

**Regional Economic Development  
Service Delivery Working Party  
Tuesday 23 March 2021 at 3.30pm**

# **AGENDA**

## Regional Economic Development Service Delivery Working Party Agenda

Meeting to be held in the Ngunguru Room  
Ground Floor, 36 Water Street, Whangārei  
on Tuesday 23 March 2021, commencing at 3.30pm

### MEMBERSHIP OF THE REGIONAL ECONOMIC DEVELOPMENT SERVICE DELIVERY WORKING PARTY

Chairperson, Councillor Justin Blaikie

NRC Councillor Colin Kitchen

KDC Councillor Anna Curnow

KDC Councillor Peter Wethey

FNDC Councillor John Vujcich

FNDC Councillor David Clendon

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**TITLE:** Northland Inc. Limited: Draft Statement of Intent 2021-2024 - Recommendations to Northland Regional Council

**ID:** A1426530

**From:** Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor

**Authorised by Group Manager:** Ben Lee, GM - Strategy, Governance and Engagement, on 19 March 2021

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### Executive summary/Whakarāpopototanga

The purpose of this report is to assist the Regional Economic Development Service Delivery Working Party (Working Party) to make recommendations to Northland Regional Council (NRC) on Northland Inc. Limited's draft Statement of Intent (SOI) 2021-2024. This is one of the key objectives of the Working Party.

The Working Party had an initial discussion on the draft SOI at its meeting held on 8 March 2021. Comments from that Working Party meeting and those subsequently emailed in by Working Party members are summarised in **Attachment One**. This compilation document also includes the comments and analysis on the draft SOI from other sources including NRC councillors and Te Taitokerau Māori and Council Working Party (TTMAC) Economic Sub-group. Working Party members will participate in the NRC/Northland Inc. quarterly workshop on Tuesday 23 March at which time the draft SOI will be discussed.

Working Party members are requested to review their comments and agree to a list of recommendations to provide to NRC.

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### Recommendations

1. That the report 'Northland Inc. Limited: Draft Statement of Intent 2021-2024 - Recommendations to Northland Regional Council' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 18 March 2021, be received.
2. That the Working Party agree on a list of recommendations on Northland Inc's draft Statement of Intent 2021 – 2024 to provide to Northland Regional Council.

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### Background/Tuhinga

Not relevant.

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### Attachments/Ngā tapirihanga

Attachment 1: Northland Inc. draft SOI 2021-2024 - Compilation of analysis and comments [!\[\]\(0d5ec72f61334709c3fc9450209b754f\_img.jpg\) !\[\]\(944d59db1282ea95b82255c3404a2195\_img.jpg\)](#)

# Northland Inc. Limited Draft Statement of Intent (SOI) 2021-2024: Compilation of analysis and comments

## Introduction

The purpose of this paper is to summarise in a single document the analysis and comments on the draft Northland Inc. SOI 2021-2024 from the following sources. The comments are arranged in sequence following the section ordering of the draft SOI.

- Analysis undertaken by staff as to how the draft SOI has considered the issues raised by council in its letter of expectations to Northland Inc. in December 2020.
- Initial comments from the Regional Economic Development Service Delivery Working Party arising from its meeting held on Monday 8 March 2021.
- Initial comments from TTMAC Economic Sub-group arising from its inaugural meeting held on Wednesday 10 March 2021.
- Analysis and comment from staff.
- Additional comments from NRC councillors arising from Workshop discussion on 17 March 2021.

## Section 1 Kupu Whakataki – Introduction

<b>Letter of expectations</b>	Reference to generic term i.e. “shareholders” instead of NRC.	Incorporated beginning with the Introduction section.
<b>REDSWDP</b>	No specific issues relating to this section.	
<b>TTMAC Economic Sub-Group</b>	No specific issues relating to this section.	
<b>Analysis and comments from staff</b>	No specific issues relating to this section.	
<b>Additional comments from NRC councillors</b>	No additional issues relating to this section.	

## Section 2 Horopaki – Context

<b>Letter of expectations</b>	Emphasis be given to economic development occurring within a sustainable environment	Incorporated - several references to the concept of economic development supporting social wellbeing and the environment. Use the doughnut economic model to visually represent.
	Include new government’s policy for regional economic development	Not incorporated - Government’s policy for regional economic development still being developed.

