

AGENDA

Council

Tuesday 26 July 2022 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 26 July 2022, commencing at 10.30am

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

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1.0 NGĀ MAHI WHAKAPAI (HOUSEKEEPING)	
<i>Key Health and Safety points to note:</i>	
<ul style="list-style-type: none">• If the fire alarm goes off – exit down the stairwell to the assembly point which is the visitor carpark.• Earthquakes – drop, cover and hold• Visitors please make sure you have signed in at reception, and that you sign out when you leave. Please wear your name sticker.• The toilets are on the opposite side of the stairwell.• Please adhere to the recommended Covid alert guidance that applies.	
2.0 KARAKIA TIMATANGA – TAUĀKI Ā ROTO (OPENING KARAKIA)	
3.0 NGĀ WHAKAPAHĀ (APOLOGIES)	
4.0 NGĀ WHAKAPUAKANGA (DECLARATIONS OF CONFLICTS OF INTEREST)	
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9.6	Director Remuneration	
9.7	Introduction of a New Fund Manager into the Long-Term Fund Investment Fund	

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

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

Haumie hui e
TĀIKI E!

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

Bring forth unity
Tis Done!



TITLE: Confirmation of Minutes - 28 June 2022


From: Chris Taylor, Governance Specialist

Authorised by: Chris Taylor, Governance Specialist, on 15 July 2022

Ngā mahi tūtohutia / Recommendation

That the minutes of the council meeting held on 28 June 2022, be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Unconfirmed Council Minutes - 28 June 2022 [↓](#) 

Council Meeting
28 June 2022

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 28 June 2022, commencing at 10.30am

Tuhinga/Present:

Chairperson, Penny Smart

Councillors:

Terry Archer

Justin Blaikie

Jack Crow

Colin Kitchen

Amy Macdonald

Marty Robinson

Rick Stolwerk

Joce Yeoman (*via audio-visual link*)

I Tae Mai/In Attendance:

Full Meeting

Independent Financial Advisor (*via audio-visual link*)

Tumuaki - Chief Executive Officer

Pou Tiaki Taiao - GM Environmental Services

Pou Whakaritenga - GM Regulatory Services

Pou Tiaki Hapori – GM Community Resilience

Pou Tiaki Pūtaiao – GM Biosecurity

Policy Specialist (*via audio-visual link*)

Governance Specialist

Part Meeting

Financial Accountant (x2)

Management Accountant (*via audio-visual link*)

Assistant Management Accountant

Planning and Policy Manager

Corporate Strategy Manager

Strategic Projects and Facilities Manager

Resource Management – Strategic Policy Specialist

Planning and Reporting Officer

Economist

Economic Policy Advisor

The Chair declared the meeting open at 10.33am and proceedings commenced with housekeeping instructions and then the Tauāki a roto by full council.

Ngā whakapahā/Apologies (Item 1.0)

There were no apologies.

Council Meeting
28 June 2022

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

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

Confirmation of Minutes - Council Meeting 24 May 2022 and Annual Plan Deliberations 24 May 2022 (Item 5.1)

Report from Chris Taylor, Governance Specialist

Moved (Stolwerk/Macdonald)

That the minutes of the council meeting held on 24 May 2022 and the Annual Plan Deliberations held on 24 May 2022 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.2)

Report from Chris Taylor, Governance Specialist

Moved (Blaikie/Robinson)

That the action sheet be received.

Carried

Secretarial Note: In relation to Action 6502 it was advised that the Regional Software Holdings Limited (RSHL) Statement of Intent (SOI) had been substantially rewritten since the draft was presented to council. The RSHL Board had approved the SOI subject to changes agreed at the board meeting. Council would be provided the final SOI in due course and retained the ability to object (in accordance with Schedule 8 of the Local Government Act 2002).

Financial Report to 31 May 2022 (Item 6.1)

Report from Vincent McColl, Financial Accountant and Taka Skipwith, Financial Accountant

Moved (Craw/Kitchen)

That the report 'Financial Report to 31 May 2022' by Vincent McColl, Financial Accountant and Taka Skipwith, Financial Accountant and dated 14 June 2022, be received.

Carried

Secretarial Note:

- *Given the heightened volatility of the markets, it was acknowledged that the end of year financial summation was needed to obtain a true understanding of council's financial position.*
- *Item 7.1 'Rates for the year 1 July 2022 to 30 June 2023' was addressed following Items 7.2 'Adoption of Annual Plan 2022/23' and 'Adoption of User Fees and Charges 2022/23' in accordance with legal advice.*

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28 June 2022

Rates for the year 1 July 2022 to 30 June 2023 (Item 7.1)

Report from Casey Mitchell, Management Accountant; Kim Harvey, Assistant Management Accountant and Shivam Shivam, Planning and Reporting Officer

Moved (Craw/Kitchen)

1. That the report 'Rates for the year 1 July 2022 to 30 June 2023 by Casey Mitchell, Management Accountant; Kim Harvey, Assistant Management Accountant and Shivam Shivam, Planning and Reporting Officer and dated 9 May 2022, be received.
2. That council notes that it has had regard to section 100T of the Biosecurity Act 1993 and confirms that its analysis of Section 100T of the Biosecurity Act 1993, as included in the Long Term Plan 2021-2031, remains appropriate in relation to setting the Pest Management Rate for 2022-2023.
3. That the Northland Regional Council resolves to set the following rates under the Local Government (Rating) Act 2002 (LGRA) for the financial year commencing 1 July 2022 and ending 30 June 2023:

a. Targeted council services rate

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per each rateable separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide funding for the ongoing maintenance of the Hātea River Channel. The rate is differentiated by location in the Northland region and assessed as a fixed amount per each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and on each rateable rating unit (RU) in the Kaipara district. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$140.02 per SUIP
Kaipara District	\$169.14 per RU
Whangārei District	\$158.26 per SUIP

The Whangārei District targeted council services rate amount of \$158.26 (including GST) per SUIP **includes** funding for the Hātea River Channel amount of \$1.73 (including GST).

b. Targeted land and freshwater management rate

A targeted rate as authorised by the LGRA. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district because the rate is allocated based on projected land value, as provided for in section 131 of the LGRA. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0003835 per dollar of land value
Kaipara District	\$0.0003565 per dollar of land value
Whangārei District	\$0.0002780 per dollar of land value

Council Meeting
28 June 2022

c. Targeted pest management rate

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is a fixed amount, differentiated by location in the Northland region. The rate will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$71.77 per SUIP
Kaipara District	\$86.69 per RU
Whangārei District	\$80.23 per SUIP

d. Targeted flood infrastructure rate

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$33.24 per SUIP
Kaipara District	\$33.24 per RU
Whangārei District	\$33.24 per SUIP

e. Targeted emergency and hazard management rate

A targeted rate as authorised by the LGRA. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is a fixed amount, differentiated by location in the Northland region. The rate will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$40.15 per SUIP
Kaipara District	\$48.50 per RU
Whangārei District	\$44.88 per SUIP

f. Targeted emergency services rate

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

Including GST

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Far North District	\$11.60 per SUIP
Kaipara District	\$11.60 per RU
Whangārei District	\$11.60 per SUIP

g. Targeted regional sporting facilities rate

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$16.60 per SUIP
Kaipara District	\$16.60 per RU
Whangārei District	\$16.60 per SUIP

h. Targeted regional economic development rate

A targeted rate as authorised by the LGRA. This rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district, because the rate is allocated based on projected land value, as provided for in section 131 of the LGRA. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0000260 per dollar of land value
Kaipara District	\$0.0000242 per dollar of land value
Whangārei District	\$0.0000188 per dollar of land value

i. Targeted Whangārei transport rate

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part of a rating unit (SUIP) in the Whangārei District. The rate is set as follows:

	<u>Including GST</u>
Whangārei District	\$38.47 per SUIP

j. Targeted Far North transport rate

A targeted rate as authorised by the LGRA. The rate is a fixed amount assessed on each rateable separately used or inhabited part of a rating unit (SUIP) in the Far North District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$8.79 per SUIP

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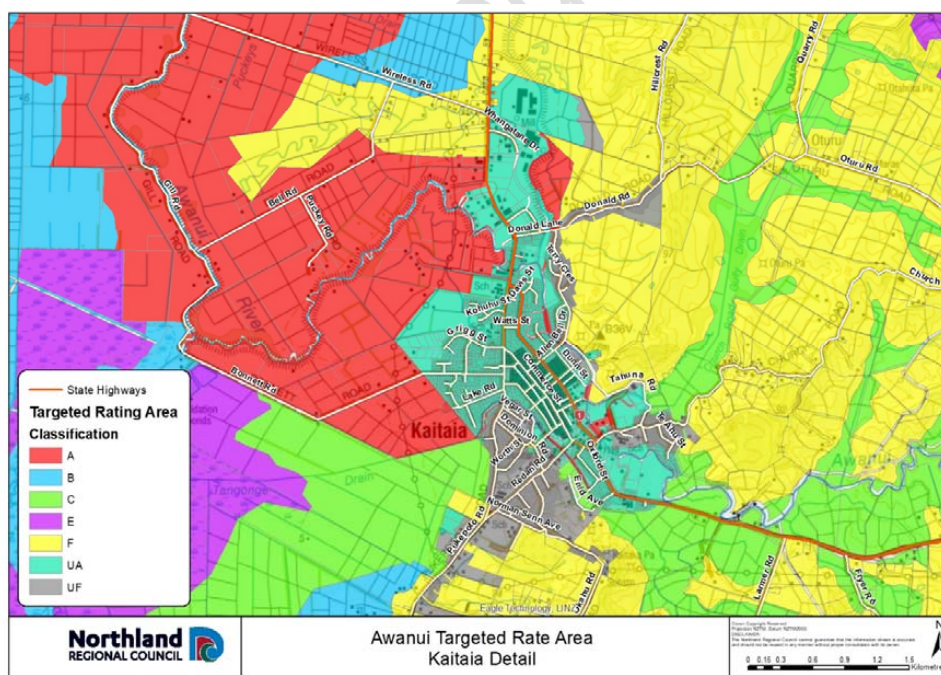
k. Targeted Awanui River management rate

A targeted rate set under the LGRA, set differentially by location and area of benefit as defined in the Awanui River Flood Management Plan, and as defined in the following table:

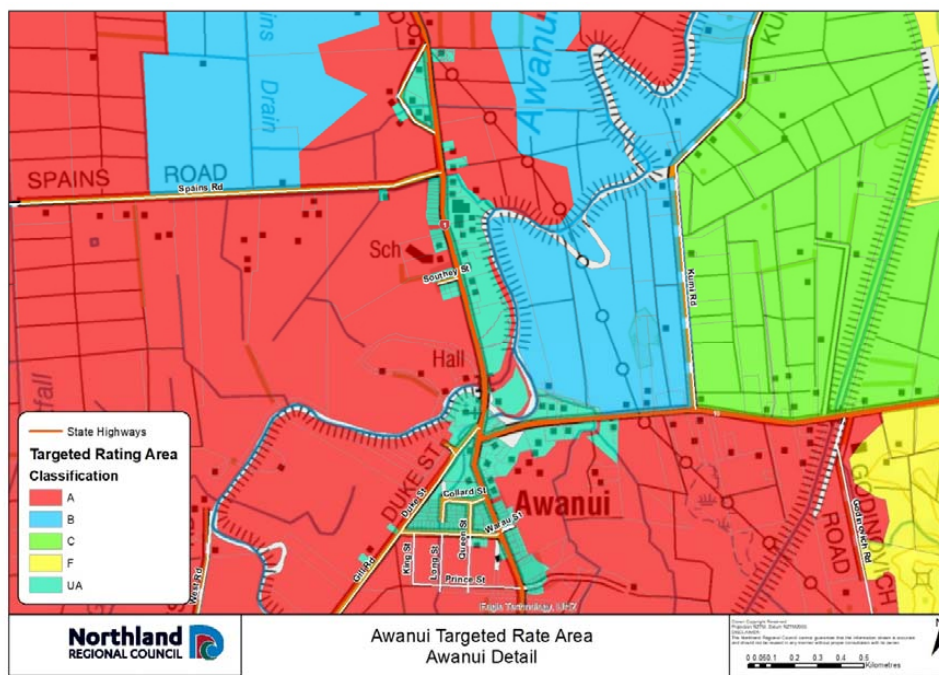
The rate is set differentially as follows:

Category	Description	Rate including GST
UA	Urban rate class UA (floodplain location) \$285.53 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit (SUIP).	\$313.72 per SUIP
UA	Urban rate class UA – commercial differential.	\$941.16 per SUIP
UF	Urban rate classes UF (higher ground) \$28.19 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit.	\$56.38 per SUIP
UF	Urban rate class UF – commercial differential.	\$169.14 per SUIP
Rural	Rural rate differentiated by class, \$11.75 per separately used or inhabited part of a rating unit (SUIP) of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitiāia flood rating district as illustrated in the following maps and table.	\$11.75 per SUIP
Class	Description	Rate including GST
A & B	High benefit: rural land which receives high benefit from the Awanui scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or coastal flooding – all rateable land other than in the commercial differential.	\$23.33 per hectare
A & B commercial differential		\$69.99 per hectare
C	Moderate benefit: land floods less frequently and water clears quickly – all rateable land other than in the commercial differential.	\$10.90 per hectare
C commercial differential		\$32.70 per hectare
F	Contributes runoff waters and increases the need for flood protection - all rateable land other than in the commercial differential.	\$0.77 per hectare
F commercial differential		\$2.31 per hectare

The rating classifications are illustrated in the following maps:



