

Extraordinary Council Meeting
Wednesday 29 July 2020 at 10.00am

AGENDA

Northland Regional Extraordinary Council Meeting Agenda

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

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

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TITLE: Kaipara Moana Remediation Programme

ID: A1343812

From: Ben Lee, Strategic Policy and Planning Manager and Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement

Executive summary/Whakarāpopototanga

On 14 May 2020, the Government announced “Budget 2020” which included \$1.1b towards improving the environment while creating jobs (Jobs for nature). On 3 July 2020, the Minister for the Environment confirmed the proposed Kaipara Moana remediation programme (the programme) had been approved a government contribution of \$100m from the Jobs for nature fund.

Since the announcement, the Government, Northland Regional Council, Kaipara Uri¹ and Auckland Council have been working to prepare the Memorandum of Understanding (MOU) in relation to this programme and funding announcement. Staff are now seeking approval from council to proceed to the next phase of the programme.

The purpose of this agenda item is to seek council approval to proceed to the next phase of the programme. Specific actions included in the next phase are:

- Signing of the MOU, by all parties.
- Establishment of Kaipara Moana Remediation Governance Partnership (joint committee of councils) that will initially be tasked to:
 - in relation to year one, consider and:
 - recommend a funding agreement with the Government
 - approve budget and work-plan for the programme
 - endorse the use of a temporary operational delivery structure, until an appropriate vehicle is established
 - formulate the purpose, functions and structure of a vehicle or other arrangement to undertake operational activities required over the life of the programme; and
 - recommend to councils and Kaipara Uri any decisions or actions required to establish it.
- Councils to begin the long-term planning process in relation to council contributions and/or allocation of resources².

¹ Kaipara Uri (descendants of the Kaipara) is the collective name given to the representative bodies of Te Uri o Hau, Te Roroa, Ngā Maunga Whakahī o Kaipara and Ngāti Whātua Ōrākei, as well as the statutory Māori trust board Te Rūnanga o Ngāti Whātua. The Kaipara Uri entities have formed the Kaipara Moana Negotiations Reference Group to coordinate their engagement with the Government and councils.

² Both Northland Regional Council and Auckland Council must have the programme included in their long term plan to secure government’s financial contribution for years 2 to 6 of the programme.

Recommendation(s)

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 Memorandum of Understanding with the Government, Kaipara Uri entities and the Auckland Council (**Attachment 1** pertaining to Item 3.1 of the 29 July 2020 Extraordinary Council agenda).
3. That council authorise the establishment of the Kaipara Moana Remediation Governance Partnership (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 Terms of Reference for the Kaipara Moana Remediation Governance Partnership (a joint committee of councils) and delegate those responsibilities, duties and powers to the Kaipara Moana Remediation Governance Partnership once established (**Attachment 2** pertaining to Item 3.2 of the 29 July 2020 Extraordinary Council agenda).
5. That council appoint the following three Northland Regional Councillors to the Kaipara Moana Remediation Governance Partnership (a joint committee of councils):
 - (i) Cr _____
 - (ii) Cr _____
 - (iii) Cr _____
6. 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.
7. 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.
8. 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.
9. 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.

Background/Tuhinga

The Kaipara Moana, over a long period of time, has been exposed to and impacted by negative environmental issues. Numerous scientific studies have documented its degradation, identifying sedimentation and soil erosion as key environmental issues. In late 2017, the Kaipara Harbour Sediment Mitigation Study was released, identifying a range of approaches to reduce sediment loss and modelling the cost-effectiveness of these approaches. The study also identified basic financial barriers for land-owners to undertake mitigations in a timely manner.

In 2018, representatives from Kaipara Uri, Auckland Council, Northland Regional Council, Whangarei District Council and Kaipara District Council discussed and agreed in principle that the environmental degradation of Kaipara Moana needed addressing. Ministerial visits to Kaipara Moana followed providing an opportunity for ministers to see the problem first hand. The Minister for the Environment subsequently welcomed development of a business case for remediation and indicated the government was willing to consider funding options to assist with a remediation programme.

At the beginning of 2019, MartinJenkins were contracted (by Auckland Council) to assist councils and Kaipara Uri to prepare a business case for environmental remediation of Kaipara Moana. This indicative business case was completed in August 2019 and presented to ministers of government for financial support in October 2019.

Impact of Covid-19

Ministers were expected to respond to the Kaipara remediation proposal in February or March 2020, however due to Covid-19, confirmation of funding for the remediation programme was deferred whilst government considered its priorities for economic recovery released in its Budget 2020. The Minister of Finance identified Kaipara as an area for support and subsequently approval for government funding of the Kaipara Moana remediation programme was granted on 3 July 2020.

Draft Memorandum of Understanding

The draft MOU is designed to progress the proposed Kaipara Moana Remediation Programme. It identifies the parties, sets out the background to the programme, and acknowledges key aspects of it. The MOU then provides the vision, purpose, key principles and investment objectives for the programme. The MOU also sets out key elements of the programme, such as the intention to create a joint committee to provide governance and stewardship, funding arrangements, and other matters.

Drafting the MOU has involved input from all the signatories – Auckland Council, Northland Regional Council, Kaipara Uri and the Ministry for the Environment. It has involved considerable co-ordination. The draft MOU attached represents the latest version (as at the time of writing). It is understood all the parties agree (at least at a technical/staff level) with the significant aspects of the MOU. There are likely to be subsequent minor changes – hence the recommendation to allow the Chair to agree to minor changes.

Progressing a Funding Agreement

If agreed, signing the MOU provides parties an opportunity to record their commitment to the programme and, with the establishment of shared governance, will allow a funding agreement for Year 1 to be advanced with the Crown in a timely manner.

The Crown has offered to provide up to \$12 million for Year 1 of the proposed programme. Councils have identified their contributions to Year 1 within the MOU from within existing budgets. For Northland Regional Council this comes to \$500,000 for the 2020/2021 financial year, made up of \$300,000 cash and the balance by way of staff time and other in-kind contributions.

The government contribution of \$100 million towards the \$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.

Need for shared programme governance

In developing the remediation programme, parties identified it is of sufficient scale and complexity to benefit from:

- a) a shared governance arrangement; and

- b) an operational vehicle to deliver the remediation programme, able to span two regional council boundaries, include Kaipara Uri partners and facilitate works across an extensive catchment.

Areas of complexity include involvement by two councils and five iwi entities, a need for works to be undertaken at pace and scale across a large catchment area, plus a desire for an integrated catchment management approach.

In 2014, through the 'Kaipara Moana Framework Agreement', the Crown committed to provide Kaipara Uri a statutory co-governance body (the 'Kaipara Moana Body'), with equal membership by the councils and Kaipara Uri. The co-governance body would give Kaipara Uri a formal means of contributing, in partnership with councils, to local body decision-making relating to Kaipara Moana.

