, as presented in Attachment 2 of this report, acknowledging that from time to time these will need to be updated and adjusted.
3. That an Interim Management Team be created to support the establishment of the Kaipara Moana Remediation Programme in the interim, until such time as a permanent structure and personnel are put in place.

4. That representatives endorsed by the Northland Regional Council, Auckland Council and Kaipara Uri entities coordinate the establishment of the Kaipara Moana Remediation Programme as the Interim Management Team.
5. That the Northland Regional Council representative is appointed Interim Coordinator, with oversight of key implementation and management matters, and coordinating reports and recommendations to the joint committee.
6. Note the staff support structure with a Project Coordinator and Project Leads being seconded from Northland Regional Council and Auckland Council.
7. Note that seconded staff time from Northland Regional Council and Auckland Council will be counted as part of their parent organisations' contribution to the Remediation Project.
8. Approve the positions of Interim Coordinator, Kaipara Uri Management Representative, Kaipara Uri Research and Engagement, and Administrative Support Person, being contracted until permanent staffing arrangements are in place.
9. That a sum of \$350,000 be allocated for Contract servicing staff, to be paid from Council's cash contributions until such time as the Deed of Funding is signed and Crown money available.
10. That in the interim, until the establishment of an operations entity, the remediation programme will utilise Northland Regional Council financial delegations, with the delegated authority held by the Group Manager Environmental Services (NRC) to approve expenditure up to \$250,000, provided expenditure has previously been approved by the Kaipara Moana Remediation Joint Committee either by specific resolution or within an Annual Work Programme and Budget.
11. That, prior to consideration of procurement policies arising from the Workforce Development Strategy and the establishment of an operations entity, Northland Regional Council procurement policies relating to procurement of services and contracts be adopted with the following variations:
 - a. Where possible any contracts that are awarded are restricted to no more than one year;
 - b. All suppliers are requested to give consideration to how the objectives of the Kaipara Moana Remediation Programme Memorandum of Understanding as set out in Appendix One can be fulfilled by their proposals;
 - c. The Joint Committee itself, and staff, when awarding contracts, give greater consideration to suppliers that best meet the objectives of the Kaipara Moana Remediation Programme Memorandum of Understanding;
 - d. That reasons for the decision clearly state why tenders are being allocated to the successful suppliers;
 - e. That in the interim the Group Manager Environmental Services (NRC) and Interim Management Team form a Panel for the purposes of determining Tenders;
 - f. That the Tenders Panel have authority to approve tenders where such approvals are clearly within the Kaipara Moana Remediation Joint Committee's Annual Plan and Budget up to a value of \$250,000, referring, with recommendations tenders over \$250,000, to the Joint Committee for approval.
 - g. That the Interim Management Team and Group Manager Environmental Services (NRC) be permitted to determine those occasions that may arise where an advantageous result would not be achieved by advertising a tender or RFQ or

seeking three (3) formal written quotes (in accordance with NRC procurement policy thresholds);

- h. That in these circumstances, the reasons for not seeking three (3) written quotes and / or advertising tenders must be documented in writing and available to the Joint Committee on request.

Moved (Macdonald)

That Recommendation 8 be amended to be:

8. Approve the positions of Interim Coordinator, Kaipara Uri Management Representative, Kaipara Uri Research and Engagement, and Administrative Support Person, being contracted by NRC until permanent staffing arrangements are in place.

Carried

4. Kaipara Moana Remediation – Initial Project Approvals (Item 5.3)

ID: A1378286

Report from John Hutton, Auckland Council Management Representative

Moved (Wright/Sayers)

1. That the report 'Kaipara Moana Remediation – Initial Project Approvals' by John Hutton, Auckland Council Management Representative and dated 21 October 2020, be received.
2. That budget be approved for four projects totalling \$407,000 (excluding GST), being:
 - a. Engagement and Communications Strategy (\$102,000)
 - b. Kaipara Nursery Strategy (\$60,000)
 - c. Workforce Strategy (\$71,000)
 - d. Te Paiaka – Native Root Project (\$174,000)
3. That the Northland Regional Council is asked to provide the banking and accounting services required to undertake these and future projects, until such time as a future Kaipara Moana Body is established.
4. That the four projects be funded by a combination of in-kind and cash contributions by Auckland Council and Northland Regional Council, ahead of the finalisation of a deed of funding with the Crown, and that this will be counted as part of councils' co-funding contributions to the remediation programme.

Moved (Te Rangi)

That recommendation 2b be changed to:

- b. Kaipara Moana Nursery Strategy (\$60,000).

Carried

Karakia Mutunga

Whakamutunga (Conclusion)

The meeting concluded at 3:30.

TITLE: Year One Budget and Work Programme
ID: A1382391
From: John Hutton, Auckland Council Management Representative
Authorised by Jonathan Gibbard, Group Manager - Environmental Services, on date 10
Group Manager: November 2020

He Rāpopoto hautū / Executive summary

Approval is sought for a Year 1 Budget and Work Programme to 30 June 2021 comprising 15 projects with a total budget of \$12,271,000. This budget sum includes assumed land-owner contributions, which will arise when remediation work is undertaken at an individual property level.

The Year 1 Budget and Work Programme comprises projects that progress the Kaipara Moana Remediation Programme and meet the programme's investment objectives, plus budget for administrative and governance functions.

The deed of funding, to be signed by programme partners and the Crown to provide Crown grant funding, will have the Year 1 Budget and Work Programme attached to it.

Underpinning the Year 1 Budget and Work Programme is an assumption that the first 18 months of the Kaipara Moana Remediation programme requires a dual focus to achieve early wins for environmental remediation on the ground with associated job creation outcomes, while establishing systems and processes to ensure the successful delivery of the remediation programme over its envisaged 10 year life-span. Projects proposed for approval for Year 1 take a pragmatic and adaptive approach to balance these dual needs.

The proposed projects are distinguished between those where required resources, objectives and outcomes are clearly identified, and those which will follow the completion of key strategic work. For the latter, indicative budget has been identified for approval at this stage, but further refinement and decision-making will be required before the projects commence.

An important consideration for the first six years of the programme, for which Crown funding is presently available, is to ensure the Crown funding is matched by co-funding sources, including funding from councils and contributions by land-owners and potentially other sources.

Land-owner contributions can only practicably be sought for remediation work undertaken on properties – that is, from direct costs such as fencing, riparian planting, hillside stabilisation and so on. The present assumption is that a 50% contribution by land-owners is appropriate with the remediation programme contributing 50%. Other key programme costs – administration and governance, strategy development, digital tools, communications and engagement, and Matāuranga Māori / science and monitoring – will not generate land-owner contributions.

Given constraints on council contributions, this means the Kaipara Moana Remediation Joint Committee (Joint Committee) needs over the first six years to carefully consider costs that do not generate land-owner contributions, while ensuring co-funding obligations with the Crown are met. For the first 18 months of the programme, as budget is committed to putting systems and processes in place to support the life of the programme, the assumption is that land-owner contributions will be proportionately low, but grow over time. Careful forward planning will be required.

Ngā tūtohu /Recommendation(s)

1. That the report 'Year One Budget and Work Programme' by John Hutton, Auckland Council Management Representative and dated 4 November 2020, be received.

2. That budget be approved for 15 projects totalling \$12,271,000 (excluding GST), set out in Attachment 1 to the Agenda report, being:
 - a. NRC Grants Funding
 - b. Fonterra Tiaki Partnership
 - c. Waiotu Catchment Care Group
 - d. Waterway Wetland Remediation – Forest Bridge Trust
 - e. Advisor Training & Accreditation
 - f. Nursery Partnerships – plant propagation and supply
 - g. Soil Conservation Nursery - Stage 1 - Strategy and Scoping
 - h. Implementation of E&C Strategy
 - i. Digital tools – design, preparation and procurement
 - j. FEP Accounting Framework - Fresh Water Management Tool
 - k. Matāuranga Māori Strategy
 - l. South Kaipara Streams - Stage 1
 - m. Eroding Land Features
 - n. Wetland Features
 - o. Management, accounting and audit costs
3. Note that on 30 October 2020 approval was given for four projects with budget of \$407,000 (excluding GST), and contract servicing staff with a budget of \$350,000 (excluding GST), and that these will be accounted for under the Year 1 Budget and Work Programme.
4. Note that the total Year 1 Budget as a result of approval of the projects in this report; and the approved projects from the 30th October 2020 joint committee meetings is \$13,028,000.
5. Note that the Year 1 Budget and Work Programme will be attached to the deed of funding to be agreed by programme partners and the Crown to make Crown grant funding available.
6. Note that the Joint Committee may need to consider adjustments to the budget as the year progresses, as some projects may require more or less resources.
7. Note that the Year 1 Budget and Work Programme includes contributions from third parties/land-owners which will arise when remediation work is undertaken.
8. Note the need for co-funding to match Crown grant funding over the first six years of the Kaipara Moana Remediation programme.