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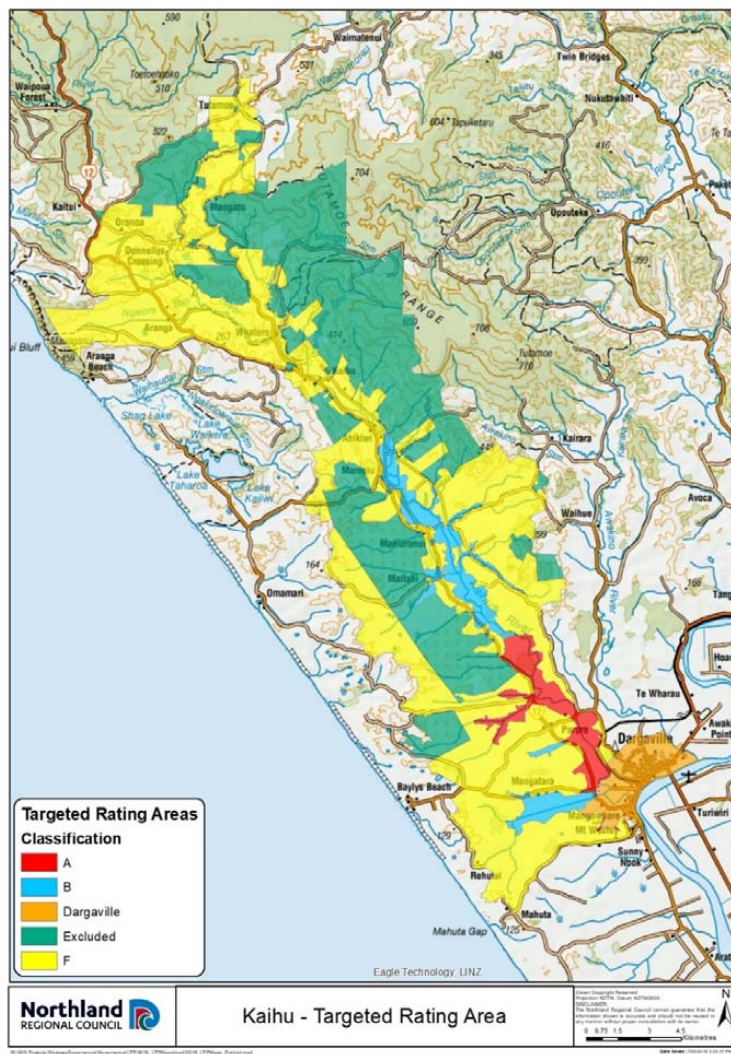
I. Targeted Kaihū River management rate

A targeted rate set under the LGRA, and set differentially by location and area of benefit as defined in the following table:

Class	Description	Rate Including GST
A	Land on the floodplain and side valleys downstream of Rotu Bottleneck.	\$23.13 per hectare
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.39 per hectare
F	Land within the Kaihū River rating area not falling within Class A and Class B.	\$1.60 per hectare
Urban Contribution – A contribution from the Kaipara District Council instead of a separate rate per property:		\$5,015 per annum

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The rating classifications are illustrated in the following map:

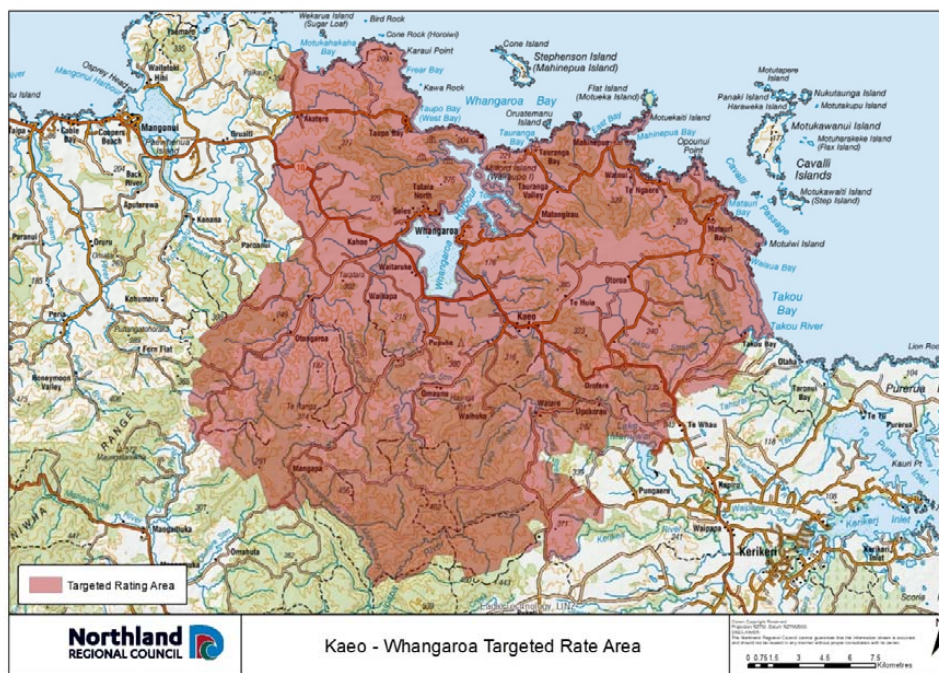


I. Targeted Kaeo-Whangaroa rivers management rate

A targeted rate set under the LGRA, set on a uniform basis in respect of each rateable separately used or inhabited part of a rating unit falling within the former Whangaroa Ward rating rolls of 100-199, as illustrated in the map below:

	<u>Including GST</u>
Former Whangaroa Ward	\$54.52 per SUIP

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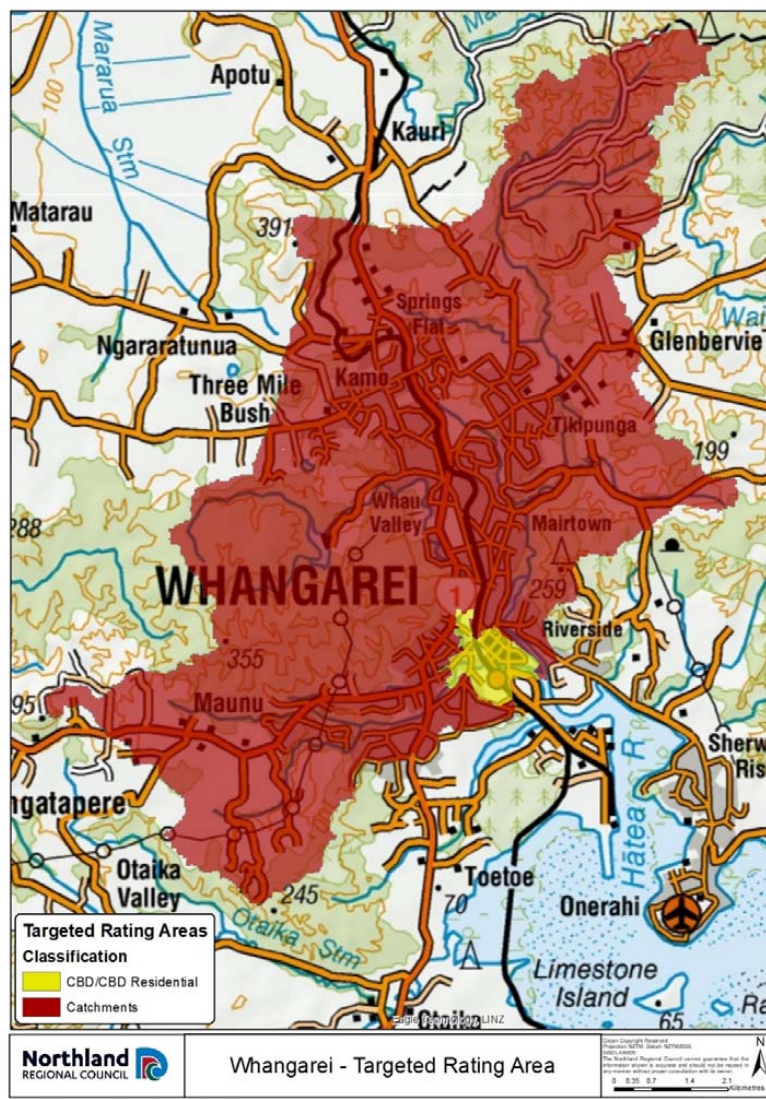


m. Targeted Whangārei urban rivers management rate

A targeted rate set under the LGRA and assessed on all rateable properties defined by reference to the differential categories and differentiated by location (illustrated in the map below) and, for some categories, land use. It is set as a fixed amount per each rateable separately used or inhabited part (SUIP) of a rating unit, as follows:

Category		Including GST
1	Commercial properties located in the Whangārei Central Business District flood area:	\$351.22 per SUIP
2	Residential properties located in the Whangārei Central Business District flood area:	\$172.08 per SUIP
3	Properties located in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River Catchments):	\$42.13 per SUIP

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Differential categories for the Whangārei urban rivers management rate:

Residential properties in the Whangārei central business district	<p>Residential properties in the Whangārei central business district (CBD) flood area are defined as all rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc.</p> <p>Residential properties also includes multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs and hostels but excluding</p>
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28 June 2022

	any properties that are licensed under the Sale and Supply of Alcohol Act 2012.
Commercial properties in the Whangārei central business district	Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes or zoned for commercial, industrial or related purposes in accordance with the Whangārei district plan. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol 2012; and private hospitals and private medical centres.

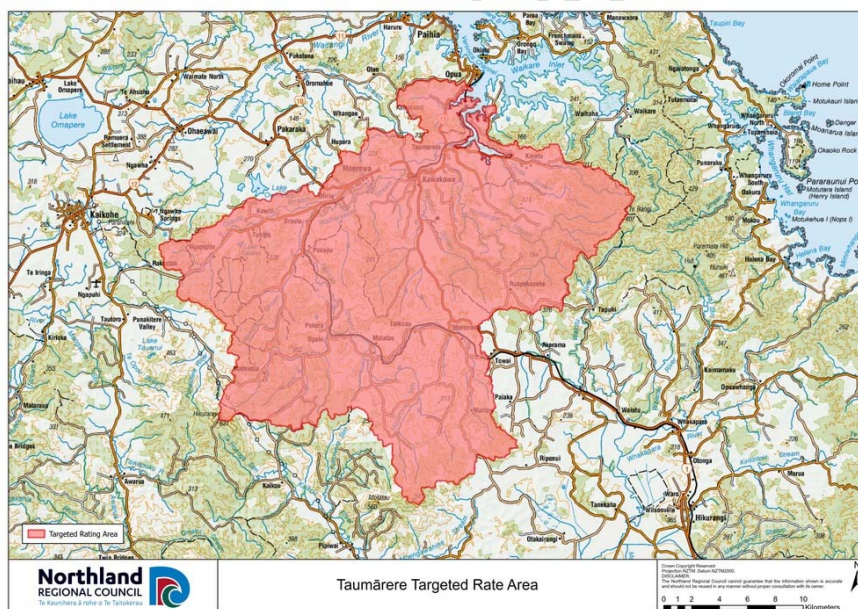
n. Targeted Taumāre rivers management rate

A targeted rate set under the LGRA, set on a uniform basis in respect of each rateable separately used or inhabited part of a rating unit falling within the Tamāre, as illustrated in the map below:

Including GST

Taumāre

\$67.15 per SUIP



4. That the Northland Regional Council resolves the following with respect to payment dates for rates and the penalty regime::

Far North District constituency:

The Northland Regional Council resolves that all rates within the Far North District constituency are payable in four equal instalments, on the following dates:

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Instalment	Due date for payment
Instalment 1	20 August 2022
Instalment 2	20 November 2022
Instalment 3	20 February 2023
Instalment 4	20 May 2023

The Northland Regional Council resolves to add the following penalties to unpaid Far North District constituency rates:

- In accordance with section 58(1)(a) of the LGRA, a penalty of ten percent (10%) will be added to any portion of each instalment of Far North District constituency rates assessed in the 2022/23 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	27 August 2022
Instalment 2	27 November 2022
Instalment 3	27 February 2023
Instalment 4	27 May 2023

Kaipara District constituency:

The Northland Regional Council resolves that all rates within the Kaipara District constituency are payable in four equal instalments, on the following dates:

Instalment	Due date for payment
Instalment 1	20 August 2022
Instalment 2	20 November 2022
Instalment 3	20 February 2023
Instalment 4	20 May 2023

The Northland Regional Council resolves to add the following penalties to unpaid Kaipara District constituency rates:

- In accordance with section 58(1) (a) of the LGRA, a penalty of ten percent (10%) of so much of each instalment of the Kaipara District constituency rates assessed in the 2022/23 financial year that are unpaid after the relevant due date for each instalment will be added on the relevant penalty date for each instalment stated below, except where a ratepayer has entered into an arrangement by way of direct debit authority, and honours that arrangement. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	21 August 2022
Instalment 2	21 November 2022
Instalment 3	21 February 2023

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Instalment 4	21 May 2023
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- In accordance with section 58(1)(b) of the LGRA, a penalty of ten per cent (10%) of the amount of all Kaipara District constituency rates (including any penalties) from any previous financial years that are unpaid on 5 July 2022 will be added on 7 July 2022.
- In accordance with section 58(1)(c) of the LGRA, a penalty of ten per cent (10%) of the amount of all Kaipara District constituency rates to which a penalty has been added under the point immediately above and which remain unpaid on 10 January 2023 will be added on 11 January 2023.

Whangārei District constituency:

The Northland Regional Council resolves that all rates within the Whangārei District constituency are payable in four equal instalments, on the following dates:

Instalment	Due date for payment
Instalment 1	20 August 2022
Instalment 2	20 November 2022
Instalment 3	20 February 2023
Instalment 4	20 May 2023

The Northland Regional Council resolves to add the following penalties to unpaid Whangārei District constituency rates:

- In accordance with section 58(1)(a) of the LGA, a penalty of ten per cent (10%) will be added to any portion of each instalment of Whangārei District constituency rates assessed in the 2022/23 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date penalty will be added
Instalment 1	24 August 2022
Instalment 2	23 November 2022
Instalment 3	23 February 2023
Instalment 4	24 May 2023

- In accordance with section 58(1)(b) of the LGRA, a penalty of ten per cent (10%) will be added to any Whangārei District constituency rates (including any penalties) from any financial year prior to 1 July 2022 that still remain unpaid as at 5 July 2022. This penalty will be added on 7 September 2022.

The district councils have advised that their rates adoption dates are as follows:

- Far North District Council – 30 June 2022
- Kaipara District Council – 28 June 2022
- Whangārei District Council – 30 June 2022.

Should their collection and/or penalty dates change through the rate setting process we will need to amend our resolution accordingly.

Carried

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Secretarial Note:

- Confirmation was provided that the rating detail contained in Item 7.1 'Rates for the year 1 July 2022 to 30 June 2023' had undergone a specific legal review.
- Items 7.2 'Adoption of Annual Plan 2022/23' and 'Adoption of User Fees and Charges 2022/23' were addressed prior to Item 7.1 'Rates for the year 1 July 2022 to 30 June 2023' in accordance with legal advice.