The Crown is currently working to conclude negotiations with Kaipara Uri to achieve this. When a deed of settlement is signed by the Crown and Kaipara Uri, Parliament will need to consider passing appropriate legislation. This process is expected to take between one and two years to complete.

In the absence of a statutory co-governance body, council staff have identified that the most suitable governance vehicle for the remediation programme is a joint committee, pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002.

Draft Terms of Reference have been prepared for the proposed joint committee (Attachment 2), with the name "Kaipara Moana Remediation Governance Partnership" sought for the committee by Kaipara Uri.

Appointing a joint committee under Schedule 7 of the Local Government Act 2002 requires a local authority to reach agreement with every other local authority or public body that is to appoint members of the committee.

The process proposed to be followed is that, once Auckland Council and the Northland Regional Council have agreed to establish a joint committee and have agreed Terms of Reference for it, and when the Kaipara Uri entities have done the same, the joint committee will be formally appointed. Each council and Kaipara Uri entity will undertake appropriate decision-making processes to confirm agreement.

Matters required for agreement under clause 30A(2) of Schedule 7 of the Local Government Act 2002, are summarised in the table below:

Required matters for agreement	Specified in draft Terms of Reference
Number of members of each local authority or public body appointing to the committee	Six (6) appointed by Kaipara Uri entities Three (3) appointed by Auckland Council Three (3) appointed by Northland Regional Council
How the chairperson and deputy chairperson of the committee are appointed	A chair from one (1) of the representatives appointed by Kaipara Uri entities A deputy Chair from one (1) of the representatives appointed by either Auckland Council or Northland Regional Council
Terms of reference for the committee	See draft Terms of Reference at Attachment 2
What responsibilities (if any) are delegated to the committee by each local authority or public body	All powers of the Governing Body of the Auckland Council and the Northland Regional Council necessary to perform the Joint Committee's responsibilities, except the powers that neither Auckland Council nor the Northland Regional Council can legally delegate, for example those powers in schedule 7, clause

	32(1) of the Local Government Act 2002. [details in draft Terms of reference]
How the agreement may be varied	Terms of reference are to be reviewed at least annually by the Joint Committee, with variation to the terms of reference agreed by the appointing parties

The preference of Kaipara Uri is for the joint committee to be chaired by a Kaipara Uri appointee, with the deputy chair appointed by councils. This approach is consistent with that currently proposed for the future Treaty settlement statutory co-governance body for Kaipara Moana.

The Northland Regional Council has offered to provide administrative and governance support for the proposed joint committee as part of our in-kind contribution to the programme.

It is proposed, if the joint committee is formed, that its initial tasks will be to:

- a) consider the details of a funding agreement for the remediation programme with the Crown, and make recommendations as required to the respective councils (and Kaipara Uri entities) to finalise that agreement.
- b) consider options for an operational vehicle to deliver the remediation programme and make recommendations as required to the respective councils (and Kaipara Uri entities) to establish the delivery vehicle.

Establishment of an operational vehicle may take time however and will largely depend on what decision-making by Auckland Council and the Northland Regional Council (and Kaipara Uri entities) is required.

As an interim and pragmatic step to ensure remediation work gets underway in Year 1 of the programme, existing council business units can provide required operational support, with staff time accounted for as an in-kind contribution by councils to the programme. Kaipara Uri entities may also have staff who can be seconded to work on the programme.

Employment outcomes

A focus for government funding under Budget 2020 is job creation, to help weather the anticipated COVID-19 economic recession and accompanying job losses. The proposed remediation programme should produce significant employment outcomes.

An economic impact analysis of the programme identified a likely yearly requirement for 180 direct jobs (from entry level planting and fencing, as well as skilled employment pathways for land management advisors), and 110 indirect jobs (such as nurseries and fencing material provision). These job numbers are calculated from the yearly average of jobs required to implement the programme over 10 years.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Implement the Kaipara Moana Remediation	<ul style="list-style-type: none"> Shared responsibility and financial burden for addressing a significant intergenerational issue, across different land types, different agencies, and 	<ul style="list-style-type: none"> Ability for ratepayers to absorb an additional rate increase (will be consulted on through the LTP).

	Programme as proposed	<p>different parts of the community.</p> <ul style="list-style-type: none"> • Delivery of a significant environmental programme at pace and scale that would otherwise not be possible within existing council and ratepayers' capacity. • Improved freshwater quality outcomes. • Optimise land productivity. • A landscape that is more resilient to climate change. • Creation of local jobs and skills. • Enhanced mauri and a healthier harbour. • Integrated management and engaged communities. 	<ul style="list-style-type: none"> • Capacity for council to contribute to remediation efforts of other harbours is reduced. • Ability for council to contribute to other projects of similar or higher priority is reduced.
2	Do not implement the Kaipara Moana Remediation Programme as proposed	<ul style="list-style-type: none"> • No need for council to increase rates or debt to fund the programme. • Council retains financial and resource capacity to initiate other projects of similar or higher priority. 	<ul style="list-style-type: none"> • Miss out on significant government financial contribution to remediate the Kaipara Moana (representing approx. one third of the region). • Disenfranchised communities, particularly Kaipara Uri, who are expecting action to remediate the Kaipara. • Mauri of the Kaipara Moana remains compromised as the harbour continues to degrade. • Landscape remains vulnerable. • Reduced external assistance for council and landowners to implement NPS – Freshwater. • Freshwater quality remains compromised.

			<ul style="list-style-type: none"> • Missed opportunity for increased resilience to climate change. • Reduced financial support from government and Auckland Council to create local jobs and skills.
3	Propose an alternative or amended Kaipara Moana Remediation Programme	<ul style="list-style-type: none"> • Provides an opportunity for council to advance an alternative model or amendments to the existing model that may better suit Northland Regional Council. 	<ul style="list-style-type: none"> • Significant effort and good faith has been put into advancing the current model (as proposed) and further requests for amendment at this stage will delay advancing the programme and may put at risk the programme progressing at all.

The staff's recommended option is Option 1. The proposed programme provides a huge opportunity to make significant environmental gains within the Kaipara catchment (which makes up approximately one third of Northland), which would not be possible without the partnership approach between Kaipara Uri, councils and the government.

2. Significance and engagement

The decisions recommend 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 decisions recommended do not incur any additional costs to council that cannot be covered under existing budgets. Council's contribution to the 2020/2021 financial year is made up of \$300,000 of redirected Environment Fund and in-kind (refer Financial implications section below for more information).

The recommended decisions will lead to council better delivering its levels of service.

The decisions may lead to a significant impact on many landowners, but the impacts are all positive as they will have access to significant subsidies to undertake measures on their land to improve water quality.

Council's contribution to the Kaipara Moana Remediation Programme beyond the 2020/2021 financial year will go through the consultation process as part of the development of council's Long Term Plan 2021–2031.

3. Policy, risk management and legislative compliance

The decisions outlined within this report are consistent with the policies and legislative requirements of council. However, there are legislative compliance processes that need to be undertaken to ensure council can meet its financial commitment for years two to six of the programme and, depending on the form of the operational delivery vehicle, may require further public consultation to proceed. These will be assessed and addressed at that time.