Horopaki / Context

The Kaipara Moana Remediation programme (remediation programme) requires a Year 1 Budget and Work Programme to 30 June 2021, which will be attached to the deed of funding that programme partners intend to sign with the Crown to access Crown grant funding.

This report seeks approval from the Joint Committee for 15 projects with cumulative budget of \$12,271,000 to support them. This budget sum includes council co-funding and in-kind contributions and assumed third party and land-owner contributions, which will arise when remediation work is undertaken at an individual property level. In addition, on 30 October 2020 the

Joint Committee approved four 'initial' projects (the Engagement and Communication strategy, the Kaipara Moana Nursery Strategy, the Workforce strategy and the Te Paiaka Native Root Project) with a total budget of \$407,000 and another \$350,000 for contract servicing staff.

Tātari me ngā tūtohu / Analysis and advice

The Kaipara Moana Remediation programme is in its commencement first 18 months, where achieving timely outcomes and setting up building blocks for the programme is a priority. As advised in previous reports, a number of work-streams have been identified for the remediation programme:

- Governance, Management & Administration
- Engagement & Communications
- Capability & Workforce
- Mātauranga Māori / Science & Monitoring
- Digital Systems & Tools
- Remediation Implementation.

The proposed Year 1 Budget and Work Programme comprises projects within each of these work-streams (refer Attachment 1).

Mixture of certainty and uncertainty for project budgets

In Attachment 1 the projects have been put into two categories:

- 'green', meaning a project has a detailed plan and is ready to go, with clearly identified costs, objectives and outcomes identified; and
- 'yellow', meaning a project need has been identified, but further detail is required following the completion of key strategy work.

Broad estimated costs have been identified for the 'yellow' projects. These can be revised when better information is available and further joint committee approval will be sought for these projects.

Varied sources of funding for remediation programme

Presently there are three sources of funding contributing for the Kaipara Moana Remediation programme:

- Crown grant funding
- Council funding by cash or in-kind contributions
- Third party and land-owner contributions.

For this proposed Year 1 Budget, individual project budgets identify the anticipated sources of funding, noting the budgets approved on 30 October drew entirely from Council funding by cash or in-kind contributions.

Tracking co-funding contributions

An important consideration for the Joint Committee over the first six years of the programme (for which Crown grant funding is presently available), is to ensure Crown funding is matched by co-funding sources, including funding from councils and contributions by land-owners (and other third party sources).

At a practical level, land-owner contributions can only be sought for remediation work undertaken on properties – that is, from direct costs such as fencing, riparian planting, hillside stabilisation, wetland restoration, and so on.

The present assumption is that a 50% contribution by land-owners is appropriate with the remediation programme contributing 50%. This 50-50 type arrangement is a common feature of grants programmes run by the Northland Regional Council and Auckland Council, and is similar to programmes elsewhere around New Zealand.

Other key programme costs required to deliver remediation works on the ground – administration and governance, strategy, digital tools, communications and engagement, and Matāuranga Māori / science and monitoring – do not easily generate land-owner contributions, and it is recommended these costs are absorbed directly by the programme.

Although councils are yet to conclude their long term plan processes to confirm council contributions from 1 July 2021, this funding is likely to be constrained, with initial indications being that \$20 million will be available for the first six years of the programme. Therefore, in order to match the Crown grant of \$100 million, \$80 million will need to be raised from land-owners or other sources. This means a maximum of \$40 million is available over the first six years for costs that do not generate land owner / third party contributions, although ideally part of that sum can be invested in direct remediation works.

This means the Kaipara Moana Remediation Joint Committee (Joint Committee) needs to carefully consider costs that do not generate land-owner contributions, while ensuring co-funding obligations with the Crown are met.

For the first 18 months of the programme, as budget is committed to putting systems and processes in place to support the life of the programme, the assumption is that land-owner contributions will be proportionately lower, but will grow over time.

Year One Total Budget Crown, Council and Third Party/Landowner by Workstream

| | Total \$ 000 | Crown | % of Crown total | Council | % of Council Total | Third Party/ Landowner | % of Third Party /landowner Total |
|-----------------------------------|-----------------|-------|------------------------|---------|--------------------------|---------------------------|--|
| Remediation Projects | 5.128 | 2.487 | 48.50 | 0.473 | 9.22 | 2.168 | 42.12 |
| Capability and Workforce | 2.833 | 1.594 | 56.27 | 0.239 | 8.43 | 1.000 | 35.30 |
| Engagement and Communications | 1.602 | 1.000 | 62.42 | 0.102 | 6.37 | 0.500 | 31.21 |
| Digital Systems | 1.724 | 1.460 | 84.69 | 0.264 | 15.31 | N/A | |
| Mātauranga/Science and monitoring | 0.856 | 0.586 | 68.46 | 0.270 | 31.54 | N/A | |
| Governance and Management | 0.885 | 0.325 | 36.72 | 560 | 63.28 | N/A | |
| TOTAL | 13.028 | | | | | | |

Year One Total Budget by Workstream

| | % of total Year One Budget |
|----------------------|----------------------------|
| Remediation Projects | 39.36 |

| | |
|-----------------------------------|-------|
| Capability and Workforce | 21.75 |
| Engagement and Communications | 12.30 |
| Digital Systems | 13.23 |
| Mātauranga/Science and monitoring | 6.57 |
| Governance and Management | 6.79 |

Year One Budget Crown, Council and Third Party/Landowner Percentage Contribution

| | \$ of Year One Budget (000) | % of Year One Budget |
|-----------------------|-----------------------------|----------------------|
| Crown | 7.452 | 57.20 |
| Council | 1.908** | 14.65 |
| Third Party/Landowner | 3.668 | 28.15% |

**The allocation of council contributions will be refined as more details of individual projects costs are identified

Remediation implementation projects running across financial years

The four proposed 'Remediation Implementation' projects, with budget totalling \$ 5.128 million, are anticipated to run through the 2021 calendar year. This will better align with the farming year, such as allowing fencing to be undertaken through the summer months, then planting taking place over winter. A similar approach is anticipated with the 'Implementation of Engagement & Communications Strategy', which is likely to involve support for quick-start community and land-owner projects resulting in on-the-ground outcomes.

In these instances, the intention is for contractual arrangements to be completed this financial year (i.e., before 30 June 2021), and for money to be allocated, but work over a longer period to be allowed. This means that expenditure will take place and be accounted for in the current financial year, but work completed by the end of 2021, and potentially with some works such as fencing continuing over the summer 2021-2022. A flexible and adaptive approach appears necessary here.

Budget and project summaries

A summary of the proposed projects is provided below, with distinctions between Crown, councils and land-owner contributions.

Detailed project documentation following best-practice project management principles have been prepared and is available but are not provided with this report.

A contingency of 10% for unanticipated increase to projected costs has been incorporated into most project budgets.

WORKSTREAM: REMEDIATION IMPLEMENTATION

Project: NRC Grants Funding

Timeframe: November 2020 to December 2021

A project to achieve on-farm mitigation works in the 2021 calendar year by using the Northland Regional Council's current Environment Fund criteria and process, and as a stop-gap while KMR processes are put in place. Mitigation works will target a reduction of sediment yield into waterways. They have been identified through existing farm environment plans developed by the NRC, which are fully auditable and quality assured for ecological best practice.