Adoption of Annual Plan 2022/23 (Item 7.2)

Report from Nicola Hartwell, Corporate Planner

Moved (Stolwerk/Blaikie)

1. That the report 'Adoption of Annual Plan 2022/23' by Nicola Hartwell, Corporate Planner dated 26 May 2022, be received.
2. That council sets and adopts the Annual Plan 2022/23 (*included as Attachment 1 pertaining to Item 7.2 of the 28 June 2022 council agenda*).
3. That council authorises Bruce Howse, Group Manager – Corporate Services to make any necessary minor drafting, typographical, rounding, or presentation corrections to the Annual Plan 2022/23 prior to final publication of the document.

Carried

Adoption of User Fees and Charges 2022/23 | Kaupapa Here a Utu (Item 7.3)

Report from Robyn Broadhurst, Policy Specialist

Moved (Stolwerk/Macdonald)

1. That the report 'Adoption of User Fees and Charges 2022/23 | Kaupapa Here a Utu' by Policy Specialist and dated 11 May 2022, be received.
2. That council sets and adopts the User Fees and Charges 2022/23 (*included as Attachment 1 pertaining to Item 7.3 of the 28 June 2022 council agenda*).
3. That council authorises Group Manager – Corporate Excellence to make any necessary minor drafting, typographical, rounding, or presentation corrections to the User Fees and Charges 2022/23 prior to final publication of the document.

Carried

Biosecurity Operational Plan 2022-2023 (Item 7.4)

Report from Don McKenzie, Pou Tiaki Pūtaiao - GM Biosecurity

Moved (Craw/Macdonald)

1. That the report 'Biosecurity Operational Plan 2022-2023' by Don McKenzie, Pou Tiaki Pūtaiao - GM Biosecurity and dated 14 June 2022, be received.
2. That council approve the Biosecurity Operational Plan 2022-2023 (*included as Attachment 1 pertaining to Item 7.4 of the 28 June 2022 council agenda*) in accordance with the Biosecurity Act section 100b.
3. That council authorises the GM Biosecurity to make any necessary minor drafting, typographical, rounding, or presentation corrections to the Biosecurity Operational Plan 2022-2023.

Carried

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Secretarial Note: Appreciation was extended to all staff who were involved in the development of the Biosecurity Operational Plan which was completed on time and described as 'ambitious' yet achievable.

Submissions on freshwater and indigenous biodiversity national instruments (Item 7.5)

Report from Ben Lee, Planning and Policy Manager

Moved (Robinson/Macdonald)

1. That the report 'Submissions on freshwater and indigenous biodiversity national instruments' by Ben Lee, Planning and Policy Manager and dated 7 June 2022, be received.
2. That council make a submission on the exposure draft of proposed changes to the National Policy Statement for Freshwater Management (2020) and the National Environmental Standards for Freshwater (2020).
3. That councillors Blaikie, Craw, Macdonald and Smart be delegated authority to approve the content of a submission on behalf of council on the exposure draft of proposed changes to the National Policy Statement for Freshwater Management (2020) and the National Environmental Standards for Freshwater (2020), and the submission to be signed by the Chair.
4. That councillors Blaikie, Craw, Macdonald and Smart be delegated authority to:
 - a. decide on behalf of council whether to make a submission on the Draft National Policy Statement for Indigenous Biodiversity – Exposure draft, and
 - b. approve the content of a submission on behalf of council (if a submission is to be made), and the submission to be signed by the Chair.
5. That a draft of any submission made under resolution 3. or 4. will be circulated to non-elected members of the Te Taitokerau Māori and Council Working Party for comment prior to being lodged.

Carried

Te Mana o Te Wai Funding (Item 7.6)

Report from Ben Lee, Planning and Policy Manager

Moved (Robinson/Craw)

1. That the report 'Te Mana o Te Wai Funding' by Ben Lee, Planning and Policy Manager and dated 24 May 2022, be received.
2. That the allocation of the \$250,000 Te Mana o Te Wai funding for 2023/2024, 2023/2024 and 2024/2025 is based on the following priorities:
 - a. 1st priority: Supporting tangata whenua participation in the freshwater planning process.
 - b. 2nd priority: Developing a mātauranga Māori freshwater framework.
 - c. 3rd priority:
 - i. Implementing the mātauranga Māori freshwater framework, and
 - ii. Investigating the use of mechanisms available under the Resource Management Act 1991 to involve tangata whenua in freshwater

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management (such as using transfer of functions and joint management agreements)

3. That the allocation of the \$250,000 Te Mana o Te Wai funding for 2022/2023 is as follows:

Activity	22/23
A) Supporting tangata whenua in the freshwater planning process	\$150k
B) Developing a Freshwater Mātauranga Māori framework	\$100K
C) Implementing the Mātauranga Māori freshwater framework	\$0
D) Investigating the use of mechanisms available under the Resource Management Act 1991 to involve tangata whenua in freshwater management (such as using transfer of functions and joint management agreements)	\$0

4. That Te Taitokerau Māori and Council Working Party advice is sought early 2023 on the allocation of the 2023/2024 Te Mana o Te Wai funding.
5. That Te Taitokerau Māori and Council Working Party advice is sought on a scope of work for developing a mātauranga Māori freshwater framework.
6. That council will approve a scope of work for developing a mātauranga Māori freshwater framework upon receiving advice from Te Taitokerau Māori and Council Working Party.

Carried

Tangata Whenua Environmental Monitoring Fund - draft allocation policy (Item 7.7)

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Robinson/Kitchen)

1. That the report 'Tangata Whenua Environmental Monitoring Fund - draft allocation policy' by Justin Murfitt, Strategic Policy Specialist and dated 7 June 2022, be received.
2. That council adopt the Tāngata Whenua Environmental Monitoring Fund draft allocation policy (*included as Attachment 1 pertaining to Item 7.7 of the 28 June 2022 council agenda*).

Carried

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Formal endorsement of submission made into the National Adaptation Plan by the Joint Climate Change Adaptation Committee (Item 7.8)

Report from Tom FitzGerald, Climate Change Manager

Moved (Macdonald/Craw)

1. That the report 'Formal endorsement of submission made into the National Adaptation Plan by the Joint Climate Change Adaptation Committee' by Climate Change Manager and dated 10 June 2022, be received.
2. That the final Submission (*included as Attachment 1 pertaining to Item 7.8 of the 28 June 2022 council agenda*) be formally received and retrospectively approved.

Carried

Secretarial Note: Appreciation was extended to all involved in finalising the submission on the National Adaptation Plan.

Chair's Report to Council (Item 8.1)

Report from Penny Smart, Chair

Moved (Smart/Stolwerk)

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 14 June 2022, be received.

Carried

Chief Executive's Report to Council (Item 8.2)

Report from Malcolm Nicolson, Tumuaki - Chief Executive Officer

Moved (Stolwerk/Macdonald)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 30 May 2022, be received.

Carried

Secretarial Note:

- *The Marketing and Engagement Manager was acknowledged as the co-winner of the Taituarā Local Government Emerging Leader of the Year award.*
- *Appreciation was extended to Civil Defence Emergency Management staff for their work progressing the National Partnership Charter which was a 'shared vision with central government'.*
- *It was advised that Northland Civil Defence had formally written to the Minister highlighting that the reinstatement of the RNZ Kaitiāia mast was critical to ensure over 200 households could receive emergency updates.*
- *Concern was raised regarding the number of fatalities on Northland roads and the strain it put on emergency services.*

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Receipt of Committee Minutes (Item 9.1)

Report from Chris Taylor, Governance Specialist

Moved (Macdonald/Stolwerk)

That the unconfirmed minutes of the:

- Te Oneroa-A-Tōhē Board Minutes - 22 April 2022
- Joint Climate Change Adaption Committee 30 May 2022
- Regional Transport Committee 7 June 2022
- Kaipara Moana Remediation Joint Committee 13 June 2022
- Civil Defence Emergency Management Group 14 June 2022

be received.

Carried

Secretarial Note: Representatives from each of the committees provided a verbal update on priorities and key workstreams.

Working Party Updates and Chairpersons' Briefings (Item 9.2)

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

Moved (Craw/Macdonald)

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

Carried

Secretarial Note: The Chair of each working party provided a verbal update on areas of focus and key work programmes.

Kaupapa ā Roto/Business with Public Excluded (Item 10.0)

Moved (Macdonald/Stolwerk)

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

Item No.	Item Issue	Reasons/Grounds
10.1	Confirmation of confidential minutes - council meeting 24 May 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
10.2	Human Resources Report - May 2022	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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10.3	Regional Projects Reserve: Investment proposal for Kaipara Water Scheme	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
10.4	Purchase of Whangārei CBD Properties	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

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

Carried

Secretarial Note: The meeting adjourned at 12.13pm and reconvened at 12.17pm to address business with the public excluded.

Whakamutunga (Conclusion)

The meeting concluded at 1.33pm.

TITLE: Regional Software Holdings Limited's Transition

From: Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 11
Group Manager/s: July 2022

Executive summary/Whakarāpopototanga

This report sets out the proposed changes, and the necessary documents, to transition Regional Software Holdings Limited into the Regional Sectors Shared Services Organisation.

Regional Software Holdings Limited (RSHL) is being transitioned into the Regional Sector Shared Services Organisation to consolidate existing collaboration programmes and to put in place a fit-for-purpose structure that will enable the sector to respond more quickly to shared issues and opportunities, while reducing individual council cost and resource use.

Council's shareholding in RSHL is changing with the council receiving one fully paid Class A share (for ownership and control of the Company) and with council's ordinary shareholding being transferred into Class B shares (for ownership and control of the IRIS classic asset).

The new company will have up to eight directors and council will have equal nomination, selection and voting rights alongside all other Class A shareholding councils.

Recommendation(s)

1. That the report 'Regional Software Holdings Limited's Transition' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 4 July 2022, be received.
2. That council receives and approves the proposed changes to council's shareholding in Regional Software Holdings Limited, as a result of the transition, and as incorporated into the draft Shareholders' Agreement, Constitution and Shareholders' Resolution.
3. That council provides feedback on the Shareholders' Agreement, Constitution and Shareholders' Resolution to the CEO.
4. That council delegates authority to the CEO to sign the Shareholders' Agreement and Shareholders' Resolution (subject to minor amendments) on behalf of the council.

Options

No.	Option	Advantages	Disadvantages
1	Support the Regional Software Holdings Limited (RSHL) transition into the Regional Sector Shared Services Organisation.	NRC maintain shareholders rights, and the benefits that accrue from these, in the transition to the Regional Sector Shared Services Organisation.	Nil.
2	Do not support Regional Software Holdings Limited (RSHL) transition into the Regional Sector	Nil.	Loss of benefits to NRC that will arise from the Regional Sector Shared Services Organisation.

No.	Option	Advantages	Disadvantages
	Shared Services Organisation.		

The staff's recommended option is Option 1.

Considerations

1. Environmental Impact

Nil.

2. Community views

Community views are unknown, however this is primarily an administrative matter that is unlikely to impact on the Northland community.

3. Māori impact statement

Māori views are unknown, however this is primarily an administrative matter that is unlikely to impact on Māori.

4. Financial implications

There are no financial implications.

5. Implementation issues

Nil. NRC existing shareholdings in Regional Software Holdings are maintained in the transition to the Regional Sector Shared Services Organisation.

6. Significance and engagement

In relation to section 70 of the Local Government Act 2022, this decision is considered to be of low significance as it is part of council's day to day activities.

7. Policy, risk management and legislative compliance

There are no known policy, risk management or legislative compliance matters.

Background/Tuhinga

On 3 August 2021, the Regional Chief Executive Officers (RCEO) Group approved a business case for the development of a Regional Sector Shared Service Organisation (to be named).

The sector already has several resource sharing and collaboration programmes in place including: the Special Interest Group (SIG) Network, EMAR / LAWA, Essential Freshwater Implementation Programme, the Regional Sector Office, ReCoCo Programmes, the Sector Financial Management System and IRIS.

The business case set out that the next evolutionary step is to consolidate existing collaboration programmes and to put in place a fit-for-purpose structure that will enable the sector to respond more quickly to shared issues and opportunities, while reducing individual council cost and resource use. Ultimately, doing more with less.

It was agreed to transition Regional Software Holdings Limited (RSHL) into the Regional Sector Shared Services Organisation (RSSSO) and a cross-council project team and steering group were stood up to run the transition.

Regional Software Holding Limited (RSHL) is a not-for-profit Council Controlled Organisation (CCO) that has been operating for 10 years and delivering an increasing number of innovative, collaborative solutions to the Regional and Unitary sector.

Council is currently one of six founding shareholders in Regional Software Holdings Limited (RSHL).

The following objectives are sought through the transition, to:

1. Equalise the shareholding and control rights for each shareholder of RSSO
2. Achieve consistent treatment of founding and new shareholders
3. Enable shareholders to retain rights and ownership over the assets that they funded
4. Minimise the impact of the transition on founding shareholders

Change in shareholding

To achieve these objectives, it is proposed that the company separates the ownership and control of the company, from the ownership and control over the significant assets developed by the company, such as IRIS classic.

The Shareholders' Agreement, Constitution and Shareholders' Resolution propose that:

- All founding and future shareholders receive a single fully paid, Class A share that holds the rights of ownership and control of the company.
- The company issues a separate class of shares for all significant capital developments. These separate class shares will hold the rights of ownership and control over the specific assets.
- The company issue Class B shares that will hold the rights of ownership and control over IRIS classic.
- The company transfer the founding shareholders current shareholding into Class B shares enabling the founding shareholders to maintain their ownership of IRIS classic, resulting in minimal impact on the founding shareholders as a result of the transition.

For clarification, the proposed changes are set out in this table.

RSHL proposed transition	Current	Proposed	
	Ordinary Shares	Class A Shares Company ownership	Class B Shares IRIS ownership
Waikato Regional	3,275	1	3,275
Northland Regional	1,675	1	1,675
Taranaki Regional	1,550	1	1,550
Horizons Regional	1,550	1	1,550
Environment Southland	1,550	1	1,550
West Coast Regional	400	1	400
Total	10,000	6	10,000

Change in Director Appointment

With the change of company ownership, the addition of new shareholders and the changing nature of the company, it has been appropriate to make changes to the Director Appointment Process.