Further considerations

4. Community views

It is anticipated that the Kaipara Moana Remediation Programme will largely be viewed positively by the community – it will provide significant investment into improving water quality and wider environmental benefits, and support landowners to meet statutory obligations (such as requirements to exclude stock from waterways). In particular, the programme will support the development and implementation of Farm Environment Plans – which Government has indicated will soon be a statutory requirement for farms and horticulture as part of its “Action for healthy waterways” package of new rules and regulations.

There may be some negative reaction from some in the community concerned that other catchments are not getting the same attention, and/or that council’s investment in the Kaipara Moana Remediation Programme may be at the expense of future investment in other catchments.

5. Māori impact statement

The Kaipara Moana Remediation Programme is an example of Crown-Māori-Council partnerships in action. As recorded in the draft MOU, the proposed programme rests on key principles of rangapu (partnership) and kaitiakitanga (guardianship), the latter being the role and responsibility of Kaipara Uri to exercise their tikanga to remediate, restore and protect the mauri of Kaipara Moana.

Establishment of the joint committee should also help 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’.

Kaipara Uri have indicated the importance of equity in any approach to governance for Kaipara Moana. If agreed, establishing the ‘Kaipara Moana Remediation Governance Partnership’ as a joint committee, will achieve this and reduce the pressure on the limited resources of Kaipara Uri when interfacing with councils.

It is anticipated that the unique partnership with Kaipara Uri, through this programme and programme governance, will embed the programme in mātauranga Māori, promote the use of native and taonga species, and leverage local community and hapū involvement on the ground that will contribute to addressing long-standing environmental issues that the Kaipara Uri (as kaitiaki) have been under-resourced to address on their own.

Kaipara Uri entities, and other Māori organisations in the wider Kaipara Moana catchment, will have opportunities to provide environmental, labour and advisory services to the programme. There is scope too for engagement by marae and hapū. These opportunities will meet some of the local development aspirations of Kaipara Uri and other Māori in the wider catchment of Kaipara Moana.

6. Financial implications

As noted, 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.

For the first year of the proposed programme, the government has confirmed it will provide \$12 million. The MOU proposes that Auckland Council will contribute up to \$0.5 million (with an undetermined additional in-kind contribution) and the Northland Regional Council will contribute up to \$0.5 million (cash and in-kind).

For Northland Regional Council’s contribution, it is proposed that \$300,000 be in cash, being funded out of the 2020/2021 Environment Fund and the remainder by way of staff time and other in-kind contributions. It is recommended that the cash contribution of \$300,000 for Year 1 come from the 2020/21 Environmental Fund (E-Fund) budget for the following two reasons:

- a) The Kaipara Moana Remediation Programme is essentially delivering the same services and support for land owners as the E-Fund does just at a drastically larger scale; and
- b) That \$300,000 represents the approximate proportion of the E-Fund that would be allocated annually within the catchment.

Future funding in Years 2–6

Both Auckland Council and the Northland Regional Council have existing programmes that offer a fifty per cent contribution to landowners who wish to undertake work to improve water quality, such as fencing and riparian planting. These programmes have been over-subscribed for several years. Similar programmes exist around New Zealand and landowners and agricultural sector organisations are generally familiar with and support them.

For the remediation programme, a similar approach of contributions by landowners for works undertaken on individual properties is envisaged, including in-kind contributions for landowner labour.

Given the government contribution and the pace and scale at which the remediation works are proposed, the preliminary view is that a reasonable land-owner contribution to the cost of remediation works on their properties may be 40% of costs. If adopted, this would mean a council contribution of 10% or \$20 million over the first six years of the project, proposed to be split evenly between Auckland Council and Northland Regional Council.

Northland Regional Council contribution for years 2–6 would need to be confirmed through the 2021-2031 Long Term Plan. This process includes public consultation and would allow for engagement of Kaipara community groups, land-owners and agricultural sector organisations to confirm the ratepayer contribution. Council will need to confirm its financial contribution, following public consultation, in its LTP 2021/31 to meet the Government's conditions for programme funding for years 2–6.

Future funding in Years 7–10

The full remediation programme, as articulated in the indicative business case, is anticipated to take 10 years to complete at an overall cost of around \$300 million.

At this stage the Government has not committed to provide funding after Year 6. The MOU, however, records that “parties will continue to engage with each other ... to span the funding and period gap to fully achieve the ultimate goals of the Kaipara Moana Remediation Programme (a further \$100 million for the remaining four (4) years)”.

7. Implementation issues

Joint committee transitions to statutory co-governance body at some future point

As noted, the Crown has signalled its commitment to providing a Treaty settlement statutory co-governance body, comprising equal membership by the councils and Kaipara Uri, for the future governance of Kaipara Moana. It is anticipated that this future body will have the scope to take up governance responsibilities for the remediation programme, alongside other functions such as producing a vision and strategy document for the Kaipara Moana.

The draft MOU records the intention that the joint committee will hand over its role to the future statutory co-governance body. This will avoid a situation where councils sit with Kaipara Uri representatives on two co-governance entities, each requiring support to administer and run.

Roles of the Kaipara District Council and the Whangarei District Council

The draft MOU records that Kaipara District Council and Whangarei District Council support the outcomes of the Kaipara Moana Remediation Programme. While this programme does not directly align with district council statutory function and they will not therefore be direct funders of remediation, and so are not signatories to this Memorandum or part of the Joint Committee, they

will continue to support, assist and provide expertise to strategic direction setting and will work alongside iwi, hapū and the community within each district.

The MOU records that the Northland Regional Council will liaise with the Kaipara District Council and Whangarei District Council, both during the Joint Committee phase and once the Future Kaipara Moana Body has been established and the Joint Committee dissolved, to seek input on direction setting of the Kaipara Moana Remediation Programme (until the strategy for the Kaipara Moana catchment required by legislation is approved by the Future Kaipara Moana Body) and provide implementation progress updates.

It is anticipated the Kaipara District Council and Whangarei District Council will be represented on the future statutory co-governance body for Kaipara Moana, however, will not be involved in governance of the Kaipara Moana Remediation Programme.

What the remediation programme will not deliver

The proposed remediation programme will not solve all environmental problems faced by Kaipara Moana and its catchment. However, the programme is expected to meaningfully reduce contaminant loads discharged to the harbour and primarily eroded sediment. Success of the programme requires sedimentation to be reduced to below 'ecological effects thresholds' of the harbour ecosystem.

The Crown has responsibility for fisheries management and will need to ensure a sustainable approach is taken in Kaipara Moana, consistent with the investment it will make in the remediation programme. Improved land and water management throughout the Kaipara Moana catchment is expected to support improved productivity within the harbour.