KMR funding would cover 50% of implementation cost, with 50% landowner co-funding by cash or in-kind. Project will also provide an opportunity to promote the KMR programme while achieving

early on-the-ground outcomes. Work is anticipated to be undertaken on 42 farms and will generate employment opportunities and outcomes.

| | |
|-------------------------------------|------------------|
| Total project budget | \$678,000 |
| Crown grant contribution | none |
| Council contribution | \$368,000 |
| Third party/Land-owner contribution | \$310,000 |

Note – values identified above are exclusive of GST

Project: Fonterra Tiaki Partnership

Timeframe: December 2020 to December 2021

A project to achieve early remediation implementation wins over the first 12-18 months of the KMR programme by delivering remediation works at a farm level, while also piloting a long-term partnership approach with Fonterra for Farm Environment Plan (FEP) delivery and implementation on dairy milking and wintering farmland.

Fonterra will identify farms that contain features qualifying for remediation activity co-funding (e.g., fencing for streams and wetlands, stabilising highly erodible land, riparian planting, targeted retirement into native or exotic forest). They will also prioritise FEP delivery and action planning and implementation. The KMR programme and Fonterra will agree co-funding criteria on minimum requirements of features and actions – width of stream and setback; area of wetland or eroding land; type of fencing; type and spacing of plants for riparian planting.

The budget identified for the project is, at this stage, an estimate and will be refined when a clearer indication of engagement outcomes is available – how many farmers are able to undertake mitigation works in the 2021 calendar year. Further consideration will be required by the Joint Committee in the first quarter of 2021.

| | |
|-------------------------------------|--------------------|
| Total project budget | \$1,540,000 |
| Crown grant contribution | \$880,000 |
| Council contribution | \$60,000 |
| Third party/Land-owner contribution | \$600,000 |

Note – values identified above are exclusive of GST

Project: Waiotu Catchment Care Group – Grant Funding

Timeframe: November 2020 to December 2021

The Waiotu Catchment Care Group is a farmer/community-led group comprising 19 neighbouring landowners whose properties drain into the Waiotu River, a major tributary to the Wairua catchment north of Hikurangi. Funding support from the KMR programme, with co-funding by land-owners, will enable the delivery of actions identified by the group.

Significant opportunities exist in the first 12 months to achieve immediate wins through fencing, planting, weed control, water reticulation, culvert installation, and ecological assessments of planting projects. These works will have beneficial impacts by reducing sediment loss in a key catchment headwaters area.

The project is planned to run over 4 years with a total budget of \$4.8 million, and has been field-surveyed, scoped, costed and analysed. Project manager costs of \$100,000 per year have been identified.

If Year 1 outcomes are achieved, or are well progressed, it is anticipated a further approach will be made to the Joint Committee for budget approval for the balance of the programme.

The project should also provide lessons for the KMR programme on engagement approaches with farmer/community-led groups, and potentially, alongside the Forest Bridge Trust, be an exemplar of this approach.

| | |
|-------------------------------------|--------------------|
| Total project budget | \$1,705,000 |
| Crown grant contribution | \$925,000 |
| Council contribution | \$30,000 |
| Third party/Land-owner contribution | \$750,000 |

Note – values identified above are exclusive of GST

Project: Waterway Wetland Remediation – Forest Bridge Trust

Timeframe: November 2020 to December 2021

The Forest Bridge Trust (TFBT) is a south Kaipara community-led organisation with a vision to create a connected landscape of healthy forest and flourishing indigenous wildlife from south-east Kaipara Moana to the East Coast, including through the Hoteo River catchment.

TFBT have prepared a four-year plan of works with land-owners along the Hoteo River for fencing, riparian planting and wetland protection. Funding from the KMR in the first year would provide project coordination (\$120,000) and a \$500,000 contribution to on-farm remediation work matched by \$500,000 of land-owner co-funding.

Outcomes in Year 1 will focus on fencing for stock-exclusion along the Hoteo River, with sediment reduction benefits.

If Year 1 outcomes are achieved, or are well progressed, it is anticipated a further approach will be made to the Joint Committee for budget approval for the balance of the programme.

The project should also provide lessons for the KMR programme on engagement approaches with farmer/community-led groups, and potentially be an exemplar of this approach.

| | |
|--------------------------------------|--------------------|
| Total project budget | \$1,205,000 |
| Crown grant contribution | \$682,000 |
| Council contribution | \$15,000 |
| Third party/Land-owner contribution* | \$508,000 |

Note – values identified above are exclusive of GST. * Includes in-kind contribution as part of this from TFBT

WORKSTREAM: CAPABILITY & WORKFORCE

Project: Advisor Training & Accreditation

Timeframe: March 2021 to (unknown – potentially December 2021 or later)

A project to address the acute shortage of skilled and accredited farm environment advisors by creating the human resource required to deliver 1500 Farm Plans for the Kaipara Moana remediation programme (KMR) within the first 3 years of the programme. This would be achieved by working with tertiary institutions (UoA, Massey, Northtec, AUT), government agencies (MPI, WINZ, MBIE, MFE), and agricultural sector organisations to identify human resources, education, training and development supply options.

Project details, including costings and timeframes, will be developed as an outcome of the Workforce Strategy project. Budget identified for the project is, at this stage, a general estimate of the development and implementation of the training and will be refined.

The project aims to ensure training and accreditation aligns with the MfE freshwater module and MPI Integrated farm planning mechanism, and that opportunities are provided to Kaipara Uri and other Kaipara locals.

It is not known what kind of funding might be drawn from government agencies to support a training programme at this stage.

| | |
|-------------------------------------|------------------|
| Total project budget | \$640,000 |
| Crown grant contribution | \$550,000 |
| Council contribution | \$90,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

Project: Nursery Partnerships – plant propagation and supply

Timeframe: March 2021

This project will implement recommendations made in the Kaipara Nursery Strategy to generate long-term, consistent native plant supply for the remediation programme. If a shortfall of plant production is identified in the strategy, it will be important to support a number of nurseries to assure a supply of plants for the forthcoming planting seasons. This can be achieved by setting aside funds to pay a ‘development deposit’ for eco-climatically suited seedlings – essentially a down-payment to nurseries for future seedlings.

Once plants have been purchased, 50% of the advanced funds can be returned to the KMR Programme to be recycled for additional nursery development. In effect, money set aside for plants will generate a land-owner contribution and this should be accounted.

Budget identified for the project is, at this stage, a general estimate and will be refined, with further decisions sought from the Joint Committee.

| | |
|--------------------------------------|--------------------|
| Total project budget | \$2,000,000 |
| Crown grant contribution | \$1,000,000 |
| Council contribution | None |
| Third party/ Land-owner contribution | \$1,000,000 |

Note – values identified above are exclusive of GST

Project: Soil Conservation Nursery – Stage 1 – Strategy and Scoping

Timeframe: November 2020 to December 2021

This project will assess the need for and, if need is confirmed, recommend a strategy to supply soil conservation materials in the form of Poplar and Willow poles to landowners in the Kaipara Moana catchment. This will include an assessment of whether native plant species can provide similar soil conservation benefits in a cost-effective manner, and which do not require retiring of land from pasture.

Poplars and willows have historically been used as they are a fast-growing tree species with extensive root-structures that provide protection from soil erosion whilst allowing continued grazing. Sterile poplar and willow cultivars have been used extensively in this way for more than 50 years to protect land from mass movement (landslips, earthflows, gullies) and manage stream-bank erosion.

Specialist poplar and willow nurseries have been established around New Zealand, including in Northland, to ensure a consistent supply of quality planting stocks, although demand has outstripped supply for the last decade in Northland. If a requirement for poplars and willows is confirmed, the KMR programme is anticipated to increase demand considerably, meaning supply will need to be up-scaled. The project will assess how this can best be done and identify the cost of doing so.

| | |
|--------------------------|-----------------|
| Total project budget | \$62 000 |
| Crown grant contribution | \$44,000 |
| Council contribution | \$18,000 |
| Land-owner contribution | None |

Note – values identified above are exclusive of GST

ENGAGEMENT & COMMUNICATIONS

Project: Implementation of E&C Strategy

Timeframe: March 2021 to December 2021

This project is the implementation phase of the Engagement and Communication Strategy. While details of the preferred engagement and communication approach are still to be determined it is expected that the implementation phase will have a number of separate but related activity areas.