<b>REDSWDP</b>	The diagram is an excellent way of depicting the approach within which Northland Inc. intends to operate. However, Northland Inc. has been guilty of spreading themselves too thinly in the past, which has diluted their effectiveness in achieving the desired economic goals. Actions to avoid this include a listing of what components of the diagram will be given priority, and a timeline to measure when these will be achieved.
<b>TTMAC Economic Sub-Group</b>	No specific reference to the COVID pandemic. There should be. Vision – is this statement an economic one? A Te Reo translation should be provided. Mission – what is the process that Northland Inc. uses to “identify and focus” their activities?
<b>Analysis and comments from staff</b>	Maybe the Whakatauki, Turuapo – Vision, Te Whakatanga – Vision and Rautaki – Strategy text be moved to the start of Section 3 (which would need to appropriately be renamed).
<b>Additional comments from NRC councillors</b>	Supportive of the doughnut economic model as a framework to guide Northland Inc.’s activities. Would like to understand how the framework will be embedded in their work.

## Section 3 Hoaketanga – Objectives

<b>Letter of expectations</b>	Actions on “Review of Māori Economic Development Arrangements”	Incorporated with reference in Context and Objectives. Two main actions: internal (He Korowai Manawanui programme) and external (work with strategic partners to drive delivery on high impact MED projects).
	Concepts of sustainability and environment in Objectives	Incorporated - Environmental sustainability now a specific Objective.
<b>REDSWDP</b>	Support the inclusion of Pou Rua: Environmental Sustainability, but wonder whether there is scope to go beyond simply embedding sustainability into the organisation towards looking for economic opportunities created by our changing environment e.g. replanting, green technologies, rongoa, etc?	
<b>TTMAC Economic Sub-Group</b>	Support the inclusion of Pou Tahi Māori Economic Development. Asked for clarification on the meaning of the term “Āe Mārika” in this context. Support the inclusion of Pou Rua: Environmental Sustainability in the SOI but concepts of “green economy” and “circular economy” need to be written in.	
<b>Analysis and comments from staff</b>	Have moved from seven specific to six more broader in scope.	
<b>Additional comments from NRC councillors</b>	No additional issues relating to this section.	

## Section 4 Te Hōkaitanga o te Mahi – Nature and Scope of Activities

<b>Letter of expectations</b>	Change “Engagement Collaboration and Visibility” activity title	Incorporated - The work done under this activity has been incorporated into the Regional Investment activity.
	“Support for TTNEAP” to be included in Activities	Incorporated - Mentioned in Context and in the Advocacy and Profile activity as “Action Plan”
	Development of appropriate strategic planning approach	Incorporated - Included in the Advocacy and Profile activity
	Addition of “Aquaculture to “Regional Strategic Sectors”	Not incorporated - The list of regionally strategic sectors has been removed.
	Rephrase “Marine” strategic sector	Not incorporated – The list of regionally strategic sectors has been removed.
<b>REDSWDP</b>	No specific issues relating to this section.	
<b>TTMAC Economic Sub-Group</b>	Asked for examples of how Northland Inc. works in partnership with Māori.	
<b>Analysis and comments from staff</b>	Merged down from four to three.	
<b>Additional comments from NRC councillors</b>	Strong support for the inclusion of the regionally strategic sectors.	

## Section 5 Tohu Mahi Mahi Matua – Key Performance Indicators

<b>Letter of expectations</b>	Adjustments on KPIs including: - Output/outcome targets differentiation - Target at a district level	In progress – high level outcomes introduced although measurement of some to be questioned; targets for some measures are yet to be set. Cover letter indicates that an update will be provided at the 23 March quarterly workshop. Some duplication. No district targets.
<b>REDSWDP</b>	Should incorporate a few “stretch” KPIs as Northland Inc. needs to push into another zone of achievement if it is to be recognised by stakeholders in the Region, as one of the leading players in developing & improving Northland’s economic activity.	