Labour force mobilisation

Labour force mobilisation is likely to be a significant challenge for the proposed remediation programme. To mitigate this risk, programme partners and particularly Kaipara Uri entities, can engage with training sector providers to make them aware of the employment and training needs. With the opportunity of Ministry of Economic Development assistance, Kaipara Uri entities are considering establishing a 'Jobs and Skills Hub' to undertake localised job matching and training. Kaipara Uri entities are also considering establishing their own labour provision services.

Landowner support

Failing to secure landowner support for the proposed programme is a risk. To mitigate this risk, communication and engagement with community groups, landowners, agricultural sector organisations, marae and hapū groups, and Māori landowners, will be critical.

New Zealand economic stability

The wider economic environment in New Zealand remains uncertain. A significant down-turn in global commodity prices would lower the ability of Kaipara landowners to contribute to remediation works and slow their completion. To mitigate this risk, farm environment plans can identify multi-year actions, allowing landowners to distribute cost over time. Economies of scale generated by the programme should also assist.

Climate change and weather instability

Weather poses a risk. The recent drought across Auckland and Northland has negatively impacted farm revenues. Anecdotally, many trees planted in the last planting season in the Kaipara have not survived the drought. Heavy rain events are also a risk. Careful management and planning of remediation works is required to mitigate these risks.

Attachments/Ngā tapirihanga

Attachment 1: Memorandum of Understanding [↓](#)

Attachment 2: Terms of Reference [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 24 July 2020

Memorandum of Understanding Kaipara Moana Remediation Programme

between

The Ministry for the Environment on behalf of the Crown

and

Ngā Maunga Whakahī o Kaipara

and

Ngāti Whātua Ōrākei

and

Te Roroa

and

Te Rūnanga o Ngāti Whātua

and

Te Uri o Hau

and

Northland Regional Council

and

Auckland Council



Memorandum of Understanding made this day of 2020

KAI TOHU (PARTIES)

1. Ngā Maunga Whakahī o Kaipara, Ngāti Whātua Ōrākei, Te Roroa, Te Rūnanga o Ngāti Whātua, and Te Uri o Hau (together **Kaipara Uri**);
 2. Northland Regional Council; and
 3. Auckland Council;
- (together the **Member Parties**); and
4. The Sovereign in right of New Zealand, acting by and through the Minister for the Environment (**Crown**).

KUPU TAKI (BACKGROUND)

The Kaipara Moana Remediation Programme

- A. The Kaipara Harbour (**Kaipara Moana**) (shown in Annexure 1 with its associated catchments) is New Zealand's largest harbour, with an approximate 6,020 km² catchment, and is suffering from degraded water quality.
- B. Kaipara Moana is of great traditional, cultural, historical and spiritual importance to Kaipara Uri.
- C. Kaipara Moana and its catchment contains some of the rarest ecosystems in New Zealand, namely sand dune, seagrass, freshwater and estuarine wetland ecosystems.
- D. Kaipara Moana also provides significant economic and recreational opportunities to the many communities and marae and hapū who reside on or near to its shores.
- E. Historical land clearance and land use change in the catchment of Kaipara Moana has led to elevated levels of sediment entering waterways, and ultimately, depositing on the bed of Kaipara Moana. If left unchecked, Kaipara Moana is at risk of degrading beyond repair.
- F. The Kaipara Moana Remediation Programme (as set out in Annexure 2) will be delivered, with funding from the Crown, Northland Regional Council and Auckland Council, together with Kaipara Uri, with the aim of promoting a healthy and productive harbour.

1. Acknowledgements

The parties, on entering into this Memorandum of Understanding (**Memorandum**), acknowledge the following:

- (a) that restoring and enhancing Kaipara Moana and its water quality will take a great deal of time, effort and financial resources to accomplish;
- (b) that there are significant financial commitments that will need to be made over time by the parties;
- (c) that the restoration of Kaipara Moana will require an adaptive management approach, where actions may change based on progress against outcomes, and our understanding of Kaipara Moana as it changes with future research;
- (d) that the timeframe to implement actions to address the restoration of Kaipara Moana is likely to be ten (10) years, and that recovery of the Kaipara Moana will take longer;

- (e) that to promote the sustainable management of Kaipara Moana it is necessary to look at catchment management and the effects of human activity across a wide range of land-uses;
- (f) that the key area of concern is the high level of sediment flowing into Kaipara Moana and how it can be significantly reduced;
- (g) that the main aim of the Kaipara Moana Remediation Programme is to reduce the annual average sedimentation rate to the 'ecological effects threshold' (limited to 2mm/year, greater than what would be expected under natural land conditions), to reduce further degradation to the harbour, and deliver a range of environmental benefits;
- (h) that the environmental outcomes need to be accompanied by social outcomes, and that the success of the Kaipara Moana Remediation Programme will depend also on how whānau, marae, hapū/iwi, local communities, land-care groups, agricultural industry associations, Crown agencies and others communicate and work together;
- (i) that the agreement between the parties provides the ability for Kaipara Uri as Ahi Kā and Kaitiaki for Kaipara Moana, alongside hapū and marae throughout the catchment, to develop capability and employment associated with the remediation of Kaipara Moana; and
- (j) that the parties wish to expedite remediation work by timely approval of projects consistent with the Investment Objectives (as defined in clause 6) of this document, including to generate employment outcomes.

2. Vision

The Parties have entered into this Memorandum to formally engage with each other to determine mutually acceptable arrangements for the future of Kaipara Moana, its remediation and associated funding. This engagement will help provide a healthy and productive Kaipara Moana for Kaipara Uri and all New Zealanders of present and future generations (**Vision**).

3. Key Principles

The key principles and considerations to underpin the relationship between the parties will be:

- (a) Rangapu (partnership): a working relationship based upon the following:
 - (i) mutual trust and equal treatment;
 - (ii) kia tika: to operate in right and appropriate ways and with a shared intention to achieve (by constructive and harmonious working together) a maximising of the outcomes sort under this Memorandum;
 - (iii) kia mārama: to operate with openness to ensure clarity and transparency and consistency and fairness in all dealings and communications between the parties and their representatives;
 - (iv) kia pono: to operate with integrity and correct representation and processes that build relationships and ensure non-adversarial dealings between the parties and constructive mutual steps both to avoid differences and to identify solutions where required; and
 - (v) open, prompt and fair notification and resolution between the parties of any differences or disputes which may arise; and

- (b) Kaitiakitanga (guardianship): the role and responsibility of Kaipara Uri to exercise their tikanga to remediate, restore and protect the mauri of Kaipara Moana, (the **Key Principles**).

4. **Purpose**

- 4.1 The purpose of this Memorandum is to record the parties' commitment to the Vision and Key Principles, and a long-term working relationship between the parties to assist in:
 - (a) addressing the future of Kaipara Moana;
 - (b) achieving the Investment Objectives;
 - (c) initially establishing the Joint Committee to provide project stewardship and governance for the Kaipara Moana Remediation Programme;
 - (d) implementing the Kaipara Moana Remediation Programme and agreeing, in principle, upon funding structures to support this; and
 - (e) then handing over the stewardship and governance role of the Joint Committee to the Future Kaipara Moana Body, when that body is created or established, (the **Purpose**).
- 4.2 The following provisions of this Memorandum set out the key objectives and steps to achieve the Purpose.
- 4.3 This Memorandum is a voluntary agreement and nothing in this Memorandum is legally binding on any of the parties.