These include ongoing development and maintenance of communication channels and material (i.e., website maintenance, promotional material, social media alerts, regular communications which will be tailored depending on the specific nature of the audience), and the delivery of a range of engagement initiatives with various stakeholders, iwi, hāpu, marae, land owners, local communities and agricultural sector organisations.

These engagement initiatives will vary in approach (who does the engagement and how), frequency and content. Implementation actions, including costings and timeframes, will be developed as an outcome of the Engagement and Communications Strategy project.

Budget identified for the project is, at this stage, a general estimate and will be refined. Included in the general estimate is a sum of \$500,000 for branding, website development, production of communication information and collateral plus another \$1 million to cover potential early mitigation works. Depending on engagement outcomes, such as supporting the establishment of farmer-led sub-catchment groups, budget may be required for early mitigation works – which is more properly ‘remediation implementation’ and can be re-categorised if this eventuates. Assuming such remediation work is committed to in the 2020-2021 financial year, land-owner contributions will be generated. An estimate of \$500,000 of the total \$1.5 million is attributed to land-owner contribution.

| | |
|---|--------------------|
| Total project budget | \$1,500,000 |
| Crown grant contribution | \$1,000,000 |
| Council contribution | None |
| Third party/Land-owner contribution (potential) | \$500,000 |

Note – values identified above are exclusive of GST

MATAURANGA / SCIENCE & MONITORING

Project: Mātauranga Māori Strategy

Timeframe: February 2020 to July 2021

This project will provide an understanding of the contribution of Mātauranga Māori and western science to the KMR Programme, at a level that can be applied to the work program itself and remediation projects within it. Mātauranga (knowledge of Kaipara Moana and its surrounds) has been accumulated over the generations by mana whenua, and can have a significant input into understanding the processes within the harbor, its resources (both historical and current), and its management. This in turn can contribute significantly to the remediation of the harbour. When Mātauranga processes are combined with the methods and models of western science, a powerful combination of narrative from experience and empirical analysis, can eventuate that will guide the work program well into the future.

| | |
|-------------------------------------|------------------|
| Total project budget | \$103,000 |
| Crown grant contribution | \$80,000 |
| Council contribution | \$ 23,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

Project: South Kaipara Streams Project – Stage 1

Timeframe: November 2020 to June 2021

The South Kaipara Streams project will draw on lessons learned from the Auckland Council led Hōteo Sediment Reduction Project, and apply these to the Kumeu-Huapai, Kaipara West, Central Kaipara, Awaroa and Kaukapakapa catchments to identify stream-bank erosion hotspot areas and assess mitigation options.

Stage 1 will trial a new methodology to assess erosion hotspots on a regional scale. The method entails a desktop exercise utilising two models to assess fluvial and geotechnical erosion risk. Approximately 1100 km of permanent streams will be assessed. Doing this will prioritise field work for future stages 2 and 3 of the project, which can be undertaken in the 2021-2022 financial year. The Joint Committee will need to consider project proposals at that stage.

Assuming the methodology is successful, it can be utilised as a prioritisation tool for stream and river networks across the entire Kaipara catchment, particularly in the north. The overall aim is to deliver practical and low-cost options to mitigate stream-bank erosion, as part of the suite of on-farm outcomes identified in Farm Environment Plans. Often this work is undertaken by farmers as part of their every-day operations, and identification and prioritisation of them as part of a Farm Environment Plan, could have significant benefits at relatively low cost to the land-owner.

| | |
|--------------------------------------|------------------|
| Total project budget | \$103,000 |
| Crown grant contribution | \$66,000 |
| Council contribution | \$37,000 |
| Third party/ Land-owner contribution | None |

Note – values identified above are exclusive of GST

Project: Eroding Land Features – Mapping, Delineation and Prioritisation

Timeframe: December 2020 to June 2021

Actively eroding land and stream bank erosion disproportionately contributes sediment to Kaipara Moana and is a priority identified in the Kaipara Moana Remediation Business Case. This project will bring together already available resources and data sets to guide where remediation work should be located and prioritised at a paddock scale. Doing so will input into the Farm Environment Plan (FEP) tool to improve the quality of advice that farm advisors can provide land-owners, including better targeting mitigation actions.

The anticipated high level of granularity can be contrasted to the sediment ‘heat maps’ produced for the 2017 Kaipara Harbour Sediment Mitigation Study, which enabled catchment-wide modelling but could not be applied at the farm level. Existing data sources are Physiographic Sediment Attribute Layer (SPAL), SedNetNZ (all Hill slope and Stream bank erosion), Land Use Classification data, oblique photography, and satellite infraspacial and temporal land movement classification data.

| | |
|-------------------------------------|------------------|
| Total project budget | \$238,000 |
| Crown grant contribution | \$220,000 |
| Council contribution | \$18,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

Project: Wetland Features – Mapping, Delineation and Prioritisation

Timeframe: December 2020 to June 2021

Wetlands are fundamental to improved water quality and reducing sediment loss. They act as a filtration system and a means to slow water-flow during heavy rain events (lowering water flow reduces stream-bank erosion), and also provide biodiversity and habitat outcomes.

This project will use existing resources and data sets to automate the geospatial identification of wetlands greater than 500m². This will input into the Farm Environment Plan tool and allow for improved on-farm decision making for mitigation works, particularly wetland restoration.

Risk prioritisation based on potential sediment loss to water source will also be improved, as will catchment water-quality accounting. Identification of wetlands greater than 500m² will align with National Policy Statement – Freshwater Management 2020 requirements. Relevant data sets include aerial imagery, topographic indexes derived from LIDAR, wetness gradient from physiographic work in Northland, and existing wetlands datasets.

| | |
|--------------------------|------------------|
| Total project budget | \$238,000 |
| Crown grant contribution | \$220,000 |
| Council contribution | \$18,000 |

| | |
|-------------------------------------|------|
| Third party/Land-owner contribution | None |
|-------------------------------------|------|

Note – values identified above are exclusive of GST

DIGITAL SYSTEMS & TOOLS

Project: Digital tools – design, preparation and procurement

Timeframe: December 2020 to June 2021

Programme planning has identified the need for reliable, robust and cost-effective systems to ensure money and resources are mobilised to deliver verifiable on-farm actions at pace and scale across the Kaipara Moana catchment. Existing grants processes used by councils will not meet the pace and scale challenges of the remediation programme, or provide cost-effectiveness.

Three integrated and mutually supporting digital tools are under consideration: a grant invoicing and accounting/auditing system, a free to use farm planning tool tailored to the needs of the Kaipara Moana Remediation (KMR) programme, and a water quality accounting framework.

The ‘digital tools – design, preparation and procurement’ project will allow the Joint Committee to make informed decisions on the design of two of the digital tools under consideration – the farm planning tool and the grant invoicing and accounting/auditing tool (described in more detail below).

This will allow the Joint Committee to make ‘stop/go/change’ decisions on the procurement of services before the end of the current financial year. The project will achieve this by:

- Clarifying programme needs for review and confirmation by the Joint Committee
- Developing a pragmatic process for procuring digital services that meets KMR programme needs and partner agency requirements
- Targeting and working with potential suppliers to develop and evaluate options for delivering programme needs
- Completing a digital tool development plan, establishing fit-for-purpose project management processes, building a delivery team and identifying a preferred external supplier(s)
- Providing the Joint Committee with recommendations to enable decisions on the procurement of services design of grant invoicing and accounting/auditing and farm-planning systems
- Providing the KMR programme with a solid platform for engaging with central government, sector groups and council regulatory departments on the design, delivery, oversight, auditing and enforcement of farm plans.

The budget sought is to undertake the design, preparation and procurement steps before a more substantial financial commitment. The total cost of the two inter-linked tools will depend on market conditions, design and procurement steps, and an estimate of total cost is difficult at this stage.

What is envisaged to be achieved through the two digital tools is summarised below.