The Shareholders' Agreement and Constitution propose the following key aspects:

- That there be a maximum of eight Directors.
- That while the company has less than six directors, at least one must be an independent director, and while the company has six or more directors, at least two must be independent directors.
- Only the independent directors are entitled to receive directors' fees.
- The directors will be appointed by ordinary resolution, voted on by all Class A shareholders.
- At the next annual meeting (Nov 2022) the current Board will retire and, if they so choose, offer themselves for re-election.
- The Class A shareholders will then select the full Board at this annual meeting.
- In subsequent years, the Board will operate a retirement by rotation approach whereby a minimum of two vacancies will be created and shareholders can nominate candidates (which may include any directors retiring by rotation) to be reviewed, selected and appointed to the vacancies.

This approach is intended to balance the retention of experience with the need to refresh the Board for upcoming issues and opportunities.

The Shareholders' Agreement, Constitution and Shareholders' Resolution have been drafted to give effect to the above.

The proposal is to consider the above changes and, if they are approved, delegate authority to the Chief Executive to finalise these documents (only minor amendments expected) and sign them on behalf of the council. There is little or no risk to the council's current position. The investment made into IRIS classic is protected. There will be a reduction in the paper value of the council's investment due to the additional shareholding. This was always going to occur as the investment in IRIS classic reaches end of life and is amortised. There is significant upside benefit to the council from RSSO. The council will be able to access standardised shared solutions and expertise that it would not be able to access or afford in its own right.

Attachments/Ngā tapirihanga

Attachment 1: RSHL Shareholders Agreement [↓](#) 

Attachment 2: RSHL Constitution [↓](#) 

Attachment 3: RSHL Shareholders Resolution [↓](#) 



Shareholders' Agreement

Regional Software Holdings Limited

Those persons listed in Schedule 1

(the Shareholders)

Regional Software Holdings Limited (NZBN 9429030488120)
(Company)

PwC Legal

15 Customs Street West, Private Bag 92162, Auckland 1010, New Zealand
www.pwc.co.nz/legal

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Date

2022

Parties

Name	those persons listed in Schedule 1
Description	Shareholders
Notice details	as listed in Schedule 1

Name	Regional Software Holdings Limited
NZBN	9429030488120
Description	Company
Notice details	Address: C/- O'Fee and Associates Limited, 12 Victoria Avenue, Palmerston North 4410, New Zealand Email: info@rshl.co.nz Attention: Mark Donnelly

Background

- A. The Company was incorporated on 17 October 2012.
- B. The parties have agreed that their relationship as Shareholders will be governed by the terms and conditions set out in this Agreement.
- C. This Agreement is intended to be legally binding and the parties agree to give effect to the arrangements contemplated by it.

Agreed Terms

1. Definitions and interpretation

1.1 Definitions

In this Agreement unless the context otherwise requires:

Accounting Standards means:

- (a) accounting standards approved under the Companies Act and its requirements about the preparation and content of accounts; and
- (b) generally accepted and consistently applied accounting principles, policies and practices and procedures in New Zealand, except those inconsistent with the standards or requirements referred to in paragraph (a) of this definition.

Agreement means this Agreement and all schedules, annexures and attachments to it, as amended by the parties in writing;

Associate means, in relation to a Shareholder, any company, trust or limited partnership over which that Shareholder has Control.

Auditor means the Company's auditor from time to time.

Board means the board of Directors as constituted from time to time.

Budget means the budget adopted under clause 8.2.

Business means the business of the Company described in clause 8.1.

Business Day means a day on which banks are open for general banking business in Auckland, New Zealand, excluding Saturdays, Sundays or public holidays in Auckland, New Zealand.

Business Plan means a detailed business plan for carrying on the Business during a Financial Year that is adopted by the Board under clause 8.3 or clause 8.4.

CEO means the chief executive officer of the Company from time to time.

Chair means the chair of the Board from time to time appointed under clause 7.10.

Class A Share means a share that confers on the holder those rights set out in section 36(1)(a) of the Companies Act unless the Board declares that additional rights may be conferred (or rights taken away) on the holder.

Class B Share means a share that confers on the holder those rights set out in sections 36(1)(b) and 36(1)(c) of the Companies Act insofar as such rights relate to the value and ownership of the IRIS Software or other software or services related IRIS Software funded by the Class B Shareholders and developed or held by the Company.

Companies Act means the Companies Act 1993.

Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored, delivered or exchanged between the parties (or any of them) before, on or after the date of this Agreement relating to the business, technology or other affairs of the Company or the Shareholders, including:

- (a) the terms of this Agreement;
- (b) all matters relating to the Company; and
- (c) all trade secrets, business plans, financial, marketing, systems, technology, ideas, concepts, know how, techniques, designs, specifications, blueprints, tracings, diagrams, models, functions, capabilities and designs (including computer software, manufacturing processes or other information embodied in drawings or specifications), intellectual property or any other information which is indicated to be subject to an obligation of confidence, owned or used by or licensed to the Company,

but does not include information that (whether before or after this Agreement is executed):

- (d) is disclosed to a party, but at the time of disclosure is rightfully known to or in the possession or control of the party and not subject to an obligation of confidentiality on the party;
- (e) is public knowledge (except because of a breach of this Agreement or any other obligation of confidence);
- (f) must be disclosed by law or any order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this Agreement or by the rules of a Stock Exchange; or
- (g) subject to clause 21.15(b)(v), a Shareholder discloses to an adviser of the Shareholder on a confidential basis.

Constitution means the constitution of the Company, as in force from time to time.

Customer means any entity that procures a product or service directly from the Company including, but not limited to, 'regional councils' and 'unitary authorities' (both as defined by the LGA).

Deed of Accession means a deed of accession in the form set out in Schedule 2.

Development Expenses includes (but is not limited to):

- (a) expenses related to any software or other assets owned by or created on behalf of the Company;
- (b) expenses related to the development of a service that is not supported by an asset; or
- (c) expenses related to a programme or initiative created or supported by the Company.

Director means a director of the Company from time to time appointed under clause 7.

Dispose means, in respect of a Share, to sell, assign, convey, transfer, create a trust over, grant an option over or otherwise dispose of a legal or beneficial interest, alienate or encumber the Share or the right to exercise any votes attached to the Share.

Employee means an employee of the Company.

Eligible Shareholder means a local authority as that term is defined in the LGA.

Event of Default has the meaning given in clause 17.1.

Fair Value means, in respect of any Shares:

- (a) The fair value of the Shares determined by the Board and the relevant Shareholder, or failing that by an independent expert appointed by the agreement of the relevant parties, or, failing such agreement, by the President for the time being of the New Zealand Law Society.
- (b) The expert is to act as an expert and not as an arbitrator and accordingly the Arbitration Act 1996 will not apply. In so acting, the expert may rely on his or her own knowledge, skill and experience in relation to the valuation of company securities and make his or her own enquiries without reference to the parties.
- (c) The expert shall determine the fair value of the Shares on the basis of:
 - (i) a willing but not anxious buyer and seller and on the assumption that the subject matter of the valuation is exposed to an open market;
 - (ii) an arms' length transaction, with no compulsion to sell;and without:
 - (iii) reference to the synergistic benefits a buyer might obtain;
 - (iv) any premium for any majority position of the Shares; or
 - (v) any discount for any minority position of the Shares.
- (d) The expert must give his or her determination in writing as soon as practicable (but within 10 working days of his or her appointment or within any other period that the Board agrees on).
- (e) Unless this Agreement expressly provides otherwise or the parties otherwise agree, the expert's costs shall be met by the Company.

Financial Year means each period of 12 months commencing on 1 July and ending on 30 June, or such other period as the Board may determine, and includes the period commencing on the:

- (a) date of this Agreement and ending on 30 June; and
- (b) last 1 July before the date of termination of this Agreement and ending on that date of termination.

Government Agency means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, state, territorial or local;

Independent Director means a person who is appointed as a Director under clause 7.11 and who is not employed by any entity that is subject to the LGA.

Insolvency Event means the occurrence of any one or more of the following events in relation to any party:

- (a) a receiver, receiver and manager, administrator, trustee or similar official is appointed over any of the assets or undertaking of the entity;
- (b) the entity suspends payment of its debts generally;
- (c) the entity is or becomes unable to pay its debts when they are due or is unable to pay its debts within the meaning of the Companies Act;
- (d) the entity enters into or resolves to enter into any arrangement or compromise with, or assignment for the benefit of, its creditors or any class of them;
- (e) an application or order is made for the winding up or dissolution of, or the appointment of a provisional liquidator to, the entity, or a resolution is passed or steps are taken to pass a resolution for the winding up or dissolution of the entity otherwise than for the purpose of an amalgamation or reconstruction that has the prior consent of all Shareholders; or
- (f) an administrator is appointed under the Companies Act; or
- (g) anything analogous or of similar effect to any of the above events occurs under the law of any applicable jurisdiction.

Intellectual Property Rights means any right, title or interest in any patents, rights to inventions, copyright and related rights, moral rights, trade marks and service marks, trade names and domain names, rights in get-up, rights to goodwill or to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

IRIS Software means the classic version of the "Integrated Regional Information Software" code.

LGA means the Local Government Act 2002.

Ordinary Resolution means a vote, resolution or consent that is approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question.

Permitted Disposal means a Disposal of Shares pursuant to clause 15.

Principles means those principles set out in clause 2.2.

Security Interest means any security interest (as that term is defined in the Personal Property Securities Act 1999).

Seller has the meaning given to it in clause 14.2.

Service Fee means the annual fee charged by the Company to each Customer (including Shareholders) to use the services provided by the Company.

Share means the existing Class A and Class B shares issued by the Company and any other shares, equity securities or securities that may or may not confer voting rights or convertible into shares which are issued by the Company from time to time in accordance with this Agreement.

Share Capital means all of the Shares on issue.

Shareholder means a shareholder of the Company who is a party to this Agreement.

Special Resolution means a vote, resolution or consent passed or given by Shareholders who together hold no less than 75% of the Class A Shares on issue (excluding treasury stock).

Statement of Intent means the current statement of intent of the Company.

Subsidiary has the same meaning as in the Companies Act.

Surviving Provisions means clauses 1 (Definitions and Interpretation), 18 (Termination), 21 (General) and any other right or claim that arose while the party was a Shareholder.

1.2 Interpretation

In this Agreement headings are for convenience only and do not affect the interpretation of this Agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) an expression importing a natural person includes any individual, company, partnership, joint venture, association, company or other body corporate and any Government Agency;
- (e) no provision of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Agreement or that provision;
- (f) an agreement, representation or warranty on the part of or in favour of two or more persons binds or is for the benefit of them jointly and severally;
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (h) in determining the time of day where relevant to this Agreement, the relevant time of day is the time of day in the place where the party required to perform the obligation is located; and
- (i) a reference to:
 - (i) anything (including any right) includes a part of that thing but nothing in this clause 1.2 implies that performance of part of an obligation constitutes performance of the obligation;

- (ii) a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Agreement and a reference to this Agreement includes any annexure, exhibit and schedule;
- (iii) a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (iv) a document (including this Agreement includes all amendments or supplements to, or replacements or novations of, that document;
- (v) a party to a document includes that party's executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (vi) "including", "for example" or "such as" when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (vii) "law" includes legislation, the rules of the general law, including common law and equity, and any judgment order or decree, declaration or ruling of a court of competent jurisdiction or governmental agency binding on a person or the assets of that person; and
- (viii) a monetary amount is a reference to New Zealand Dollars.

2. Commencement, Principles and Constitution

2.1 Commencement

This Agreement shall commence on the date on which all the Shareholders have executed this Agreement.

2.2 Principles

The Principles of the Company that should be considered and taken into account when making any decisions relating to the Company are as follows:

- (a) Work for the good of Te Uru Kahika.
- (b) Be transparent and accountable.
- (c) Create value.
- (d) Work smarter, not harder.
- (e) Gain consistency.
- (f) Reduce duplication.
- (g) Be Customer centric.
- (h) Recognise and manage Shareholder risk.

- (i) Support our people.

2.3 Co-operation

Subject to this Agreement, to fulfil the Principles, each Shareholder undertakes to each other Shareholder to:

- (a) act reasonably and co-operate with each other in relation to all matters concerning the affairs of the Company;
- (b) do or cause to be done all acts necessary or desirable for the implementation of this Agreement including casting votes as Shareholders, executing any necessary documents and causing their appointees to the Board to implement this Agreement; and
- (c) not unreasonably delay any action, approval, direction, determination or decision required under this Agreement.

2.4 Constitution

The Constitution of the Company shall be in the form set out in Schedule 3 as subsequently amended or replaced from time to time.

2.5 Adoption of constitution

The Shareholders set out in Schedule 1, being all of the Shareholders of the Company, hereby approve by way of Special Resolution, and agree that the Company adopt, the Constitution with effect as of and from the date of this Agreement. All other parties to this Agreement acknowledge and accept the Constitution as the Company's constitution. The Constitution shall prevail over any earlier document, actual or implied and the Board shall take such steps as necessary to register such constitution with the Registrar of Companies in accordance with the Companies Act.

3. *Good Faith*

3.1 Each Shareholder agrees to:

- (a) use its best endeavours to co-operate with the other Shareholders to ensure the Company operates efficiently and effectively and in accordance with this Agreement;
- (b) not to unreasonably delay any action, decision or notice required under this Agreement;
- (c) act in good faith towards the Company and the other Shareholders; and
- (d) agree to take or procure such shareholder and other action as is required to give effect to the provisions of this Agreement.

4. *Structure of the Company*

4.1 Incorporation

The Company was incorporated on 17 October 2012.

4.2 Shareholdings

- (a) Upon commencement of this Agreement, Shares in the Company will be held as follows:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400

- (b) No Shareholder may hold more than one Class A Share.
- (c) The number of Class B Shares held by the above Shareholders reflects their funding contribution towards the development of the IRIS Software.
- (d) New and existing Shareholders may be issued new non-Class A Shares with such rights as the Board determines and that may reflect their contribution towards the development of an asset held by the Company.

4.3 Current Directors

Name of Director	Director appointed by
Asbjorn Erik Aakjaer	By Ordinary Resolution of Shareholders
Jane Maree Carroll	By Ordinary Resolution of Shareholders
John Edward Crane	By Ordinary Resolution of Shareholders
Heather Ellen Mabin	By Ordinary Resolution of Shareholders
Malcolm Charles Nicolson	By Ordinary Resolution of Shareholders
Michael John Nield	By Ordinary Resolution of Shareholders
Gerald Peter Shirley	By Ordinary Resolution of Shareholders

5. Management of the Company

5.1 Board

Each Shareholder must exercise its rights as a Shareholder to ensure that the management of the Company is vested in the Board and the Board is composed, and its meetings are conducted, in accordance with clause 7.