5. **Investment Objectives**

The parties acknowledge that there are numerous direct and indirect investment opportunities from the Kaipara Moana Remediation Programme for Kaipara Moana, the surrounding land and communities including:

- (a) **Tiaki taiao (Natural Capital):** Primary objective is to restore mauri to Kaipara Moana and enable it to be healthy, self-sustaining and naturally productive through:
 - (i) material reduction in erosion from land and streams;
 - (ii) water quality improvement of streams/waterways; and
 - (iii) reduction in sediment in harbour to below ecological effects threshold.
- (b) **Ōhanga (Physical & Financial Capital):** Create sustainable, resilient and optimised primary production in the Kaipara catchment and harbour through:
 - (i) improved land management guided by improved advice and evidence; and
 - (ii) recognised intergenerational equity and support a just transition to better environment outcomes;
- (c) **Manaaki Tangata (Human Capital):** Improve local skills and capability to support innovation, effective land management, and community resilience through:
 - (i) material lift of capability and capacity to address environmental challenges;
 - (ii) providing exemplar benefits to other catchments and nationally; and
 - (iii) developing and utilising local skills and local enterprise to lead to sustainable outcomes; and

- (d) Tātai Hononga (Social Capital): Enable kotahitanga by empowering Kaipara Uri and local community participation, including hapū and marae, in local solutions, leveraging opportunities through:
 - (i) mobilising local participation and delivery;
 - (ii) line of sight between local initiatives and governance - so that local activities are aligned with wider needs; and
 - (iii) customary practice is prioritised with focus on taonga species and mātauranga Māori perspectives,

(together the **Investment Objectives**).

6. **Joint Committee**

- 6.1 Within forty (40) business days of entering into this Memorandum, the Member Parties will form, and call for the inaugural meeting of, a joint committee pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002, consisting of twelve (12) members:
 - (a) six (6) appointed by the Kaipara Uri;
 - (b) three (3) appointed by Auckland Council; and
 - (c) three (3) appointed by Northland Regional Council,

(Joint Committee).
- 6.2 The Joint Committee will adhere to the Key Principles and operate in accordance with the Local Government Act 2002 and the terms of reference agreed between the Member Parties. Otherwise, the Joint Committee will be entitled to formulate and put in place its own rules and procedures.
- 6.3 A Member Party appointing its representatives to the Joint Committee may, on written notice to the other Member Parties, appoint a person to replace its appointee permanently or temporarily. The Member Parties are free to appoint their own representatives, but they will ensure that they have authority and expertise to fulfil the role.
- 6.4 The members of the Joint Committee shall appoint:
 - (a) a Chair, from one (1) of the representatives appointed by Kaipara Uri; and
 - (b) a Deputy Chair, from one (1) of the representatives appointed by either Northland Regional Council or Auckland Council.
- 6.5 The Joint Committee will provide the stewardship and governance and actively work towards achieving the Purpose, until handover of its role to the Future Kaipara Moana Body (as defined at clause 6.12) once established or created.
- 6.6 Until the establishment of the Future Kaipara Moana Body and the handing over of its stewardship and governance role, the Joint Committee will:
 - (a) provide stewardship and governance in respect of the relationship between the parties and their goal of achieving the Purpose;
 - (b) commission and approve a Year 1 remediation budget and work-plan for the Kaipara Moana Remediation Programme, and future budgets and work-plans as required;
 - (c) assist in any review and consideration of any recommended funding arrangements;
 - (d) assist and work with the Member Parties on any audit and reporting obligations; and

- (e) formulate the purpose, functions and structure of a vehicle or other arrangement to undertake operational activities required for the Kaipara Moana Remediation Programme and recommend to Member Parties any decisions or actions required to establish it.
- 6.7 The Joint Committee shall be entitled to invite guests or experts to:
 - (a) attend any meeting; and
 - (b) at the request of the Joint Committee, participate in discussions on, and assist the Joint Committee in its consideration of, matters that are on the agenda.
- 6.8 The Joint Committee will record and minute all meetings and decisions and the parties agree to adhere to the same.
- 6.9 The Member Parties, through the Joint Committee, will seek and consider the views of other parties and other stakeholders, as part of the process to achieve the Purpose and outcomes.
- 6.10 All new intellectual property created through the work of the Joint Committee will be jointly owned by the Member Parties. Such intellectual property rights (if any) will be transferred, or licenced (at no cost), to the Future Kaipara Moana Body upon its establishment or creation. Intellectual property rights in this clause means all intellectual property rights whether conferred by statute, at common law or in equity, including all copyright, and know-how and rights in relation to designs and trademarks (whether registered or unregistered).
- 6.11 All intellectual property brought by each party to the relationship under this Memorandum remains in the ownership of that party.
- 6.12 The Crown and Kaipara Uri note it is their intention that:
 - (a) a co-governance body for Kaipara Moana will be established through legislation (**Future Kaipara Moana Body**);
 - (b) if established, the Future Kaipara Moana Body will be constituted as a joint committee under the Local Government Act 2002; and
 - (c) Parliament will need to consider and pass legislation to constitute the Future Kaipara Moana Body.
- 6.13 If the Future Kaipara Moana Body is established by legislation (but subject to such legislation):
 - (a) the Joint Committee will hand over its stewardship and governance role of the Kaipara Moana Remediation Programme to the Future Kaipara Moana Body and will dissolve;
 - (b) decisions made on the Kaipara Moana Remediation Programme will have particular regard to any strategy (setting out the issues, vision, objectives and desired outcomes) for the Kaipara Moana catchment required by legislation and approved by the Future Kaipara Moana Body; and
 - (c) consistent with the membership of the Joint Committee, and reflecting Auckland Council's and Northland Regional Council's contribution of funds to the Kaipara Moana Remediation Programme and their statutory function to manage water quality and soil conservation:

- (i) only the Kaipara Uri, Auckland Council and Northland Regional Council members of the Future Kaipara Moana Body will have voting rights on the Kaipara Moana Remediation Programme; and
- (ii) voting rights will be apportioned between the members as follows: 50% between Kaipara Uri members and 25% Auckland Council members and 25% Northland Regional Council members (if all are present and voting).