(1) Farm Environment Plan Digital Tool

Use of Farm Environment Plans (FEPs) is a fundamental component of the Kaipara Moana Remediation Programme as set out in the Business Case. Effective FEPs need to be adaptive and living products, responding to changing circumstances and able to be updated as remediation works are undertaken. Paper-based FEPs risk being static and left in the farmer’s bottom-draw.

A need has been identified to enable FEPs for any pastoral farmland in the Kaipara Moana watershed to be designed by accredited advisors, agreed and updated by farmers, then implemented by contractors at farmer request.

As proposed, the FEP tool would enable remediation work to be prioritised based on land, waterway and Matāuranga Māori knowledge. It should communicate securely with a detailed geospatial database and grants system, which will automate record-keeping and co-funding requests for the KMR Programme. Outputs will include a “living” FEP for the farmer, updated as work is undertaken, and revisited as time progresses to incorporate adaptively managed priorities.

The FEP tool should also enable farmers to request advisory or contractor support. This will help grow local workforce and enterprise by making work-flow between contractors and land-owners easy to manage. Supported transition by farmers through data sharing agreements with primary sector partners (e.g., Fonterra) will also be important.

(2) Grants Invoicing and Accounting Digital Tool

Effectiveness of the KMR programme will be improved if the paper-work required to action and account for expenditure of funding for remediation work undertaken on farms is reduced.

The envisaged grants invoicing and accounting digital tool should enable automated grants agreements, invoicing and financial accounting system to be operated through the Farm Environment Plan (FEP) tool. The system should include a secure geospatial database to support auditing and accounting exercises by the KMR programme. Such grant and invoicing services will ensure prompt payment for actions completed to satisfactory standards, with checks implemented by advisor or contractor in the FEP tool. That is, payment of grant money to land-owners will take place when work is confirmed as complete.

| | |
|-------------------------------------|------------------|
| Total project budget | \$180,000 |
| Crown grant contribution | \$140,000 |
| Council contribution | \$40,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

Project: FEP Accounting Framework Fresh Water Management Tool

Timeframe: December 2020 to June 2021

A project to enable robust water quality accounting for the KMR Programme – that is, to demonstrate that water quality benefits have been achieved from money spent, and help assess where future investment is best made.

The approach proposed is to build on the advanced water quality accounting system already developed by Auckland Council, the Freshwater Management Tool. That tool presently covers the southern Kaipara Moana catchment in the Auckland Council area, but it does not cover the majority of the catchment across Northland, and hence only tells a quarter of the story for Kaipara Moana.

As envisaged, the water quality accounting framework would link to the Farm Environment Plan tool, showing how remediation work completed on farms results in changes to water quality (e.g., change to sediment, nutrients and E.coli, both in streams and transported to the Kaipara Moana). This will ensure adaptive management decisions can be made by the KMR programme on how and where to invest on-farm.

The tool will also support broader engagement and communication needs of the programme with marae and hapū communities, land-owners, advisors, contractors and agricultural sector partners, by demonstrating visually the results of remediation actions.

It is estimated the total of \$1.544 million may be required over 24 months to fully develop the Water Quality Accounting Framework for Northland and allow an integrated approach across the entire Kaipara Moana catchment. While the total budget is indicated below, the intention is in year one to focus on the first stages of the build, taking work to the end of the 2020-2021 financial year. Progress reports will be provided to the Joint Committee, and further budget sought for the 2021-2022 financial year at the appropriate time, conditional on demonstration of progress. This will enable project off-ramps, if required.

| | |
|-------------------------------------|--------------------|
| Total project budget | \$1,544,000 |
| Crown grant contribution | \$ 1,320,000 |
| Council contribution | \$224,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

GOVERNANCE, MANAGEMENT AND ADMINISTRATION

Management, accounting and audit

Timeframe: October 2020 to June 2021

On 30 October the Joint Committee approved \$350,000 to contract servicing staff for the establishment phase of the remediation programme to June 2021. This budget covered management team positions for the Kaipara Uri representative and the NRC representative, plus administrative and Matāuranga Māori advisor support.

In addition to this, budget is sought to account for in-kind services by the Auckland Council management team position and the project manager role. Resource has also been identified for project planning software (\$5,000), for the development of a model to allow the KMR programme to project and anticipate expenditure across the life of the work programme (\$40,000), for any consultant/legal advice requested by the joint committee (e.g., review of legal documents) and operation entity establishment costs (\$200,000), venue and catering costs (\$10,000), sundry and unforeseen contingency purposes (\$5,000) and for audit fees (\$25,000).

| | |
|-------------------------------------|------------------|
| Total project budget | \$535,000 |
| Crown grant contribution | \$ 325,000 |
| Council contribution | \$210,000 |
| Third party/Land-owner contribution | None |

Note – values identified above are exclusive of GST

Considerations

1. Aromātai whāinga haumi mō te ora / Wellbeing Investment objectives and assessment

Projects within the Year 1 Budget and Work Programme have been assessed as meeting the wellbeing investment objectives of the remediation programme. Budget for governance,

management and administrative support is required to run the remediation programme to meet these objectives.

2. Ngā ritenga take pūtea / Financial implications

Approval of the fourteen proposed projects, along with management, accounting and audit costs, requires budget of \$12,271,000. When added to budget approved on 30 October (\$757,000), this comes to a total Year 1 Budget of \$13,028,000.

These costs can be met through a combination of Crown grant funding, cash and in-kind contributions by councils, and third party and land-owner contributions. On the basis a deed of funding is finalised with the Crown, funds are available to meet these costs.

3. Ngā tūraru me ngā mauru / Significance, risk and mitigation

Risks and mitigations for the projects have been identified and mitigations built into the project plans. Ongoing risk identification and management will be required.

Significance and Engagement

In relation to section 79 of the Local Government Act 2002, the decisions arising from this report are considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the joint committee is able to make these decisions without undertaking further consultation or engagement.¹

4. Ngā whāinga mō āmuri / Next steps

Approval of the Year 1 Budget and Work Programme will enable remediation programme parties to finalise a deed of funding with the Crown. When these steps are finalised, contracts can be entered into and projects commenced.

Attachments/Ngā tapirihanga

Attachment 1: A. Year One Budget and Work Programme [↓](#) 

¹ This joint committee operating under the Local Government Act which requires a significance and engagement policy (which identifies when matters require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions. As the administrative support for the joint committee is provided by the Northland Regional Council, it's that councils Significant and Engagement Policy that will apply to joint committee decision making.