5.2 Chief Executive Officer

- (a) Subject to clause 6.1(ee), the Board may appoint a Chief Executive Officer (**CEO**) to manage and generally administer the Company in accordance with the Business Plan and as the Board directs.
- (b) The CEO will be responsible for appointing all officers of the Company, and Employees, who are not appointed by the Shareholders or the Board under this Agreement.

5.3 Conduct of Business

The Company must:

- (a) **maintain property:** keep its property in good working order and condition subject to fair wear and tear, and make any necessary repairs and replacements;
- (b) **comply with agreements:** comply with all agreements binding on it;
- (c) **government requirements:** comply with the requirements of any Government Agency about the conduct of the Business and its assets;
- (d) **corporate existence:** maintain its corporate existence;
- (e) **budget and business plan:** conduct the Business in accordance with the Budget and Business Plan in force from time to time; and
- (f) **insurance:** keep such insurance policies as would be prudently kept by a company that holds assets similar to those held by the Company and carries on a business similar to the Business, and in each case, having regard to the Principles.

5.4 Maintenance of records

The Company must maintain books and records that enable a Shareholder to prepare its own accounts that comply with the Accounting Standards.

6. Reserved Matters

6.1 Board

Unless otherwise provided for in the Business Plan or the Budget and subject to sections 57 to 63 of the LGA, the Company must not do any of the following things, and must procure that none of its Subsidiaries does any of them, unless it is approved by at least 75% of the Directors:

- (a) **Sale or purchase of assets:** any sale, purchase or agreement by the Company to sell or purchase assets (other than inventory and any other working capital assets) having a value in aggregate greater than \$300,000;
- (b) **Security Interest:** the creation of a Security Interest over any of the Company's assets or undertaking;
- (c) **Transactions relating to Intellectual Property Rights:** entering into an agreement or transaction for the sale or disposal of any of the Company's Intellectual Property Rights to a third party;
- (d) **Litigation:** decisions relating to the conduct (including the settlement) of any legal proceedings to which the Company is a party where there is a potential liability or claim of more than \$100,000;
- (e) **Formation of subsidiaries:** forming any new Subsidiary;
- (f) **Financial accommodation:** incurring any new borrowings or financial accommodation (in any form including, but not limited to, financial and operating leases);
- (g) **New issues:** issuing shares, debentures, convertible notes, options or other equity or debt Securities of the Company, or the acquisition by the Company of any of the same in any other entity;
- (h) **Board committees:** the formation or dissolution of any committee of the Board or delegation of a power of the Board;
- (i) **Adoption or changes to the Budget or Business Plan:** adopting or making any change to the Budget or Business Plan;
- (j) **Accounting practice:** any change to the accounting practices and policies of the Company;
- (k) **Auditor:** the appointment or removal of the Auditor;
- (l) **Dividends:** the adoption of, or any change to, the dividend policy of the Company or the authorisation of any dividend declared by the Company;
- (m) **Employees:** appointing, removing or determining the remuneration or terms of employment of any:
 - (i) Director (including the Chair); or
 - (ii) Employee or contractor whose total remuneration package exceeds \$100,000 per annum;

- (n) **Ordinary course:** entering into an arrangement or incurring a liability that is not in the ordinary course of the Business;
- (o) **Non-arm's length transaction:** entering into an arrangement or incurring a liability that is not on arm's length terms; or
- (p) **Insurance:** entering into or amending any insurance cover of the Business or pertaining to any key personnel.
- (q) **Development Contributions/Service Fees:** the approval of a Development Contribution and Service Fees.
- (r) **Alteration of rights:** any alteration in the rights attaching to any Shares in the Company.
- (s) **Disposal:** the transfer or other disposition by any Shareholder of Shares in the Company.
- (t) **Statement of Intent:** any modifications to the Statement of Intent.
- (u) **Amalgamation:** any amalgamation involving the Company or its Subsidiaries.
- (v) **Material transactions:** The acquisition or disposal of (whether in a single transaction or series of transactions) any business (or any material part of any business) or any shares in any company where the value of that business or those shares exceeds \$100,000;
- (w) **Partnerships and joint ventures:** The Company or any Subsidiary entering into (or terminating) any material partnership, joint venture, profit-sharing agreement, technology licence or collaboration;
- (x) **Capital expenditure:** The Company or any Subsidiary incurring any capital expenditure in respect of any item or project in excess of \$300,000 or such other amount as the Shareholders may agree from time to time;
- (y) **Change of structure:** Changing the share capital of the Company, including by way of any issue, cancellation, consolidation or subdivision, of Shares or materially changing the nature or scope of the Business as described in clause 8.1;
- (z) **Encumbrances:** creating any mortgage, charge, encumbrance or other security interest of any nature in respect of all or any material part of the Company's property or assets;
- (aa) **Portfolio acquisitions and divestments:** Any Subsidiary increasing or reducing its shareholding in any other company;
- (bb) **Borrowing:** the Company or any Subsidiary borrowing or raising money which would result in the Group's new borrowing in any Financial Year exceeding \$100,000 or such other amount as the Shareholders may agree from time to time;
- (cc) **Guarantees:** Decisions involving the guaranteeing, directly or indirectly, of any obligation of a third party or involving the mortgaging or otherwise encumbering the assets of the Company to a third party or the giving of indemnities or generally acting as surety;
- (dd) **Winding up:** taking a step to dissolve or wind up the Company; or

- (ee) **CEO appointment:** the appointment or removal of any person as the CEO.

7. Board of Directors

7.1 The Board

The Board will initially consist of the Directors named in clause 4.3 above.

7.2 Number of Directors and Independent Directors

- (a) The number of Directors at any given time must be no:
 - (i) less than four; but
 - (ii) more than eight.
- (b) Subject to clause 7.2(c), while the Company has:
 - (i) less than six Directors, at least one must be an Independent Director; and
 - (ii) six or more Directors, at least two must be Independent Directors.
- (c) The requirements for the number of Independent Directors set out in clause 7.2(b) will not apply to the period from the date of this Agreement to the date of the Company's first annual meeting of shareholders (**Interim Period**) that follows the date of this Agreement.

7.3 Fewer than minimum number of Directors may act for limited purposes

- (a) Subject to clause 7.3(b), the Board may act notwithstanding any vacancy, but, if and for so long as the number of Directors and Independent Directors is reduced below the minimum numbers set out in clause 7.2, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number (by the Board making an appointment to fill the vacancy, in accordance with this Agreement), or of summoning a meeting of Shareholders, but for no other purpose.
- (b) The restrictions on the Board set out in clause 7.3(a) will not apply during the Interim Period.

7.4 Appointment of Directors

- (a) Subject to clauses 7.2 and 7.7(c), and section 151 of the Companies Act (Qualifications of directors) and sections 57 to 63 of the LGA, a person may be appointed as a Director or Independent Director at any time by an Ordinary Resolution.
- (b) Subject to clauses 7.2 and 7.7(c), and section 151 of the Companies Act (Qualifications of directors) and sections 57 to 63 of the LGA, the Board may appoint any person to be a Director or an Independent Director to fill a casual vacancy or as an addition to the existing Directors. Any Director or Independent Director appointed under this clause may hold office only until the next annual meeting, and is then eligible for election at that meeting.
- (c) For the avoidance of doubt, the Shareholders will (in their capacity as local authorities), as soon as reasonably practicable following the date of this Agreement, jointly approve a policy as

required by section 57 of the LGA that sets out an objective and transparent process relating to the appointment of Directors to the Company.

7.5 Removal and deemed resignation of Directors

- (a) Any Director may be removed from office by an Ordinary Resolution passed at a meeting called for the purpose of, or for purposes that include, removal of the Director.
- (b) Any non-Independent Director who ceases to be employed by or otherwise contract to a Shareholder will be deemed to have resigned as a Director upon the date their employment or contract for services with the Shareholder is terminated.

7.6 Existing Directors to continue in office

The Directors in office at the date of this Agreement shall continue in office and are deemed to have been appointed as Directors pursuant to this Agreement. Similarly, the Chair of the Board continues in office and is deemed to have been appointed Chair of the Board pursuant to this Agreement.

7.7 Rotation and maximum tenure of office

- (a) Subject to clause 7.7(c), at the first annual meeting of Shareholders held after the date of this Agreement, each Director (including the Independent Director(s)) will retire from office but shall be eligible for re-election.
- (b) At each subsequent annual meeting of Shareholders, two Directors (less any vacancies that have arisen during the previous Financial Year) will be required to retire from office but shall be eligible for re-election (provided they are not disqualified under clause 7.7(c)). The Director(s) who must retire will be those Director(s) who have held office as Directors for the longest period from their previous election (or re-election) as Directors. In the event that there are Directors who have held office for the equal longest period, those Director(s) who have held office as Director for the longest total aggregate tenure (including any broken and unbroken periods) will be required to retire. For the avoidance of doubt, if there have been two vacancies during the previous Financial Year, no Directors will be required to retire and seek re-election, provided they do not exceed the maximum tenure of office as set out in clause 7.7(c).
- (c) Unless the Shareholders unanimously agree otherwise, no Director may hold office for an aggregate tenure of more than 12 years.

7.8 Re-election of retiring Director

A Director retiring at a meeting in accordance with clause 7.7 shall, if standing for re-election, be deemed to have been re-elected unless:

- (a) Some other person is elected to fill the vacated office;
- (b) It is resolved not to fill the vacated office; or
- (c) A resolution for the re-election of that Director is put to the meeting and lost.

7.9 Appointment of Directors may be voted on jointly

The Shareholders of the Company may vote on a resolution to appoint one or more Directors.

7.10 **Chair**

The Chair will be appointed by the Board. If the Chair does not attend a meeting of Directors or is unwilling to chair the meeting, the Directors present at the meeting must, at the start of the meeting, elect one of themselves to chair that meeting.

7.11 **Independent Directors**

- (a) Subject to the independence criteria for Independent Directors set out in clause 1.1, the Shareholders may, by Ordinary Resolution, appoint up to two Independent Directors.
- (b) Any Independent Director may be removed by notice in writing to the Company if a Shareholder or Shareholders holding not less than 50% of the Shares in the Company elect to remove the Independent Director.

7.12 **Proceedings of the Board**

Proceedings of the Board shall be conducted in accordance with Schedule 3 of the Companies Act subject to the terms and conditions in this Agreement and otherwise as may be determined by the Board from time to time, provided that notwithstanding anything to the contrary in Schedule 3 of the Companies Act or in this Agreement, the quorum for any meeting of the Board is a majority of the Board.

7.13 **Frequency of meetings**

- (a) The Company must hold a meeting of Directors at least four times during each Financial Year.
- (b) The Company must give each Director, at least three days before each regular monthly meeting referred to in clause 7.13(a), the following documents:
 - (i) a report of the CEO of the Company in a form agreed by the Board from time to time; and
 - (ii) a financial report, in accordance with clause 11.1.

7.14 **Director contributions**

Subject to clause 7.16 and unless otherwise agreed by the Shareholders, the Directors, will contribute their time and skills as and when required for no fee.

7.15 **Reimbursement of Directors**

Directors may be reimbursed by the Company for reasonable out-of-pocket expenses incurred in attending meetings of the Board or carrying out authorised Company business agreed in advance by the Board.

7.16 **Remuneration of Independent Directors**

Each Independent Director will be entitled to receive director's fees that will be set by the Board and approved by the Shareholders at each annual meeting of Shareholder. Director's fees will be calculated on a pro-rata basis for the actual period the person was a Director during the relevant Financial Year, payable quarterly in arrears, or such other fee as may unanimously be determined by the Directors.

7.17 **Directors' and officers' insurances**

The Company must purchase and maintain at all times directors' and officers' liability insurance cover in respect of all Directors on terms (including that the relevant Director is named as a beneficiary), and with an insurer, approved by the Board acting reasonably.

8. *Budget and Business Plan*

8.1 **Nature of Business**

The business of the Company is delivering fit-for-purpose shared services solutions to Te Uru Kahika. This includes the management and development of the IRIS Software, any replacement software, the provision of services in connection with any software and to operate in accordance with the Principles.

8.2 **Annual budget**

For each Financial Year, the Company and each Shareholder must use reasonable endeavours to ensure that the Directors adopt an annual budget:

- (a) by no later than 30 June;
- (b) of each Financial Year; and
- (c) in a form approved by the Board.

8.3 **Initial Business Plan**

Each Shareholder must exercise its rights as a Shareholder to ensure the Company carries on the Business in accordance with the Initial Business Plan, until another Business Plan is approved and adopted in accordance with this clause 8.

8.4 **Business Plan**

- (a) For each Financial Year, the Company and each Shareholder must use reasonable endeavours to ensure that the Directors adopt a business plan for the following Financial Year:
 - (i) by no later than 30 June of each current Financial Year; and
 - (ii) in a form approved by the Board.
- (b) The Business Plan must include information about the following things (without limitation):
 - (i) business strategy for the next year, including any milestones that are to be met;
 - (ii) financial projections;
 - (iii) an operations plan;
 - (iv) a management plan;
 - (v) a product and service strategy; and

- (vi) planned capital expenditure.

8.5 Service Fees

Shareholders and Customers who wish to obtain services provided by the Company will enter into a service agreement with the Company under which the Company will provide certain services. Each Shareholder and Customer that is a party to a service agreement with the Company will be charged an annual Service Fee to the Company.

8.6 Board to determine Service Fees

The Board will determine the amount of the Service Fees for any fiscal year and for each Shareholder and Customer, taking into account the intention of ensuring that the cost of providing the service to the Shareholder or Customer is cost neutral to the Company over the life of the relevant service.

9. Development Contribution

9.1 Shareholder contribution

Each of the Shareholders and any Customer may be required to contribute to Development Expenses (**Development Contribution**) that are incurred by the Company in the creation and development of new initiatives, programmes or software. The amount, and proportion payable by each Shareholder and Customer, of such Development Contributions will be determined by the Board.

9.2 Method of contributing

The Board may set out how Development Contributions can be made to the Company and, without limitation, could include the additional subscription for non-Class A Shares at a price decided by the Board.