7. **Funding**

- 7.1 Notwithstanding the following in this clause 8, or any other clause, this Memorandum does not guarantee or commit any of the parties to any financial commitments or funding until the agreed funding agreement is entered into.
- 7.2 The parties on entering into this Memorandum further acknowledge that:
- (a) the cost of remediating Kaipara Moana in accordance with the Kaipara Moana Remediation Programme is estimated to cost up to \$300 million over ten (10) years;
 - (b) to contribute to the funding of the Kaipara Moana Remediation Programme the Crown will, subject to agreeing the terms and conditions of the funding, contribute an initial \$12 million for the first financial year of the Kaipara Moana Remediation Programme (**Initial Funding**) and the balance of up to \$88 million over the remaining five (5) years (**Balance Funding**) subject to conditions being met;
 - (c) the Crown's funding will be structured as a grant(s) and is subject to the terms and conditions contained in the relevant deed of grant;
 - (d) the Balance Funding will be conditional on:
 - (i) Auckland Council and Northland Regional Council committing to co-fund the Kaipara Moana Remediation Programme through their respective Long-Term Plans; and
 - (ii) confirmation of the total contribution from Auckland Council and Northland Regional Council and other contributions (i.e., landowner, industry association, philanthropic), will match the Crown's funding (being the Initial Funding and Balance Funding);
 - (e) the Auckland Council and Northland Regional Council's co-funding of the Kaipara Moana Remediation Programme will be equal proportions and may be through cash and 'in-kind' contributions (such as staff time and expertise and/or the use of council facilities);
 - (f) for the first financial year of the Joint Committee, the co-funding towards the Kaipara Moana Remediation Programme from Auckland Council will be up to \$1.0 million, and the co-funding from Northland Regional will be up to \$0.5 million. Any commitment from Auckland Council or Northland Regional Council to funding the remaining five (5) years is contingent on their respective Long Term Plans; and
 - (g) the parties will continue to engage with each other and through the Future Kaipara Moana Body to span the funding and period gap to fully achieve the ultimate goals of the Kaipara Moana Remediation Programme (a further \$100 million for the remaining four (4) years).

- 7.3 The Joint Committee will assist Member Parties in decisions required to finalise a grant funding with the Crown.

8. Other councils

- 8.1 Parties record that the Kaipara District Council and Whangarei District Council support the outcomes of the Kaipara Moana Remediation Programme. While this programme does not directly align with their statutory function and they will not therefore be direct funders of remediation, and so are not signatories to this Memorandum or part of the Joint Committee, they will continue to support, assist and provide expertise to strategic direction setting and will work alongside iwi, hapū and the community within each district.

- 8.2 The Northland Regional Council will liaise with the Kaipara District Council and Whangarei District Council, both during the Joint Committee phase and once the Future Kaipara Moana Body has been established and the Joint Committee dissolved, to seek input on direction setting of the Kaipara Moana Remediation Programme (until the strategy for the Kaipara Moana catchment required by legislation is approved by the Future Kaipara Moana Body) and provide implementation progress updates.

9. Term of Memorandum

- 9.1 This Memorandum commences on the date that the parties' duly authorised representatives sign it, and continues in force until all obligations under this Memorandum are fulfilled, or earlier in the event:

- (a) this Memorandum is terminated by mutual agreement of the parties;
- (b) of a dispute or difference between the parties that cannot be resolved through the process specified in clause 10.2 within twenty (20) business days of referral to the Chief Executives or executive leaders (or such longer time agreed between the parties); or
- (c) of material default by one of the parties that is not remedied within a reasonable period after the default is notified,

(Term).

- 9.2 Upon the expiry of the Term, this Memorandum will be deemed automatically terminated as between the parties.

10. Dispute Resolution

- 10.1 If a dispute or difference arises out of or in connection with this Memorandum or the Joint Committee, any party may give written notice to the other parties specifying the nature of the dispute and brief details of the dispute. The parties must endeavour in good faith to resolve the dispute.
- 10.2 If the parties are unable to resolve the dispute within ten (10) business days of the date of the relevant dispute notice under clause 11.1 (or such longer time agreed between the parties), any party may refer the matter to the Chief Executives or other executive leaders for resolution.
- 10.3 In considering any dispute or difference pursuant to this clause, the parties will have regard to the Vision and the Key Principles.

- 10.4 No party shall commence any legal proceedings in relation to any dispute, difference or question arising out or in connection with this Memorandum or the Joint Committee, unless urgent court action is necessary to preserve a party's rights.
- 10.5 All parties shall continue to perform their obligations under this Memorandum and the Joint Committee as far as possible, acting reasonably, as if no dispute or difference had arisen pending the final resolution.
11. **Changes to Memorandum**
Any changes to this Memorandum shall be made in writing, agreed by the parties and signed by persons authorised to do so on behalf of each of the parties and such changes shall be attached to and form part of this Memorandum.
12. **Primary Contacts**
The parties will throughout the Term appoint a suitably qualified and experienced primary contact (**Primary Contact**) for the other parties to liaise and contact in respect of the relationship formed between them pursuant to the Memorandum. On entering into this Memorandum the parties respective Primary Contacts are as listed at Annexure 3.
13. **Confidentiality**
Unless otherwise mutually agreed between the parties, the parties must keep all information and data (in any form) disclosed by one party to the other in connection with this Memorandum confidential, except to the extent that disclosure is required:
- (a) by law (including obligations under the Official Information Act 1982, the Local Government Official Information and Meetings Act 1987 and the Privacy Act 1993) provided that the disclosing party advises the other parties of the requirement as soon as practicable before such disclosure is made;
 - (b) to allow each of the parties to comply with their obligations to its respective leadership and internal governance obligations;
 - (c) as the Crown may be required by a Select Committee or a Minister of the Crown, parliamentary convention or by procedures in relation to the appropriation of public money;
 - (d) to its directors, employees or contractors who need to know such information for the purpose of this Memorandum; and to its professional advisers or auditors for a proper purpose, provided that the disclosing party ensures that each such person to whom it discloses confidential information complies with the restrictions in this clause as if such person were a party to this Memorandum; and
 - (e) if and to the extent the information:
 - (i) was known to the receiving person before the information was disclosed to it; or
 - (ii) is disclosed to the receiving person on a non-confidential basis by a third party who has the right to make such disclosure; or
 - (iii) is generally available to the public through no fault of the receiving person; or
 - (iv) is developed by the receiving person independently of the information disclosed by the disclosing party.

Signed on behalf of

Her Majesty the Queen acting by and through the Minister for the Environment

Signed: _____ Date: _____
Hon David Parker

Northland Regional Council

Signed: _____ Date: _____
Penny Smart - Chair

Auckland Council

Signed: _____ Date: _____
Phil Goff – Mayor of Auckland

Ngā Maunga Whakahī o Kaipara

Signed: _____ Date: _____
[]

Te Roroa

Signed: _____ Date: _____
[]

Te Uri o Hau

Signed: _____ Date: _____
[]

Ngāti Whātua Ōrākei

Signed: _____ Date: _____
[]

Te Runanga o Ngāti Whātua

Signed: _____ Date: _____
[]

Annexure 1.

Kaipara Harbour with its associated catchments

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Annexure 2.

Kaipara Moana Remediation Indicative Business Case

DRAFT

Annexure 3.