| KMR Year 1 Budget and Work Programme | | | | | | | | |
|--|-------------|------------------------------------|----------------|--------------|---|----------------|---------------|---|
| Budgets for approval 16 November | | | | | | | | |
| Project | Project ID | Project time-frame | Total cost \$m | Crown \$m | Council \$m (Cash, in-kind, 10% contingency) | Land-owner \$m | Sub-total \$m | Notes |
| NRC Grants Funding | K2020-005 | November 2020 to November 2021 | 0.678 | 0.000 | 0.368 | 0.310 | | |
| Fonterra Tiaki Partnership | K2020-006 | December 2020 to December 2021 | 1.540 | 0.880 | 0.060 | 0.600 | | |
| Waioitu Catchment Care Group | K2020-007 | November 2020 to December 2021 | 1.705 | 0.925 | 0.030 | 0.750 | | |
| Waterway Wetland Remediation – Forest Bridge Trust | K2020-008 | November 2020 to December 2021 | 1.205 | 0.682 | 0.015 | 0.508 | 5.128 | |
| Advisor Training & Accreditation | K2020-009 | February 2021 to February 2023 | 0.640 | 0.550 | 0.090 | 0.000 | | |
| Nursery Partnerships – plant propagation and supply | K2020-010 | March 2021, time unknown | 2.000 | 1.000 | 0.000 | 1.000 | | Land-owner contribution when plants sold |
| Soil Conservation Nursery - Stage 1 - Strategy and Scoping | K2020-011 | November 2020 to May 2021 | 0.062 | 0.044 | 0.018 | 0.000 | 2.702 | |
| Implementation of E&C Strategy | K2020-003b | From March 2021, time unknown | 1.500 | 1.000 | 0.000 | 0.500 | 1.500 | Potential for land-owner contribution but unknown |
| Digital tools – design, preparation and procurement | K2020-012 | December 2020 to June 2021 | 0.180 | 0.140 | 0.040 | 0.000 | | |
| FEP Accounting Framework - Fresh Water Management Tool | K2020-013 | December 2020 to July 2022 | 1.544 | 1.320 | 0.224 | 0.000 | 1.724 | |
| Matāuranga Māori Strategy | K2020-014 | February 2021 to April 2021 | 0.103 | 0.080 | 0.023 | 0.000 | | |
| South Kaipara Streams - Stage 1 | K2020-015 | December 2020 to March 2021 | 0.103 | 0.066 | 0.037 | 0.000 | | |
| Eroding Land Features | K2020-017 | December 2020 to June 2021 | 0.238 | 0.220 | 0.018 | 0.000 | | |
| Wetland Features | K2020-018 | December 2020 to June 2021 | 0.238 | 0.220 | 0.018 | 0.000 | 0.682 | |
| Management, accounting and audit costs | K2020-Admin | October 2020 to June 2021 | 0.535 | 0.325 | 0.210 | 0.000 | 0.535 | |
| Budgets approved 30 October | | | | | | | | |
| Workforce Strategy | K2020-001 | November 2020 to February 2021 | 0.071 | 0.000 | 0.071 | 0.000 | | |
| Kaipara Nursery Strategy | K2020-002 | November 2020 to April 2021 | 0.060 | 0.000 | 0.060 | 0.000 | | |
| Engagement & Communications Strategy | K2020-003 | November 2020 to February 2021 | 0.102 | 0.000 | 0.102 | 0.000 | | |
| Te Paiaka - Native Root Project | K2020-004 | November 2020 to May 2021 | 0.174 | 0.000 | 0.174 | 0.000 | | |
| Contract Servicing Staff - Establishment Phase | | October 2020 to June 2021 | 0.350 | 0.000 | 0.350 | 0.000 | 0.757 | |
| | | Totals | 13.028 | 7.452 | 1.908 | 3.668 | | |
| | | <i>Already Approve 30 October</i> | 0.757 | | | | | |
| | | <i>New approvals sought 16 Nov</i> | 12.271 | | | | | |

| | |
|---|---|
| TITLE: | Proposed Deed of Funding |
| ID: | A1382390 |
| From: | Penny Pirrit, Northland Regional Council Management Representative |
| Authorised by Group Manager: | Jonathan Gibbard, Group Manager - Environmental Services, on date 10 November 2020 |

He Rāpopoto hautū / Executive summary

A deed of funding is required for Crown funding to be provided for the remediation programme and was signalled in the Kaipara Moana Remediation Memorandum of Understanding signed on 9 October 2020 (the MOU).

The Interim Management Team, along with other staff from Auckland Council and Northland Regional Council have worked with the Ministry for the Environment to ensure that the deed reflects the unique partnership governing the Kaipara Moana Remediation programme; the complexity, number and duration of the projects that make up the programme; and legal requirements that govern the councils that are party to the MOU.

The proposed deed of funding now better reflects the right level of accountability and processes necessary to satisfy the Crown there will be processes in place that show how the grant has been spent to achieve the agreed outcomes of the programme whilst ensuring that the administration of these processes do not overwhelm the main on the ground delivery focus of the programme.

The proposed deed cannot be fully finalised until after the Joint Committee approves the Year One budget and work plan (another item on this agenda) as the annexures to the Deed require that information to be included.

In addition, at the time of writing this report there were still two issues that staff were working through with the Ministry for the Environment relating to reporting and indemnity requirements. It is hoped those matters can be agreed on before the committee meeting. The most up-to-date version of the proposed deed will be provided under separate cover prior to the committee meeting. A verbal update will also be provided at the committee meeting.

The Joint Committee cannot itself sign the deed of funding, as the Joint Committee is not a legal entity and cannot enter into contractual arrangements.

This impacts the wording of the deed of funding in two ways. Firstly, all member parties to the MoU are required to sign the deed and secondly a 'recipient' or banker (to hold the grant funds on behalf of the Joint Committee) must be identified from one of the member parties.

This report recommends that the Joint Committee endorse the proposed deed of funding, in principle (subject to any updates provided at the committee meeting), and recommend to the parties who signed the MoU that they sign the Deed of Funding as soon as a finalised Deed is available so as to enable access to the grant funds. It also recommends that the Joint Committee support the Northland Regional Council being identified in the deed as the 'recipient'/banker of the grant funds.

Ngā tūtohu / Recommendation(s)

1. That the report 'Proposed Deed of Funding' by Penny Pirrit, Northland Regional Council Management Representative and dated 4 November 2020, be received.
2. That the Proposed Deed of Funding in Attachment One to this report be endorsed in principle, and recommended to member parties of the Kaipara Moana Remediation

Programme Memorandum of Understanding (Ngā Maunga Whakahi o Kaipara Development Trust, Te Rūnanga o Ngāti Whātua, and Te Uri o Hau Settlement Trust, Northland Regional Council, and Auckland Council) for ratification and signing once the final Deed is available.

3. That the member parties of the Kaipara Moana Remediation Programme Memorandum of Understanding be advised that the Joint Committee supports the identification of the Northland Regional Council as the 'recipient'/banker of the grants funds as set out in the Proposed Deed.

Horopaki / Context

A deed of funding is required for Crown funding to be provided for the remediation programme and was signalled in the Kaipara Moana Remediation Memorandum of Understanding signed on 9 October 2020 (the MOU).

The deed of funding document is to be signed by Kaipara Moana Remediation Programme member parties and the Crown. Member parties are the Kaipara Uri entities (Ngā Maunga Whakahi o Kaipara Development Trust, Te Rūnanga o Ngāti Whātua, and Te Uri o Hau Settlement Trust), Northland Regional Council, and Auckland Council.

The Joint Committee cannot itself sign the deed of funding, as the Joint Committee is not a legal entity and cannot enter into contractual arrangements. Rather, member parties to the remediation programme are to do so in their respective individual and separate capacities.

The MOU outlines the role of the Joint Committee is to "assist in any review and consideration of any recommended funding arrangements". As part of that assistance it should consider the details of the deed of funding and decide whether it wishes to recommend to the member parties for the deed of funding to be signed. Member parties will need to make their own decision to do so and should, either collectively or individually, take their own legal advice on this.

Tātari me ngā tūtohu /Analysis and advice

Purpose of the Deed

It is standard practice that when the Crown provides grant funding to a programme or project that a deed of funding is agreed between the Crown's representative (in this case the Ministry for the Environment (MfE)) and the recipient(s) of the grant. A deed formally outlines the term of the grant, rights and obligations of the parties and in particular, the financial and delivery accountabilities of the recipient(s), reporting requirements and processes to resolve any concerns MfE may have over performance. A deed provides clarity to the recipient(s) receiving the grant on their obligations and accountabilities while providing MfE with robust processes to ensure public funds are used to achieve the outcomes the funds were provided for.

Options Analysis

For the Joint Committee to receive the funds to the \$100m grant from the Crown there is no other option but for the member parties of the joint committee to enter into a deed of funding.

There are various options for what that deed indicates in terms of obligations and processes. The original draft of the Deed received from MfE was in the format of the standard deed used for all grant recipients which covers community groups with few formal practices in place. The standard wording was considered inappropriate for the scale of the programme and for the parties responsible for the programme's governance and delivery. The Deed should reflect:

1. The unique partnership arrangement spelt out in the Memorandum of Understanding.
2. The partnership accountability for ensuring the programme is governed well and outcomes are delivered.

3. The scale and complexity of the programme over the six-year programme.
4. Recognition that some projects will be multi year.
5. The robust obligations and audit requirements that local government is required to meet under the Local Government Act.
6. A balance between adequate reporting to satisfy the Crown the funds are being used appropriately versus too onerous reporting that would divert funds from being spent on actual project delivery to paying for additional full-time reporting resources.

Auckland Council agreed to undertake the work required to provide alternative wording for relevant parts of the deed. This work was undertaken and provided to MFE for feedback. MFE indicated they were comfortable with the proposed alternative approach. Further engagement between MFE, council staff, and Kaipara Uri (senior advisor) has helped further refine the drafting.