9.3 Shareholder notification

If the Board determines that a Development Contribution is necessary in accordance with clause 6.1(q), the Company will notify the Shareholders in writing of the amount of their respective Development Contribution and the method of how such Development Contribution will be made.

10. Service Agreement

Each Shareholder will enter into a service agreement in relation to the use and ongoing support of any software developed or held, or service provided, by the Company on terms agreed by the Board.

11. Records, accounts and provision of information

11.1 Regulatory requirements

The Company must ensure that its records and accounting books are:

- (a) kept in accordance with the Companies Act and LGA; and
- (b) audited yearly by the Company's auditors; and

- (c) reflect the Accounting Standards consistently applied.

11.2 Periodic reports

The Company must give to each Shareholder access to all information about the Business and the operations of the Company (including, but not limited to, the following reports) in reasonable detail and in a format reasonably specified by such Shareholder from time to time:

- (a) **LGA reporting:** those reports that are required to be prepared under the LGA and within the relevant timeframes;
- (b) **audited financial information:** within 90 days of the end of each Financial Year, an audited profit and loss statement and balance sheet for that Financial Year;
- (c) **Budget and Business Plan:** before the commencement of the Financial Year to which they relate, copies of the Budget (if any) and Business Plan (if any) for the Financial Year; and
- (d) **other information:** any information reasonably requested by such Shareholder to enable the Company or a Shareholder to give to a Government Agency information required by that Government Agency.

11.3 Audit

The Company must ensure that the accounts of the Company are audited annually by the Auditor within 90 days of the end of the relevant Financial Year.

11.4 Access to information

The Company must, on reasonable notice, allow each Director, or the legal advisers or financial advisers of a Director, to:

- (a) inspect property of the Company;
- (b) inspect and take copies of a document about the Business, including its accounts; and
- (c) discuss the Company's affairs, finances and accounts with the Company's officers and the Auditor.

12. Issue of Shares

12.1 Issue of Shares

The Company may only issue shares in the following circumstances:

- (a) with the consent of 75% of the Directors of the Company; and
- (b) only to an Eligible Shareholder.

12.2 Classes of Shares

The Board has the power to issue any number, type and class of share to Eligible Shareholders as they determine as being necessary and (without limitation) that:

- (a) Reflect the holder's funding contribution towards an asset developed or held by the Company;
- (b) Have certain rights conferred upon the holder that may be different to other classes of shares already on issue;
- (c) May have a set value attached to them; and
- (d) Can be redeemed by the Company upon terms determined by the Board.

13. Restrictions on Shares

13.1 Prohibited actions

A Shareholder must not do anything that has the purpose or effect of undermining or circumventing the procedure on disposing of Shares as set out in this Agreement.

13.2 Security Interest

A Shareholder must not grant a Security Interest over any of the Shareholder's Shares without the written consent of the other parties.

14. Disposal of Shares

14.1 No Disposal of Shares

- (a) Other than in respect of a Permitted Disposal pursuant to clause 15, a Shareholder may only Dispose of Shares:
 - (i) as permitted under this clause 14; or
 - (ii) in accordance with clause 17 (Events of Default).

14.2 Class A Shares

- (a) If a Shareholder wishes to Dispose of its Class A Share (**Class A Seller**) it must prepare and serve on the Board a notice in writing stating that it wants to Dispose of its Class A Share for the sale price of \$1.00 (**Class A Disposal Notice**).
- (b) Upon receiving the Class A Disposal Notice, the Board will arrange for the Company to buy back the Class A Seller's Class A Share at the sale price of \$1.00, following which, the Class A Seller's Class A Share will be cancelled.
- (c) Unless the Board agrees otherwise by a simple majority, the Class A Seller Disposing of its Class A Share will be required to Dispose of its non-Class A Shares in accordance with this clause 14.
- (d) No Shareholder will have any pre-emptive rights in respect of the Disposal of any Class A Shares under this clause 14.2.

14.3 Non-Class A Shares

- (a) If a Shareholder wishes to Dispose of all of its non-Class A Shares (**Seller**) to another Shareholder or to an Eligible Shareholder (**Buyer**) it must prepare and serve on the Board a notice in writing (**Disposal Notice**) and which must be the same in all cases, stating:
 - (i) that the Seller wants to Dispose of all (but not less than all) of its holding of non-Class A Shares (the **Sale Shares**) and the percentage that those Sale Shares represent compared to all Shares then in issue; and
 - (ii) the cash price per Sale Share that the Buyer has agreed to purchase the Sale Shares for (if agreed at that stage) (**Disposal Price**).

14.4 Board consent

- (a) Subject to clause 14.6 and within 5 Business Days after service of a Disposal Notice, the Board may, by notice in writing to the Seller (**Board Notice**) and without requiring the approval of the Shareholders:
 - (i) Elect to buy-back the Sale Shares at the Disposal Price and within 20 Business Days of the Seller receiving the Board Notice;
 - (ii) Elect to buy-back the Sale Shares but at a price that represents the Sale Shares' Fair Value that is either agreed between the Seller and the Board or determined by an independent expert, with such process being completed within 30 Business Days of the Seller receiving the Board Notice;
 - (iii) Consent to the sale of the Sale Shares to the Buyer at the Disposal Price with the requirement that such sale complete within 20 Business Days of the Seller receiving the Board Notice;
 - (iv) Offer the Sale Shares to all Shareholders in the same class as the Sale Shares other than the Seller (the **Remaining Shareholders** and each a **Remaining Shareholder**) on a pro-rata basis by written notice that confirms that:
 - (A) The Sale Shares will be sold at the Disposal Price or at Fair Value if the Board or any Remaining Shareholder considers the Disposal Price to be inaccurate;
 - (B) If any Remaining Shareholders do not wish to acquire any Disposal Shares any Sale Shares that were previously allocated to be bought by them will be offered to all other Remaining Shareholders on a pro-rata basis; and
 - (C) The Sale under this clause 14.4(a)(iv) must be completed within 30 Business Days of the Seller receiving the Board Notice.
 - (v) Reject the Seller's Disposal Notice with an explanation as to the reasons why; or
 - (vi) Take a combination of the options set out in this clause 14.4(a).
- (b) The Board reserves the right to alter or set the process that relates to the Disposal of Sale Shares under clause 14.4(a) if it reasonably believes that such process is fair and reasonable to the Seller, the Company, the Buyer and the Remaining Shareholders (as the case may be).

- (c) The parties must take all reasonable steps to comply with all requirements under the Companies Act and this Agreement to authorise and implement the Disposal of Sale Shares (including convening a general meeting of the Company on short notice to authorise the Disposal or the passing of a written resolution of Shareholders to the same effect).

14.5 **Revocation by Seller**

- (a) Subject to clause 14.5(b), if the Disposal Price is disputed in respect of any Sale Shares and the Fair Value is less than the Disposal Price the Seller may, within five Business Days after receiving the valuation, revoke the Disposal Notice by written notice to the Board, in which event the Seller will bear all the costs of determining the Fair Value. If the Seller does not revoke the Disposal Notice it will remain in full force and effect.
- (b) The Seller will not be permitted to revoke a Disposal Notice if clause 17 applies.

14.6 **Waiver**

The restrictions imposed by this clause 14 may be waived in relation to any proposed Disposal of Shares with the written consent of all Shareholders.

15. Permitted Disposals

15.1 **Permitted Disposals**

Shares may be Disposed of in accordance with the following sub-paragraphs without the need to comply with the procedures set out in clause 14:

- (a) by a Shareholder to an Associate of the Shareholder;
- (b) from an Associate of a Shareholder to another Associate of the Shareholder;
- (c) if approved in writing by all other Shareholders.

15.2 **Liability following Permitted Disposal**

If any Shareholder Disposes of Shares by way of a Permitted Disposal, that Shareholder remains liable in respect of all covenants, warranties, undertakings and obligations given by it under this Agreement.

15.3 **Change of Permitted Transferee**

In the event that any person to whom Shares are received by pursuant to a Permitted Disposal (**Permitted Transferee**) ceases to be within the relationship to the transferor of the Shares (**Original Transferor**) stipulated in clause 15.1 (**Permitted Relationship**):

- (a) the Original Transferor must immediately notify the Company of such event; and
- (b) such Permitted Transferee must transfer the Shares back to the Original Transferor within 30 days of the date the Original Transferor notifies the Company that the Permitted Transferee has ceased to be within a Permitted Relationship, failing which the Permitted Transferee shall be deemed to have given a Sale Notice in respect of all of its Shares and the Specified Price for such

Shares will be the Fair Value of such Shares and the provisions set out in clause 14 shall apply, with necessary changes, to the Disposal.

15.4 Refusal to register

- (a) The Company must refuse to register the Disposal of any Shares in respect of which this clause 15 has not been complied with.
- (b) The Shareholders must procure (as far as they are able to do so) that the Directors do not refuse to register a Disposal of Shares that complies with this Agreement and the Constitution.

16. Incoming Shareholders

16.1 Bona fide Disposals

Notwithstanding any other provision of this Agreement, a Shareholder may not Dispose of any Shares to any person if the Board considers that:

- (a) the proposed transferee is not an Eligible Shareholder;
- (b) the proposed transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the Business or with a Subsidiary of the Company;
- (c) the sale of those Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (d) the Seller has failed or refused to promptly provide information available to the Seller and reasonably requested by the Board to enable the Board to form the opinions mentioned above.

16.2 Suitability of proposed transferee

- (a) Notwithstanding any other provision of this Agreement, a Shareholder may not Dispose of any Shares to any person that is not already a Shareholder, other than pursuant to:
 - (i) clause 15 (Permitted Disposals); or
 - (ii) clause 17.1 (Events of Default),unless the Board approves the proposed transferee as being a fit and proper person to be a Shareholder of the Company.
- (b) The Board must not unreasonably withhold or delay any approval required under clause 16.2(a). In considering whether or not to give its approval under clause 16.2(a), the Board must only have regard to:
 - (i) the reputation of the proposed transferee;
 - (ii) whether the proposed transferee is an Eligible Shareholder; and
 - (iii) the financial standing of the proposed transferee.

16.3 New Shareholders

- (a) The Board may only register a person as a Shareholder if that person:
 - (i) is an Eligible Shareholder; and
 - (ii) agrees in writing to be bound by this Agreement as if named as a party pursuant to clause 16.4.
- (b) Clause 16.3(a) applies to a Disposal of Shares and to an issue of Shares under clause 12.

16.4 Deed of Accession

A person may not be registered as the holder of Shares (whether those Shares have been acquired upon an issue or Disposal or otherwise) unless the person is a party to this Agreement (as it may be amended), or has entered into, and delivered to the Company, a Deed of Accession with the Company.

17. Events of Default

17.1 Events of Default

If anything mentioned in this clause 17.1 happens to a party (the **Defaulting Shareholder**), it is an **Event of Default** in respect of that party:

- (a) **material breach:** a Shareholder breaches an essential obligation under this Agreement and:
 - (i) another Shareholder gives written notice of the breach to the Defaulting Shareholder; and
 - (ii) the Defaulting Shareholder does not remedy the breach within 20 Business Days of the date of the notice, or the default cannot be remedied;
- (b) **change in law:** a Shareholder is prohibited from being a shareholder in the Company by a change in any law;
- (c) **transfers:** a Shareholder transfers, or purports to transfer, any Shares to a liquidator or receiver, or in satisfaction of any debt owed to a third party by the Shareholder, or to any competitor or supplier of the Business, without the prior written approval of the Board;
- (d) **Insolvency Event:** an Insolvency Event occurs in relation to a Shareholder;
- (e) **Disposal of Shares:** a Shareholder Disposes, or purports to Dispose, of any Shares in breach of the Constitution or this Agreement;
- (f) **prior records:** if, prior to becoming a Shareholder, a Shareholder failed to disclose to each of the other Shareholders the existence of a prior Insolvency Event or criminal conviction in respect of that Shareholder; or
- (g) **criminal conviction:** a Shareholder has a criminal conviction recorded against it at any time.

17.2 Buy-back

- (a) If an Event of Default occurs in respect of a Shareholder, the Directors may resolve the Company buys back the Defaulting Shareholder's Shares (**Default Shares**), and if so, the non-Defaulting Shareholders must, to the extent permitted by law:
 - (i) use their best endeavours to ensure that the Company enters into and performs an agreement to buy back all of the Default Shares;
 - (ii) do all things, and execute all further documents, necessary to give full effect to any agreement referred to in this clause 17.2; and
 - (iii) the price per Share which the Company will pay the Defaulting Shareholder to buy back the Default Shares in accordance with this clause 17.2 will be the Disposal Price.
- (b) For the avoidance of doubt, the parties (including the Company) acknowledge and agree that this clause 17.2:
 - (i) is not binding on the Company; and
 - (ii) is not intended to constitute an agreement to buy back shares for the purposes of the Companies Act.

17.3 Pre-emptive rights process to be followed

If the Company does not wish to buy back the Default Shares in accordance with this clause 17, the Default Shares will be disposed of in accordance with clause 14.

17.4 Suspension of rights and entitlements

Immediately upon the appointment of the Company as the agent and attorney of a Shareholder pursuant to clause 19, the rights and entitlements of that Shareholder (the **Suspended Shareholder** for such time as the suspension under this clause 17.4 applies) are suspended as follows:

- (a) all rights and entitlements of the Suspended Shareholder under this Agreement or attaching to the Defaulting Shareholder's Shares (including without limitation rights to vote, appoint Directors, receive dividends and participate in future issues of Shares) shall be deemed to have been immediately suspended;
- (b) obligations of the Suspended Shareholder under this Agreement or attaching to the Defaulting Shareholder's Shares will continue to bind the Suspended Shareholder notwithstanding the suspension under clause 17.4(a); and
- (c) the suspension under clause 17.4(a) will cease if the:
 - (i) subject of the Event of Default has been remedied to the satisfaction of the Board, acting reasonably; or
 - (ii) the Defaulting Shareholder's Shares are sold or transferred in accordance with this Agreement to a person who is not an Associate of the Suspended Shareholder.

17.5 Other remedies

The rights and remedies contained in this clause 17 are in addition to, and not to the exclusion of, any other rights or remedies that a party may have against a party in default of this Agreement.