Primary Contacts:

- (a) The Primary Contact for the Ministry for the Environment on behalf of the Crown is:
Name:
Address: 23 Kate Sheppard Place, Wellington
Telephone:
Email:
- (b) The Primary Contact for Northland Regional Council is:
Name:
Address:
Telephone:
Email:
- (c) The Primary Contact for Auckland Council is:
Name:
Address:
Telephone:
Email:
- (d) The Primary Contact for the respective Kaipara Uri bodies are as follows:
 - (i) The Primary Contact for Ngā Maunga Whakahī o Kaipara is:
Name:
Address:
Telephone:
Email:
 - (ii) The Primary Contact for Te Roroa is:
Name:
Address:
Telephone:
Email:
 - (iii) The Primary Contact for Te Uri o Hau is:
Name:
Address:
Telephone:
Email:
 - (iv) The Primary Contact for Ngāti Whātua Ōrākei is:
Name:
Address:

Telephone:

Email:

(v) The Primary Contact for Te Rūnanga o Ngāti Whātua is:

Name:

Address:

Telephone:

Email:

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Kaipara Moana Remediation Governance Partnership (Joint Committee)

Terms of Reference

Background

The Kaipara Harbour (Kaipara Moana) is New Zealand's largest harbour and is suffering from decreased and degraded water quality issues. In July 2020 the New Zealand government confirmed funds would be allocated to address freshwater management matters, particularly sediment runoff, with the aim of achieving environmental and associated outcomes for Kaipara Moana and its catchment.

The Kaipara Moana Remediation Governance Partnership is set up as a joint committee by the Governing Body of Auckland Council and the Northland Regional Council, and Kaipara Uri, to coordinate decisions relating to funding allocated to provide environmental and associated outcomes for Kaipara Moana.

The key principles of the Joint Committee are set out in the parties' Memorandum of Understanding dated xx 2020.

'Kaipara Uri' is the term taken by Ngā Maunga Whakahi o Kaipara, Te Roroa, Te Uri o Hau Settlement Trust, Ngāti Whātua Ōrākei and Te Rūnanga o Ngāti Whātua, when engaging collectively on matters relating to Kaipara Moana and its catchment. Together with Auckland Council and the Northland Regional Council, these are the member parties to the Joint Committee.

Purpose and Responsibilities

The purpose of the Joint Committee is to carry out the decision-making responsibility in relation to the allocation of funds for the Kaipara Moana Remediation programme, including funding from the Crown and councils, and contributions (e.g. from landowners or others) needed to access funding from Crown and councils for remediation works. This includes (but is not necessarily limited) to:

- (a) providing stewardship and governance over the expenditure of the Crown Grant and council funding, as well as contributions from land-owners;
- (b) commissioning and approving remediation budgets and work-plans for the Kaipara Moana Remediation programme;
- (c) assisting councils and Kaipara Uri in any consideration of funding arrangements with the Crown and other parties as may be required;
- (d) formulating and recommending to councils and Kaipara Uri the preferred Kaipara Moana Remediation operations vehicle to undertake operational works as directed by an approved long-term annual remediation budget and work-plan;
- (e) assisting the work of councils and Kaipara Uri on any audit and reporting obligations;
- (f) assisting councils and Kaipara Uri in its review and consideration of the Funding Agreement; and
- (g) assisting and supporting signatory entities to the Funding Agreement with any audit and reporting obligations required in respect of the Crown Grant and council contributions.

Powers (Delegations)

All powers of the Governing Body of the Auckland Council and the Northland Regional Council necessary to perform the Joint Committee's responsibilities.

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Except the powers that neither Auckland Council nor the Northland Regional Council can lawfully delegate, including those under schedule 7, clause 32(1) of the Local Government Act 2002, being the power to:

- (a) make a rate; or
- (b) make a bylaw; or
- (c) borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- (d) adopt a long-term plan, annual plan, or annual report; or
- (e) appoint a chief executive; or
- (f) adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- (g) adopt a remuneration and employment policy.

Frequency of meetings: Quarterly or as determined by the Joint Committee.

Membership: The membership of the Joint Committee will be as follows:

- (a) six (6) appointed by Kaipara Uri entities;
- (b) three (3) elected members appointed by Auckland Council; and
- (c) three (3) elected members appointed by Northland Regional Council.

The members of the Joint Committee shall appoint, by majority decision of the members:

- (a) A Chair (from one (1) of the representatives appointed by Kaipara Uri entities); and
- (b) A Deputy Chair (from one (1) of the representatives appointed by either Auckland Council or Northland Regional Council).

Members of the Joint Committee are appointed for a term of 3 years unless a member is discharged by their appointer or resigns earlier.

Members can be reappointed by their appointer.

Resignation is by written notice to the relevant appointer. As a matter of courtesy, each appointer will then inform the Joint Committee of discharges, resignations and reappointments.

Ex officio: Whereas the Mayor of Auckland is a member of all committees by virtue of section 9(6) of the Local Government (Auckland Council) Act 2009, the Mayor has agreed not to exercise this right of membership, except in the case where the Mayor is called to do so due to the absence of one of the Auckland Council appointed members.

Discharge of Joint Committee: Unless the Auckland Council and the Northland Regional Council resolve otherwise, this Joint Committee is deemed to be discharged and disestablished on the earlier date of either:

- (a) the coming into office of the members of the Auckland Council or Northland Regional Council elected or appointed at, or following, the triennial general election of members next after the appointment of this Joint Committee; or
- (b) the establishment of a future Kaipara Moana Body, anticipated to be created by statute with representation from Kaipara Uri, Auckland Council, Northland Regional Council, Kaipara District Council and Whangarei District Council.

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Quorum: The quorum for a meeting of a Joint Committee is:

- (a) half of the members if the number of members of the Joint Committee (including vacancies) are even
- (b) a majority if the number of members of the Joint Committee (including vacancies) are odd

and provided that at least one (1) Joint Committee member is present from each of the member parties.

Voting rights: Decisions will be made by majority. However, the Joint Committee will seek to operate on the principle of consensus decision-making. When decisions are required and put to a vote, the chair or other person presiding at a meeting:

- (a) has a deliberative vote; and
- (b) does not have a casting vote (and therefore in the case of an equality of votes, the act or question is defeated and the status quo is preserved).

Support and attendance: The Joint Committee shall be entitled to invite guests or experts to attend any meeting and, at the request of the Joint Committee, participate in discussions on, and assist the Joint Committee in its consideration of, matters that are on the agenda.

Any member of the Auckland Council and the Northland Regional Council or of a committee of the Auckland Council and the Northland Regional Council, has, unless lawfully excluded, the right to attend any meeting of the Joint Committee.

Every meeting of the Joint Committee is open to the public, except as otherwise provided by Part 7 of the Local Government Official Information and Meetings Act 1987.

Review of these Terms of Reference: These terms of reference are to be reviewed at least annually by the Joint Committee. The Terms of Reference can be amended with the parties' agreement and further to any other necessary approvals.