The proposed Deed currently better reflects the partnership arrangement of the MOU and the processes needed to ensure transparency and robustness in how the grant funds are used and reported on. The proposed Deed cannot be fully finalised until after the Joint Committee approves the Year One budget and work plan (another item on this agenda) as the annexures to the Deed require that information to be included.

However, at the time of writing this report there were still two issues that staff were working through with the Ministry for the Environment relating to reporting and indemnity requirements.

These matters are outlined later in this report. It is hoped those matters can be agreed on before the committee meeting. An update will be provided at the committee meeting.

Proposed Deed of Funding (the Deed)

Parties to the Deed

The wording of the deed of funding normally used by MfE is structured around a single 'recipient' for the Crown funds, who would carry all the responsibilities and obligations (and liabilities) under the deed. This did not fit with the partnership approach taken in developing the Kaipara Moana Remediation Programme, nor the principles of partnership set out in the MOU. It is considered inappropriate for one of the member parties to carry all liabilities when decision-making on the annual work plan and other key matters was to be undertaken collectively by the Joint Committee.

Therefore, the Deed has been structured so that all member parties sign the Deed, and the Joint Committee (on which all member parties have representatives) is accountable for the overall governance of the Kaipara Moana remediation programme; and the appropriate utilisation of the grant monies in the delivery of that programme.

As there is no single recipient of the grant a 'recipient' (or 'banker') of the funds is required to provide a place for the funds to be deposited and to provide appropriate accounting and reporting of the funds use. The 'recipient' should be one of the member parties.

The Deed requires the 'recipient' to establish and maintain a separate reserve account which can only be used for the purposes of receiving and distributing the grant (Part B Special terms clause 11). How the 'recipient' distributes the funds from the grant is determined by the Joint Committee through its adoption of annual work plans.

It is recommended the Northland Regional Council (NRC) become the recipient. The NRC has the accounting and financial systems in place expected for a regional council and has indicated it is happy to provide its services. The NRC is also responsible for a greater proportion of the Kaipara Moana catchment than Auckland Council; for ease of access Whangarei is more 'centrally' located in terms of the catchment than Auckland.

The Deed also recognises that the term of the Joint Committee is finite and that it will cease to exist once the Kaipara Moana Body is established. At that time the Deed will expire, and a new Deed of Funding will be agreed between the Crown and the Kaipara Moana Body (KMB). Any unspent grant funds held by the 'recipient' will be transferred to the KMB.

Accountabilities under the Deed

The Deed requires the Joint Committee² to

1. Prepare and approve an Annual Work Plan which:
 - a. Details the programmes activities and deliverables for that year.
 - b. Details the budget and funding sources, including amounts, for all activities.
 - c. Details amount of grant funding required in the first and second six months of the year.
 - d. Details any statutory permissions or consents needed to undertake any of the activities.
 - e. Details any aspects that are materially different from previously approved annual work plans.
2. Carry out the programme and complete the deliverables set out in each Annual Work Plan
3. Prepare and submit to MfE an Annual Report which:
 - a. Compares the programme activities undertaken for the previous financial year against those set out in the applicable annual work plan.
 - b. Provides an analysis of budget versus expenditure including detailed information on how funds from the Crown grant, Member Parties and any third parties have been used for specific projects and deliverables.
 - c. Includes an update of health and safety issues in relation to the programme activities.
 - d. Addresses any issues raised by MfE.
 - e. Provides a change control register which captures any significant changes to the programme (from the applicable annual work plan) agreed between MfE and the Joint Committee.
 - f. Is provided to MfE within four months of the end of each financial year.
4. Include within the Annual Report an Audit Report which
 - a. Is prepared by an independent auditor who is a chartered accountant.
 - b. Considers, in respect of the grant funding received for the previous financial year, compliance with the terms and schedules of the Deed, appropriate use of the grant funding, and any other reasonable matter raised by MfE.
5. Prepare and submit a Six-Monthly Report which:
 - a. Includes updates on expenditure against budget to date and provides a projection for the following six-month period.
 - b. Includes reporting on agreed metrics.

² Refer Part B Special terms Sections 2-8

- c. Raises any issues or risks that require discussion and/or action from MfE before the next annual report.
- d. Is provided to MfE within two months of the 31st December each year.

The metrics to be reported are still being discussed with MfE. They have received direction that all programmes receiving grants from the Jobs for Nature fund are to report on specific metrics around job creation. While this is understandable, it is important that there is clarity on what data is required and that the collection of that data does not become too onerous for the programme or participants in it. This is one of the matters that will be reported verbally on at the joint committee meeting.

6. Keep MfE informed of any issues that may affect delivery of the programme.
7. Provide a remedial plan if MfE considers that there has been a breach in any of the obligations under the Deed.³

The Deed requires the Recipient (the banker) to

1. Submit (via the Joint Committee) an audit report prepared by an independent auditor (independent from the recipient and the recipient's related entities) to be included in the Annual Report.
2. Set up and maintain for the duration of the Deed a reserve account representing the accumulated balance of the grant. The reserve account can only be used for the purposes of receiving and distributing the grant.
3. Include an interest calculation on its monthly closing balance in that reserve account and any interest calculation shall be notified in each annual report.
4. Keep accounts, that meet generally accepted accounting practice, and other records which enable prompt and accurate verification of how the grant has been or will be used. Such records are to be maintained for at least 7 years after the expiry date of the Deed.

The Deed requires MfE to

1. Consider any annual report and six-monthly report submitted to it by the Joint Committee.
2. Within 20 working days of receiving a report either accept the report or request modifications to the report (and give reasons why modifications are required).
3. Work with the Joint Committee to resolve any disagreement over requests for modifications to reports.
4. Consider the annual work plan submitted by the Joint Committee.
5. Within 20 working days of receiving the annual work plan either accept the work plan or requests modifications (and give reasons for the modifications).
6. Work with the Joint Committee to resolve any disagreement over requests for modifications to the work plan.
7. If there is a disagreement to be worked through, MfE will still release grant money for those projects in the work plan that are not in contention so to ensure continuity of projects.

³ Refer Part 2 Special Terms Section 8

8. Issue a notice to the recipient, a member party or the Joint Committee if it considers one or more of them have breached any of its obligations under the Deed.
9. Review any Remedial Plan provided by one or more of the other parties which addresses the breach and either approve the plan or advise of amendments required.⁴
10. Payment of grant funding as per the agreed annual work plan and process set out in Deed.

Payment of the Grant

The Deed indicates an initial grant amount of \$12million dollars for the 202/21 Financial Year. The Deed also acknowledges that subject to meeting specified conditions (re performance and provision of a matching \$100 million) MfE will pay the balance of the \$100 million grant over the following five years.

A key issue for the programme is to ensure that the Deed recognises that some projects will continue over a number of years and so funding needs to be ongoing (it doesn't stop while an annual work plan is approved).

Part B Special Terms Clause 4.4 indicates that the recipient may hold, and the Joint Committee may use grant funding unspent in respect of a financial year in the following financial year.

The Deed indicates that the funding for each financial year is the amount set out in annual work plan to be paid by MfE.

Apart for this current financial year, the funds will be paid by MfE in two instalments. The first will be paid within 10 working days of the annual work plan being provided to MfE while the second will be paid on the 1st January of the relevant financial year. Both payments are subject to Auckland Council and Northland Regional Council committing to co-fund the programme through their respective Long-Term Plans, in combination with other contributions (i.e. landowners, industry association, philanthropic) to the total of \$100 million.⁵

For the current financial year (i.e. until 30th June 2021), all of the grant money identified for this year, \$12million, will be paid once the annual work plan for this year is adopted and agreed on with MfE.

Reduction or Termination of Grant

The Deed outlines the circumstances when MfE may reduce, suspend or withhold the grant funds. All but one of the circumstances apply to either failure to comply with the obligations set out in the Deed or where MfE believes the performance of the programme is unsatisfactory (after following the remedial plan process). The exception is if the Deed is terminated before the Kaipara Moana Body is established. If that occurs the 'recipient' is to pay back any unspent funds it holds back to MfE within 20 working days.