	<p>KPIs should incorporate the transformational objectives that have already been scoped for the organisation. The deprivation index and employment growth or unemployment rate should be included as KPIs. Given there is a clear objective regarding increasing the length of stay time for tourists- should there be a KPI that speaks to the development of new tourism product/or the support of building/identifying new tourism product? Marketing is essential but ensuring we have more tourism activities and product will keep tourists in an area for Northland for a greater length of stay/there are also more job opportunities created when new product is developed.</p> <p>The KPI for 'implementing 4 projects' this is relatively vague. Can this be expanded on or defined in a clearer way?</p> <p>Is the environmental sustainability objective reflected in the KPIs? Should there be a target of X amount of businesses are signed up to a third-party sustainability auditing process?</p>
<b>TTMAC Economic Sub-Group</b>	Question the use of measures such as having five meetings, as this will drive what Northland Inc. does.
<b>Analysis and comments from staff</b>	How will "A greener and more sustainable regional community" be measured and reported as an Outcome.
<b>Additional comments from NRC councillors</b>	<p>Emphasise the need to get KPIs right. They should conform to the SMART principal.</p> <p>Northland Inc. should not be held accountable as an organisation for outcomes that they have no control over.</p> <p>There is no sustainability related KPI for Northland Inc. This needs to be developed to reflect the direction council have been providing Northland Inc., and to emphasis the organisations commitment to environmental sustainability signalled in the earlier sections of the SOI. Suggestion that a carbon related indicator be developed given climate change focus.</p>

## Sections 6-12

<b>Letter of expectations</b>	No specific issues relating to this section.
<b>REDSWDP</b>	No specific issues relating to this section.
<b>TTMAC Economic Sub-Group</b>	No specific issues relating to this section.
<b>Analysis and comments from staff</b>	These sections are the same as the current SOI except for: (a) changing reference to NRC to "shareholders" where relevant and (b) strengthening the final bullet point in the first list under section 7.
<b>Additional comments from NRC councillors</b>	No additional issues relating to this section.

## Section 13 Kōrero Moni – Financial information

<b>Letter of expectations</b>	No specific issues relating to this section.
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<b>REDSWDP</b>	Why is “Kaipara Kai” not included in the income category of the Financial Statement section?
<b>TTMAC Economic Sub-Group</b>	Level of funding provided by NRC for economic development is not enough.
<b>Analysis and comments from staff</b>	Draft SOI proposes an increase in IGR funding for Northland Inc operations. For example, for the first year of the new SOI 2021/22, the Opex income budget from the IGR has increased from \$1.395M to \$1.596M, an increase of \$0.2M or 14%. A portion of this represents the additional funding that FNDC and KDC will be contributing to the IGR (\$109K) but the remaining funding to cover the balance (\$91K) will reduce the level of funding available for allocation as Enabling Investment by more than half.
<b>Additional comments from NRC councillors</b>	Support questioning Northland Inc. over the proposed increase in IGR funding for Northland Inc. operations. Is there any potential to increase income from the Orchard?

## Other comments

<b>Letter of expectations</b>	Greater use of Te Reo	Incorporated with section headings in Te Reo, Māori version of the doughnut economic model and a whakataukī.
	An Overview section not necessary	Incorporated as removed.
	Clear linkage between objectives, activities and key performance measures (diagram?)	Incorporated - No diagram provided, although the simpler document structure and explanations do make the linkages more obvious.
	Emphasis to be given to regional dispersal	Incorporated - The focus to improve regional dispersal is mentioned in the Activities and will be incorporated into the reporting of KPIs.
<b>REDSWDP</b>	No specific issues relating to this section.	
<b>TTMAC Economic Sub-Group</b>	General question as to whether Northland Inc.’s current status as a CCO is the best position from which to deliver regional economic development.  Suggest that the document better reflect Te Taitokerau narrative of being regionally led and centrally supported.  Consistency with reference to Te Taitokerau.  A member of the Sub-group will provide comment on Te Reo used in the document.	
<b>Analysis and comments from staff</b>	Some inconsistency in language used: <ul style="list-style-type: none"> <li>Across some Objectives, Activities and KPIs</li> <li>Concept of social wellbeing/equity/communities</li> </ul>	



	Should request Northland Inc. to provide their Business Plan for 2021/22 and breakdown of budget across the three Activity areas when provide the final SOL.
<b>Additional comments from NRC councillors</b>	No additional issues relating to this section.

## TITLE: Business with the Public Excluded

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### Executive Summary

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

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### Recommendations

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

Item No.	Item Issue	Reasons/Grounds
5.1	Northland Inc. Limited: Appointment of Directors - Recommendations to Northland Regional Council	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).

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### Considerations

#### 1. Options

Not applicable. This is an administrative procedure.

#### 2. Significance and Engagement

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

#### 3. Policy and Legislative Compliance

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

#### 4. Other Considerations

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