18. Termination

18.1 Termination events

- (a) Except for the Surviving Provisions and the provisions that this clause 18 states will continue in full force after termination, this Agreement will terminate:
 - (i) when, as a result of Disposal of Shares made in accordance with this Agreement or the Constitution, only one party remains as legal and beneficial holder of the issued share capital in the Company; or
 - (ii) when a resolution is passed by Shareholders or the Company's creditors, or an order is made by a court or other competent body, that will lead to the Company being wound up and its assets being distributed among the Company's creditors, the Shareholders and/or other contributors.
- (b) A party will cease to be a party to this Agreement for the purpose of receiving benefits and enforcing its rights from the date that it ceases to hold (or beneficially own) any Shares (but without prejudice to any benefits and rights enjoyed prior to such cessation).
- (c) Termination of this Agreement will not affect any rights or liabilities that the parties have accrued under it.

18.2 Non-merger

No provision of this Agreement merges on execution, completion or termination.

18.3 Continuing indemnities and survival of indemnities

- (a) Each indemnity contained in this Agreement is a continuing obligation despite a settlement of account or the occurrence of anything, and remains in full force and effect until all money owing, contingently or otherwise, under an indemnity has been paid in full.
- (b) Each indemnity contained in this Agreement:
 - (i) is an additional, separate and independent obligation of the party giving the indemnity and no one indemnity limits the generality of any other indemnity; and
 - (ii) survives the termination of this Agreement.

18.4 Winding up

Where the Company is to be wound up and its assets distributed, the parties must agree upon a suitable basis for dealing with the interests and assets of the Company and must endeavour to ensure that:

- (a) all existing contracts of the Company are performed to the extent that there are sufficient resources;
- (b) the Company does not enter into any new contractual obligations;
- (c) the Company is dissolved and its assets are distributed as soon as practicable;
- (d) any assets transferred to the Company by any Shareholder prior to, or conditional upon, entry into this Agreement are returned to that Shareholder or as that Shareholder directs; and
- (e) any proprietary information or Intellectual Property Rights belonging to or originating from a party are to be returned to it by the other parties and/or the Company.

19. Power of Attorney

19.1 Purpose

The appointments of attorneys under clause 19.2 are for the purposes only of any of the transactions contemplated by clauses 14, 15 and 17.

19.2 Power of Attorney

- (a) **irrevocable appointment:** Should a Shareholder not comply with the provisions of this Agreement in respect of any of the transactions contemplated by clauses 14 (Disposal of Shares), 15 (Permitted Disposals), , and/or 17 (Events of Default), that Shareholder irrevocably appoints the Company as its attorney for the purpose of clauses 14 (Disposal of Shares), 15 (Permitted Disposals), , and/or 17 (Events of Default) to complete and sign any documents under hand or under seal, on its behalf, which the attorney requires to give effect to a transaction under clauses 14 (Disposal of Shares), 15 (Permitted Disposals), , and/or 17 (Events of Default).
- (b) **interest of attorney:** The attorney may exercise its powers even if the attorney has a conflict of duty in exercising powers or has a direct or personal interest in the means or result of that exercise of powers.
- (c) **ratification:** Each appointor agrees to ratify and confirm whatever the attorney lawfully does under the appointment or causes to be done under the appointment.
- (d) **indemnity:** Each appointor agrees to indemnify the attorney against any claim, loss, liability, cost or expense arising directly or indirectly from the attorney's lawful exercise of a power under that appointment.
- (e) **deliver documents:** Each appointor must give to the Company, on demand by the Company, any power of attorney, instrument of transfer or other instruments as the Company requires for the purposes of any of the transactions contemplated by clauses 14 (Disposal of Shares), 15 (Permitted Disposals), , and/or 17 (Events of Default).

20. Resolution of Disputes

20.1 Disputes

Subject to clause 20.5, where any question, dispute or difference (**Dispute**) arises between the Shareholders in connection with this Agreement, no party may commence legal proceedings relating to that Dispute without the prior written consent of the other party, unless that party has first complied with the remainder of this clause 20.

20.2 Good faith negotiations

In the event of a Dispute, the party initiating the Dispute must give written notice of the Dispute to the other party and to the Shareholders and the CEO's of the disputing parties must, as soon as practicable, meet and negotiate in good faith to settle the Dispute.

20.3 Mediation

If the parties are unable to negotiate a resolution within 10 working days of notice of the Dispute being given, the parties must mediate the Dispute in accordance with the procedures of the Resolution Institute, and the chair of the New Zealand Chapter of the Resolution Institute (or the chair's nominee) will select the mediator and determine the mediators remuneration (which shall be paid by the Company).

20.4 Arbitration

If the Dispute cannot be settled by mediation, either party may give written notice to the other party that it requires the dispute to be determined by arbitration. Such arbitration to be before a single arbitrator if the parties can agree upon one and otherwise to be before two arbitrators, one arbitrator to be appointed by each party. Such arbitration shall be conducted in all respects in accordance with the provisions of the Arbitration Act 1996.

20.5 Injunction

Nothing in this clause 20 will preclude a party from taking immediate steps to seek an injunction from an appropriate court.

21. General

21.1 Notices

- (a) Unless expressly stated otherwise in this Agreement any notice or communication (**Notice**) given under this Agreement must be in legible writing and in English, signed by an authorised person of the sender and marked for the attention of and addressed to the addressee.
- (b) Notices must be hand delivered or sent by prepaid express post (next day delivery) or email or to the addressee's address for notices specified in the notice details in the Parties section of this Agreement or as otherwise agreed by the parties.
- (c) A Notice given in accordance with this clause takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (i) if hand delivered, on delivery;
- (ii) if sent by prepaid post, the third Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from a place outside New Zealand);
- (iii) if sent by email, on the date and time at which it enters the recipient's information system (unless the sender receives a notice from the recipient's email server or internet service provider that the message has not been delivered to the recipient),
- (iv) but if the delivery, receipt or transmission is not on a Business Day, or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

21.2 Governing law and jurisdiction

This Agreement is governed by the laws of New Zealand. Subject to the disputes clause, the parties submit to the (a) exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this Agreement.

21.3 Prohibition or enforceability

If any provision of this Agreement is or becomes invalid or unenforceable, that provision will be deemed modified to the minimum extent necessary to render that provision valid and enforceable, and if the parties cannot agree (acting reasonably) to such modification, will be deleted from this Agreement. The invalidity or unenforceability of that provision will not affect the other provisions of this Agreement, all of which will remain in full force and effect to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.

21.4 Waivers

Any waiver by a party of any of its rights or remedies under this Agreement will be effective only if it is recorded in writing and signed by a duly authorised senior representative of that party. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy.

21.5 Approvals and consents

Except where this Agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this Agreement.

21.6 Variation

A variation of any term of this Agreement or a right or obligation created under it must be in writing and signed by all the parties.

21.7 Cumulative rights

The powers, rights and remedies of a party under this Agreement are in addition to and do not exclude any other power, right or remedy provided by law or otherwise.

21.8 Further assurances

Each party must, at its own cost, do all things reasonably necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

21.9 Entire agreement

This Agreement records the entire understanding and agreement of the parties relating to the matters dealt with in this Agreement. This Agreement supersedes all previous understandings or agreements (whether written, oral or both) relating to such matters.

21.10 Relationship

The parties acknowledge and agree that nothing in this Agreement will constitute one party the partner of, employee of, agent of, or joint venturer with, the other and that other than as expressly provided for in this Agreement no party will have the right to bind the other without the other's prior written consent.

21.11 Third party rights

No person other than the parties has or is intended to have any right, power or remedy or derives or is intended to derive any benefit under this Agreement.

21.12 Counterparts

This Agreement may be executed in any number of counterparts which read together will constitute one instrument. A party may execute this Agreement by signing any counterpart. This Agreement is binding on the parties on exchange of counterparts. A copy of a counterpart sent by facsimile machine or that is electronically scanned and emailed will be treated as an original counterpart and is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

21.13 No Assignment or Novation

A party may not assign or novate this Agreement or otherwise transfer or deal with the benefit of this Agreement or an obligation, right or remedy under it, without the prior written consent of the other parties which consent will not be unreasonably withheld or delayed.

21.14 Costs

Each party will bear its own legal and other costs and expenses relating directly or indirectly to the preparation of, and performance of its obligations under, this Agreement except as otherwise expressly provided in this Agreement. Each party acknowledges that it has received legal advice in respect of this Agreement or has had the opportunity of receiving legal advice about this Agreement.

21.15 Confidentiality

- (a) Each party shall keep confidential the existence and terms of this Agreement and all information received or obtained as a result of negotiating, preparing, executing, performing or implementing it which relates to the other party or any member of its Group or any agent or subcontractor acting on its behalf. Neither party shall use such information for any purpose other than to perform its obligations under this Agreement.

- (b) Notwithstanding the other provisions of this clause 21.15, either party may, after consultation with the other party whenever practicable, disclose confidential information if and to the extent:
 - (i) required by law;
 - (ii) required by any securities exchange on which either party's Shares are listed or traded;
 - (iii) required by any regulatory or governmental or other authority with relevant powers to which either party is subject or submits (whether or not the authority has the force of law);
 - (iv) required to vest the full benefit of this Agreement in that party or to enforce any of the rights of that party in this Agreement;
 - (v) required by its professional advisers, officers, employees, consultants, subcontractors or agents to provide their services (and subject always to similar duties of confidentiality);
 - (vi) that information is in or has come into the public domain through no fault of that party;
 - (vii) the other party has given prior written consent to the disclosure; or
 - (viii) it is necessary to obtain any relevant tax clearances from any appropriate tax authority.
- (c) The provisions of this clause 21.15 shall supersede and extinguish any other agreement between the parties relating to the subject matter of this clause 21.15.

21.16 Announcements

A party must not make or authorise a press release or public announcement relating to the negotiations of the parties or the subject matter or provisions of this Agreement unless:

- (a) it is required to be made by law or any securities exchange on which either party's Shares are listed or traded and before it is made that party has:
 - (i) notified the other party/parties; and
 - (ii) given the other party/parties a reasonable opportunity to comment on the contents of, and the requirement for, such release or announcement; or
- (b) it has the prior written approval of the other party/parties.

21.17 Agreement is paramount

This Agreement prevails over any inconsistent clause in the Constitution. The Shareholders must amend the Constitution to remove the inconsistency as soon as they become aware of it.

Schedule 1– Shareholder Information

Name	Waikato Regional Council
Notice details	Address: 160 Ward Street, Hamilton 3204 Email: chris.mclay@waitakoregion.govt.nz Attention: Chris McLay
Name	Northland Regional Council
Notice details	Address: 36 Water Street, Whangārei 0110 Email: malcolmn@nrc.govt.nz Attention: Malcolm Nicolson
Name	Horizons Regional Council
Notice details	Address: 15 Victoria Avenue, Palmerston North 4410 Email: michael.mccartney@horizons.govt.nz Attention: Michael McCartney
Name	Taranaki Regional Council
Notice details	Address: 47 Cloten Road, Stratford 4332 Email: steve.ruru@trc.govt.nz Attention: Steve Ruru
Name	Southland Regional Council
Notice details	Address: 220 North Road, Waikiwi, Invercargill 9810 Email: Wilma.falconer@es.govt.nz Attention: Wilma Falconer
Name	West Coast Regional Council
Notice details	Address: 388 Main South Road, Paroa, Greymouth 7805 Email: heather.mabin@wcr.govt.nz Attention: Heather Mabin

Schedule 2 – Deed of Accession

By:

[Proposed New Shareholder] [] of [Address] (Proposed New Shareholder)

Background

- A Regional Software Holdings Limited and its then shareholders entered into a shareholders agreement dated **[date] (Shareholders' Agreement)**.
- B The Proposed New Shareholder wishes to become a shareholder in the Company and has agreed to be bound by the terms of the Shareholders' Agreement.

Operative provisions

1 Copy of Shareholders' Agreement

The Proposed New Shareholder confirms that it has received a copy of the Shareholders' Agreement.

2 Agreement to be bound by terms of Shareholders' Agreement

- (a) The Proposed New Shareholder covenants with all parties currently bound by the Shareholders' Agreement (whether by being original parties to the document or by accession) to observe, perform and be bound by all the terms of the Shareholders' Agreement as if the New Shareholder is a party to the Shareholders' Agreement.
- (b) The Proposed New Shareholder will be deemed to be party to the Shareholders' Agreement on and from the date on which the Proposed New Shareholder is registered as a shareholder of the Company.

3 Address for services

The address of the Proposed New Shareholder for the purposes of the Shareholders' Agreement is set out below:

Proposed New Shareholder

Name: [Name]
Address: [Postal address]
Fax number: [Fax number]
Attention: [Name]

4 Governing law

This Agreement is governed by the law of New Zealand.

Shareholders' Agreement

Execution and date

Executed as a deed poll
Date:

[Insert signature block]

Schedule 3 – Constitution

[To be inserted]

Signing Page

Executed as an agreement

SIGNED by REGIONAL SOFTWARE HOLDINGS LIMITED by two of its Directors:

Signature of Director

Signature of Director

Print Full Name

Print Full Name

SIGNED by WAIKATO REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name

SIGNED by NORTHLAND REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name

SIGNED by HORIZONS REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name

SIGNED by TARANAKI REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name

SIGNED by SOUTHLAND REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name

SIGNED by WEST COAST REGIONAL COUNCIL by its authorised signatory in the presence of:

Signature of Witness

Signature of Authorised Signatory

Print Full Name

Print Full Name



Constitution of Regional Software Holdings Limited

PwC Legal

*15 Customs Street West, Private Bag 92162, Auckland 1010, New Zealand
www.pwc.co.nz/legal*

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Constitution of Regional Software Holdings Limited

1. Preliminary

1.1 Definitions

In this Constitution, unless the context otherwise requires, the following words and expressions have the meanings given to them in this clause:

Act means the Companies Act 1993.

Board means the board of directors of the Company from time to time.

CCL Act means the Contract and Commercial Law Act 2017.

Class A Share means a share that confers on the holder those rights set out in section 36(1)(a) of the Companies Act unless the Board declares that additional rights may be conferred on (or taken away from) the holder.

Class B Share means a share that confers on the holder those rights set out in sections 36(1)(b) and 36(1)(c) of the Companies Act insofar as such rights relate to the value and ownership of the IRIS Software or other software or services related IRIS Software funded by the Class B Shareholders and developed or held by the Company.

Company means Regional Software Holdings Limited (company number 4046521).

Constitution means this constitution of the Company and all amendments to it from time to time.

Director means a person appointed and continuing in office for the time being, in accordance with this Constitution, as a director of the Company.