Standing orders: The Joint Committee will refer to and apply the standing orders of the Council providing administrative assistance to the Joint Committee. In the event of any inconsistencies between the standing orders and these terms of reference, the terms of reference will prevail.

TITLE: Afforestation Innovation - Kaipara Flagship Project

ID: A1344692

From: Louise Orford, Biosecurity Officer - Team Support

Executive summary/Whakarāpopototanga

This report requests approval for an exceptional project that requires funding over and above the \$20,000 E-Fund cap for a SHaRP planting project "Afforestation Innovation - Kaipara Flagship Project".

Recommendation(s)

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

Background/Tuhinga

SHaRP planting grants

To help keep soil on the land and out of our waterways, we are offering landowner grants for planting to reduce erosion on land classified as highly erodible. The grants are administered through the Sustainable Hill Country and Regional Priorities (SHaRP) programme via the council's Environment Fund. The grants are jointly funded through Te Uru Rākau Forestry New Zealand and the council's Regional Afforestation Grant Scheme (RAGS) (Table 1).

Table 1: Grant funding contribution and planting targets

Year	SHaRP planting grants		
	<i>Te Uru Rākau Forestry NZ</i>	<i>RAGS (NRC)</i>	<i>Planting target</i>
2020-21	\$100,000	\$85,500	60 ha
2021-22	\$200,000	\$102,500	85 ha
2022-23	\$164,286	\$125,000	75 ha
Total	\$464,286	\$313,000	220 ha

One of the objectives of SHaRP is to establish pilot planting projects to demonstrate best practice forest design in Northland. The type of projects we might support are indigenous production or retirement forests (e.g. totara, manuka, kauri), or high value exotic species under a continuous cover harvesting regime (e.g. eucalypt, redwood, cedar). In general, level of support would be low for commercial clearfell projects (e.g. pine). Where these meet funding criteria significant riparian setbacks (25m+) would be required, planted in native trees. Some projects will be a combination of indigenous and exotic species, such as using manuka as a nursery crop for redwoods.

The grant amounts are calculated/weighted by how well they meet project objectives, e.g. environmental benefit, biodiversity, innovation, farm income. This provides flexibility to support

highly innovative projects that may have higher up-front capital costs but much greater environmental and social benefit. After the SHaRP project is complete, the RAGS will still be available to landowners to assist with land retirement and planting.

Kaipara flagship planting project

The SHaRP planting grant is about leading the way in sustainable land use by supporting innovation, to achieve both sustainable economic development and environmental outcomes. High value species require planting at high initial stockings, which comes at a higher cost than radiata pine. Associated with such plantings is a higher level of uncertainty than investment in conventional radiata forestry. By investing in a unique pilot project that meets our objectives for environmental, social and economic sustainability, we demonstrate to other landowners how positive land use change can be implemented successfully.

This project meets sustainability objectives by growing naturally durable timber suitable for high-value applications that require high strength, hardness, and natural durability. Trees can be harvested individually and under a continuous forest cover, generating sustainable yields over time and avoiding the “boom and bust” clearfell harvesting regime practiced in radiata pine forestry. By interplanting the longer-term timber crop with manuka, this land use model also generates returns from honey in the short and medium term, while diversifying income from the farm.

This land provides a unique and significant area of natural biodiversity (DOC natural area Q08023). Fencing out stock from access will protect native plant and animal species from browsing damage and allow this area to recover. Indeed, afforested areas within the larger natural area would provide incentive to the landowner and revenue to maintain biodiversity and control pests.

This project offers an economic land use that also protects soils from erosion and watercourses from sedimentation. This pilot demonstration project sets the scene for land use change and offers other landowners in the Kaipara plantation forest options that they can see for themselves and be inspired by – best land use that protects biodiversity, protects soil and waterways, while providing income from the land. With the Kaipara Moana project looming, we need to be prepared with the right options in the toolbox.

The SHaRP team will also be targeting other key catchments and prioritising pilot flagship plantings throughout Northland to target catchment-specific issues and demonstrate to land owners best land use on erodible country. These will inform catchment management plans as required under NES-FW.

Project specifics

Table 1: Project cost and relative contribution of project collaboration

MPI contribution	NRC (RAGS) contribution	Landowner contribution (cash & in kind)	Total
\$49,896 (33%)	\$42,504 (28%)	\$60,300 (39%)	\$152,700

- Run down 84ha sheep and beef farm located in Paparoa with no fertiliser history, no reticulated water and a poorly maintained boundary fence.
- Severe slip erosion and gully erosion is evident adjacent to watercourses.
- Over half of this property has well established native forest, but livestock browsing is degrading the unique biodiversity values of the DoC SNA Q08023 located on the farm.
- Difficult-to-control weeds such as gorse, pampas and blackberry have taken hold.
- All pastoral areas of the property will be planted in trees and livestock permanently excluded from the property.

- Pest control will be undertaken by the landowner.
- Mixed eucalypt and mānuka, to be planted August 2020.

Table 2: Plant species and density

Botanical name	Common name	Area (ha)	Plant spacings	Plant numbers
<i>Eucalyptus microcorys</i> and <i>E. sphaerocarpa</i>	Tallowwood and Blackdown stringybark	29 hectares	2m x 5m (1000 stems per hectare)	15,000
<i>Leptospermum scoparium</i>	Manuka		2m x 5m (1000 stems per hectare)	29,000

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Council approve the grant funding for the Kaipara flagship planting project	<p>This demonstration project sets the scene for land use change in the Kaipara and offers landowners an inspirational continuous cover forestry alternative to clear-fell radiata.</p> <p>Improves downstream water quality and biodiversity across the property including a significant natural area mapped by the Department of Conservation.</p>	At 29ha, this project represents half of the planting in 2020/21 so there is a greater risk if the planting fails. This will be mitigated somewhat, by instalment payments over two years as the project completes milestones.
2	Council do not approve the grant funding for the Kaipara flagship planting project	Funding can be reallocated to other landowners in 2020/21, if willing landowners can be found.	<p>Highly unlikely that the council will fulfil its planting targets (a contractual obligation) in 2020/21.</p> <p>Loss off a valuable demonstration site in the Kaipara to inform the Kaipara Moana remediation project.</p>

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 primary risk is that we do not meet our planting targets (a contractual obligation with MPI) which would also underutilise the SHaRP budget (MPI and RAGS). There is also a financial risk, and this is outlined under consideration 6 below.

Further considerations

4. Community views

This project is part of the council's targeted approach to improving water quality which is a community aspiration.

5. Māori impact statement

This is an operational matter on private land, so a Māori impact statement is not necessary.

6. Financial implications

As stated in consideration 3, this will help the council meet its contractual obligations with MPI under the SHaRP project. Any risk is mitigated by the grant being paid in instalments once milestones are complete.

7. Implementation issues

The 2020/21 planting season is well underway, and for this project to succeed the trees must be planted in the next three weeks. Planting contractors are on standby if the project is approved.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Bruce Howse
Title: Group Manager - Environmental Services
Date: 24 July 2020