MfE may be entitled to terminate the Deed if

1. The 'recipient' or the Joint Committee fails to properly or promptly perform any of its obligations under the Deed, including any misappropriation of all or part of the grant.
2. The Joint committee fails to achieve any programme activity in a way MfE considers material.
3. An Insolvency Events occurs in relation to the 'recipient'.

⁴ Refer Part 2 Special Terms Section 9 for full description of Remedial Plan process

⁵ Refer Part 2 Special Terms Section 10 Clauses 10.1-10.2

4. It believes the Joint Committee is in financial difficulty to the extent that it reduces the Joint Committee's ability to meet its obligations.
5. It reasonably considers the actions of the Joint Committee is bringing the Crown into disrepute or has become undesirable in relation to the Crown's objectives for the grant.
6. There is successful enforcement action against the 'recipient'.

Liabilities

The Deed contains specific clauses on the liability of the 'recipient' and individual member parties if the audit (required as part of the annual report) reveals misappropriation or material discrepancies in accounting or how the funds have been spent. The party(ies) responsible for the misappropriation or material discrepancy is required to repay the affected grant funds and is subject to any other rights or remedies MfE is entitled to under the terms of the Deed and at law.

Currently the Deed requires the 'recipient' to have both public liability and professional indemnity insurance. MfE has indicated it wants all member parties to also have such insurance. Advice from the Auckland Council staff working on the wording of the Deed indicates that such an approach is not required as it is the 'recipient' who will manage the flow of funds between the programme and MfE and who will be responsible for invoicing and contracts until such time as the operations group is established. It is standard practice at NRC that all contractors have and must provide evidence of public liability and professional indemnity insurance.

This is one of the matters where discussions are still occurring. A verbal update will be provided at the committee meeting.

Other matters

The Deed provides for any costs of the programme that have been incurred by the Northland Regional Council and Auckland Council, since the 9th October (the MOU signing date) and the commencement date of the Deed, to be either included as either part of their individual contribution to the co-funding of the Project or repaid out of the Grant funds. If the later occurs, then neither council can claim those cost as part of their contribution to the \$100M.

The Deed addresses intellectual property rights in two ways. Any intellectual property rights owned by a party prior to the commencement date of the Deed remains the property of that party. Any intellectual property rights developed by the Joint Committee remains the property of the Joint Committee and will be treated in accordance with the MOU.

The Deed recognises that at some stage Te Roroa may sign the MOU and therefore wish to become a party to the Deed as a member of the Joint Committee. If that occurs all the parties will enter into a variation of the Deed.

The Deed also provides for MfE to appoint a representative to be present at meetings of the Joint Committee as an observer who cannot vote but can talk to any matter if the chair of the Joint Committee agrees. Such a representation by a MfE officer is not unusual in situations where MfE has a significant interest in the delivery of a programme. Not only does it mean MfE will be kept regularly informed on the programme issues and outcomes (i.e. the content of the annual and six-monthly reports and the annual work plans should therefore be of no surprise to MfE when they are formally submitted), it also serves to strengthen relationships between MfE and the Joint Committee.

Considerations

1. **Aromātai whāinga haumi mō te ora / Wellbeing Investment objectives and assessment**

Fundamental to achieving the wellbeing investment objectives is the availability of funds. The Crown grant of \$100M over 6 years is a significant enabler to achieve the outcomes sought under each of the four wellbeing areas.

2. Ngā ritenga take pūtea / Financial implications

The key financial implication of the Deed relate to the requirement for Auckland Council and Northland Regional Council to indicate how they will co-fund the programme through their respective Long-Term Plans, in combination with other contributions (i.e. landowners, industry association, philanthropic), to the total of \$100 million in order that the Grant funds are released for Years two-six of the programme.

This obligation will require the two councils to consult on how much of that \$100m will come from council sources (rates, debt, user charges) and how much will come from third parties. This means that individual projects that the Joint Committee approve in the annual work plans (starting with the Year One Plan) should be clear on how any costs will be funded (i.e. a percentage indication of whether Crown, council or third party funds).

Another financial implication is that until the Deed is signed and the Year One work plan approved, Auckland Council and Northland Regional Council will have to fund projects that require an immediate start (those approved at the 30th October meeting).

3. Significance and Engagement⁶

In relation to section 79 of the Local Government Act 2002, the decision (i.e. recommending to member parties to sign the Deed so that year one funding can be received) arising from this report is considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the joint committee is able to make these decisions without undertaking further consultation or engagement.

The indication in the Deed that a condition of continued funding for years two -six of the programme is that Northland Regional Council and Auckland Council must identify how the matching \$100m will be co-funded is significant which is why both councils will be engaging with their communities on that matter as part of the 2021 Long Term Plan process.

4. Ngā tūraru me ngā mauru / Risks and mitigation

As with all legal documents that commit signatories to certain obligations and outcomes there is an element of risk to each member party and the 'recipient' in signing the Deed.

The main methods for mitigating those potential risks are

1. Each member party, prior to signing, satisfying themselves that they are clear on what risks exist and that the Deed is worded appropriately. This could be done by either each party seeking their own legal advice; or the parties together appointing one legal advisor to provide that legal advice (to avoid the cost and time of numerous legal advisors).
2. The Joint Committee adopt a Year One budget and work plan as soon as possible and no later than December 2020.
3. The Interim Management team, in association with the NRC GM Environmental Services, providing clarity, at the Joint Committee's February 2021 meeting, on the

⁶ This joint committee is using the Northland Regional Council's standing orders in relation to reports and agendas. The Local Government Act requires councils to have a significance and engagement policy (which identifies matters that require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions"

processes and timeframes required to meet the reporting and plan provision required in the Deed.

4. The Joint Committee ensuring approved projects meet the objectives and outcomes of the programme and that for each project there is clarity on how the project is funded (i.e. from Crown, council or third-party funds). In particular, the Joint Committee is vigilant that the grant is used in the manner set out on Part C Clause 2.7 of the Deed.

5. Ngā whāinga mō āmuri / Next steps

The Joint Committee is not a legal entity in its own right so therefore cannot approve and sign the Deed.

As no funding from the Crown is available until the Deed of Funding is signed and the Year One work Programme is approved, the following steps need to occur as soon as possible:

1. Each Joint Committee member discussing the Deed with their appointing entity and recommending that the entity should sign the Deed.
2. The Joint Committee adopts the Year One Budget and Work Plan so it can be submitted to MfE for consideration.

Attachments/Ngā tapirihanga

Nil

TITLE: Report back on Members Allowance Policy
ID: A1383340
From: Leah Porter, PA/Administrator Environmental Services
Authorised by Jonathan Gibbard, Group Manager - Environmental Services, on date 06
Group Manager: November 2020

Executive summary/Whakarāpopototanga

The Members Allowance subcommittee will report back to the full Joint Committee regarding their recommendation for the Member Allowance Policy. The agenda is being distributed prior to the subcommittee meeting; this report acts as a placeholder.

Recommendation

That the report 'Report back on Members Allowance Policy' by Leah Porter, PA/Administrator Environmental Services and dated 6 November 2020, be received.

Background/Tuhinga

At the meeting of the 30th October 2020 the Joint Committee, after considering item 5.1 (Kaipara Moana Remediation Joint Committee Allowance Policy), resolved:

1. That the report 'Kaipara Moana Remediation Joint Committee Members Allowance Policy' by Penny Pirrit, Northland Regional Council Management Representative and dated 20 October 2020, be received.
2. That a subcommittee of two Kaipara Uri, one NRC and one AC member, plus an independent person (appointed by the Chair and Deputy Chair) be set up to consider further both the daily rates, and the number of days remunerated under the Members' Allowance Policy, taking in to account the specific requirements Kaipara Uri members have to communicate with their member entities; and the skills and knowledge they bring.
3. That the subcommittee is to report back to the 16th November committee meeting
4. That Virginia Warriner, Malcolm Welsh, Greg Sayers and Penny Smart be appointed to the subcommittee.

The subcommittee will report back with their recommendations for the Members Allowance Policy.

Attachments/Ngā tapirihanga

Nil