Independent Director means a person who is appointed as a Director under clause 11.11 and who is not employed by any entity that is subject to the LGA.

Interested has the meaning given to it in section 139 of the Act.

IRIS Software means the classic version of the “Integrated Regional Information Software” code.

LGA means the Local Government Act 2002.

Principles means those principles set out in clause 2.1.

Shareholder means a Shareholder of the Company.

Shareholders’ Agreement means the Shareholders’ agreement between the Company and the Shareholders.

Statement of Intent means each statement of intent to be completed by the Board in terms of the LGA.

1.2 Interpretation

In this Constitution, unless the context otherwise requires:

- (a) a reference to a clause is to that clause in this Constitution;
- (b) headings and boldings are for convenience only and do not affect the interpretation of this Constitution;
- (c) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) “written” and “in writing” includes any means of reproducing words, figures or symbols in a tangible and visible form in any medium; and
- (e) “signature” includes, in relation to a document in electronic form, an electronic signature created by a method which identifies the signatory and indicates the signatory’s approval of the information contained in the document.

1.3 Use of electronic means

Where a legal requirement under the Act is reproduced in this Constitution, that legal requirement may be met, for the purposes of this Constitution, by using electronic means in accordance with the CCL Act in the same manner as is required by the CCL Act to meet that legal requirement under the Act. In this clause, the term “legal requirement” has the meaning given to it by the CCL Act.

1.4 Receipt of electronic communications

- (a) For the purposes of section 214 of the CCL Act, a document under this Constitution which is sent in electronic form and via an electronic communication is taken to be received:
 - (i) if sent by the Company, on the working day it is sent or the next working day if sent outside normal business hours, provided that the electronic communication was correctly addressed to the address provided by the addressee for the receipt of electronic communications and no error message was received by the information systems used by the Company to send the electronic communication; and
 - (ii) if sent to the Company, at the time the electronic communication comes to the attention of the addressee or such other time as the sender and the Company may agree.
- (b) To avoid doubt, any document so sent may be in any widely used electronic form.

1.5 Companies Act 1993

- (a) The provisions of the Act are negated, modified, adopted and extended as provided in this Constitution. Words or phrases defined in the Act have the same meaning in this Constitution unless the context otherwise requires.
- (b) If the Act changes in a way that would, but for this clause, cause section 31 of the Act to apply to any clause then that clause shall be deemed to be amended in the same manner as the change in the Act so that the Constitution does not contravene or become inconsistent with the Act.

2. Principles and objectives of the Company

2.1 Principles

The Principles of the Company that should be considered and taken into account when making any decisions relating to the Company are as follows:

- (a) Work for the good of Te Uru Kahika.
- (b) Be transparent and accountable.
- (c) Create value.
- (d) Work smarter, not harder.
- (e) Gain consistency.
- (f) Reduce duplication.
- (g) Be customer centric.
- (h) Recognise and manage shareholder risk.
- (i) Support our people.

2.2 Objectives

In addition to operating the Company with regard to the Principles, the objectives of the Company are to:

- (a) Ensure the local government sector is better prepared to respond to future challenges.
- (b) Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.
- (c) Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- (d) Improve key staff attraction and retention.
- (e) Achieve consistent good practise process across the sector and within councils.

3. Shares

3.1 Shares on issue

As at the date of this Constitution the following Shares are on issue in the Company:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550

West Coast Regional Council	1	400
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3.2 Board may issue additional shares

Subject to the Act, the Shareholders' Agreement, clause 3.3 and the terms of issue of any existing shares, the Board may issue additional shares (and rights or options to acquire shares) of any class (including redeemable shares) at any time, to any person and in such numbers and on such terms as the Board thinks fit. Without limiting the classes of shares that maybe issued, shares in the Company may:

- (a) be redeemable within the meaning of section 68 of the Act; or
- (b) confer preferential rights to distribution of capital or income; or
- (c) confer special, limited, or conditional voting rights; or
- (d) not confer voting rights.

3.3 Section 45 of the Act not to apply

Section 45 of the Act shall not apply to the issue of new Shares in the Company.

3.4 Amount owing on issue of shares

Where money or other consideration is due at a fixed time to the Company on shares in accordance with their terms of issue, that amount does not comprise a call and no notice is required to be given to the Shareholder (or other person liable under the terms of issue) before the Company may enforce payment of the amount due.

4. Purchase of own shares

4.1 Purchase by Company of its shares

The Company may purchase or otherwise acquire shares issued by it in accordance with, but subject to, the Act.

4.2 Offer to one or more Shareholders only

For the purposes of section 60(1)(b) of the Act, the Company may make such offer to one or more Shareholders, without having to make such offer to all Shareholders, in accordance with section 61 of the Act.

4.3 Holding by Company of its shares

The Company may acquire and hold shares issued by it in accordance with sections 59 and 67A of the Act.

5. Transfer of shares

5.1 Entry in share register

Subject to clause 5.3 and the Shareholders' Agreement shares may be transferred by entry of the name of the transferee in the share register.

5.2 Form of transfer

The form of transfer may be in the form set out in the schedule 18 to the Financial Markets Conduct Regulations 2014 or in any usual or common form, or any other form approved by the Board.

5.3 Pre-emptive rights

The Board may not approve a transfer of shares unless the provisions of the Shareholders' Agreement have first been complied with.

5.4 Board's right to refuse registration of transfer

The Board may, within 30 working days of the receipt of a transfer of shares, refuse or delay the registration of the transfer if the Board considers that it is not in the best interests of the Company to register the transfer.

5.5 Board resolutions refusing or delaying share transfers

A resolution of the Board to refuse or delay a transfer of shares must set out in full the reason for doing so, and a copy of the resolution must be sent to the transferor and transferee within five working days of the date of the resolution being passed.

6. *Calls on shares*

6.1 Board may make calls

The Board may, from time to time, make such calls as it thinks fit upon the Shareholders in respect of any amounts unpaid on any shares held by them which are not made payable at fixed times by the terms of issue of those shares. A call may be made payable by instalments. The Board may revoke or postpone any call.

6.2 Time of call

A call is deemed to be made at the time when the resolution of the Board making the call is passed.

6.3 Fixed instalments deemed calls

An amount which, by the terms of issue of a share, is payable on allotment or at a fixed date is deemed for the purposes of this Constitution to be a call duly made and payable on the date on which the amount is payable.

6.4 Notice of call

At least 10 working days' notice of any call shall be given to the holder of the share in respect of which the call is made, specifying the time and place of payment.

6.5 Differential calls

The Board may, on the issue of shares, differentiate between the Shareholders as to the amounts to be paid in respect of the shares and the times of payment of such amounts.

6.6 Manner of payment

A Shareholder by whom a call is payable shall pay the amount of the call to the Company at the time and place specified by the Board.

6.7 Default interest

If a call in respect of a share is not paid on or before the due date, the Shareholder by whom the call is payable shall pay interest on the call from the due date to the date of actual payment, at such rate as the Board may reasonably determine, unless the Board waives payment of interest wholly or in part.

6.8 Proceedings of recovery of call

In any proceedings for recovery of a call:

- (a) it is sufficient to prove that:
 - (i) the name of the relevant Shareholder is entered in the share register as the holder, or one of the holders, of the shares to which the call relates; and
 - (ii) except in relation to any amount which, by the terms of issue of a share, is payable on allotment or at a fixed date, the resolution making the call is entered in the Company's records and notice of the call has been duly given,

and proof of the matters mentioned in this clause is conclusive evidence of the debt; and

- (b) it is not necessary to prove the appointment or qualification of any member of the Board which made the call nor any other matter.

6.9 Payment in advance of calls

The Company may receive from any Shareholder in advance any amount uncalled and unpaid upon any shares held by that Shareholder and may, until the date on which the amount becomes payable pursuant to a call, pay interest on the amount at such rate as the Board and the Shareholder agree.

7. *Forfeiture of shares*

7.1 Notice requiring payment of call

If a Shareholder fails to pay any call or instalment of a call on the due date, the Company may at any time thereafter by written notice to that Shareholder require payment of the amount unpaid together with any accrued interest and all expenses incurred by the Company by reason of such non-payment.

7.2 Contents of notice

The notice shall specify a further date (not earlier than 10 working days after the date of service of the notice) on or before which the payment is to be made, and shall state that, if payment is not made by the specified date, the shares in respect of which the call or instalment of a call is due is liable to be forfeited.

7.3 Forfeiture for non-payment

If payment is not made by the date specified in the notice then, at any time thereafter before the payment required by the notice has been made, any share in respect of which the notice has been given may be forfeited by a resolution of the Board to that effect. The forfeiture shall include all dividends declared in respect of the forfeited share and not paid before the forfeiture.

7.4 Notice of forfeiture

When a share has been forfeited, the Company shall give notice of the resolution to the Shareholder in whose name the share stood immediately prior to the forfeiture, and shall enter in the share register details of the forfeiture.

7.5 Cancellation of forfeiture

A forfeiture may be cancelled at any time before the sale of the forfeited share, on such terms as the Board thinks fit.

7.6 Effect of forfeiture

The holder of a share which has been forfeited ceases to be a Shareholder in respect of the forfeited share, but remains liable to the Company for all money payable in respect of the forfeited share.

8. *Lien on shares*

8.1 Lien on shares

The Company has a first and paramount lien upon each share, the proceeds of sale of the share, and all distributions made in respect of the share, for:

- (a) all unpaid calls owing in respect of the share and interest thereon (if any);
- (b) any amount which the Company may be called upon to pay under any legislation in respect of the share, whether or not the due date for payment thereof has arrived; and
- (c) all liabilities and obligations of the Shareholder to the Company, whether solely or jointly with any other person, whether incurred or arising before or after notice to the Company of any equitable interest in any person other than the Shareholder, and whether or not the date for payment, fulfilment or discharge thereof has arrived.

9. *Sale of shares subject to forfeiture of lien*

The Company may sell any forfeited share, or any share on which the Company has a lien, in such manner as the Board thinks fit, but:

- (a) the Company shall not sell any shares:
 - (i) unless the amount in respect of which a lien exists is due and payable;
 - (ii) until the expiry of 10 working days after written notice demanding payment of the amount owing has been given to the person entitled to receive notice of meetings of Shareholders in respect of the shares; and
- (b) before the power of sale is exercised the shares shall be offered for sale to the holders of the remaining shares as though they are new shares to which the provisions of clause 3.2 apply.

9.2 Proceeds of sale

The net proceeds (after deduction of any expenses) of the sale of a forfeited share or any share sold for the purpose of enforcing a lien shall be applied in or towards satisfaction of any unpaid calls, interest or other amount in respect of which any lien exists (as the case may require). The residue, if any, shall be paid to the holder of the share at the time of its forfeiture or, in the case of a share sold for the purpose of enforcing a lien, the holder immediately prior to the sale.

9.3 Evidence

A certificate by a Director that any power of sale has arisen and is exercisable by the Company under this Constitution, or that a share has been forfeited on the date stated in the certificate, shall be conclusive evidence of those facts.

9.4 Sale procedure

For giving effect to any sale after forfeiture of any share or for enforcing a lien over any share, the Board may authorise any person to transfer any share to the purchaser. The purchaser shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, and the title of the purchaser shall not be affected by any irregularity or invalidity in relation to the sale. The remedy of any person having a cause of action in relation to the sale is in damages only and solely against the Company.

10. Proceedings at meeting of Shareholders

10.1 First schedule to Act applies

Subject to the Shareholders' Agreement, Schedule 1 of the Act (in this clause 10, the "Schedule") governs the proceedings at a meeting of Shareholders, provided that notwithstanding anything to the contrary in Schedule 1 of the Act, the quorum for any meeting of Shareholders is a majority of those Shareholders that hold Class A Shares.

11. Directors

11.1 Number of Directors and Independent Directors

- (a) The number of Directors at any given time must be no:
 - (i) less than four; but
 - (ii) more than eight.
- (b) Subject to clause 11.1(c), while the Company has:
 - (i) less than six Directors, at least one must be an Independent Director; and
 - (ii) six or more Directors, at least two must be Independent Directors.
- (c) The requirements for the number of Independent Directors set out in clause 11.1(b) will not apply to the period from the date of the Shareholders' Agreement to the date of the Company's first annual meeting of shareholders (**Interim Period**) that follows the date of the Shareholders' Agreement.

11.2 Fewer than minimum number of Directors may act for limited purposes

- (a) Subject to clause 11.2(b), the Board may act notwithstanding any vacancy, but, if and for so long as the number of Directors and Independent Directors is reduced below the minimum numbers set out in clause 11.1, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number (by the Board making an appointment to fill the vacancy, in accordance with this Constitution), or of summoning a meeting of Shareholders, but for no other purpose.
- (b) The restrictions on the Board set out in clause 11.2(a) will not apply during the Interim Period.

11.3 Appointment of Directors

- (a) Subject to clauses 11.1 and 11.6(c), and section 151 of the Companies Act (Qualifications of directors) and sections 57 to 63 of the LGA, a person may be appointed as a Director or Independent Director at any time by an Ordinary Resolution.
- (b) Subject to clauses 11.1 and 11.6(c), and, section 151 of the Companies Act (Qualifications of directors) and sections 57 to 63 of the LGA, the Board may appoint any person to be a Director or an Independent Director to fill a casual vacancy or as an addition to the existing Directors. Any Director or Independent Director appointed under this clause may hold office only until the next annual meeting, and is then eligible for election at that meeting.
- (c) For the avoidance of doubt, the Shareholders will (in their capacity as local authorities), as soon as reasonably practicable following the date of the Shareholders' Agreement, jointly approve a policy as required by section 57 of the LGA that sets out an objective and transparent process relating to the appointment of Directors to the Company.

11.4 Removal of Directors

- (a) Any Director may be removed from office by an Ordinary Resolution passed at a meeting called for the purpose of, or for purposes that include, removal of the Director.
- (b) Any non-Independent Director who ceases to be employed by or otherwise contract to a Shareholder will be deemed to have resigned as a Director upon the date their employment or contract for services with the Shareholder is terminated.

11.5 Existing Directors to continue in office

The Directors in office at the date of the adoption of this Constitution shall continue in office and are deemed to have been appointed as Directors pursuant to this Constitution. Similarly, the Chair of the Board continues in office and is deemed to have been appointed Chair of the Board pursuant to this Constitution.

11.6 Rotation and maximum tenure of office

- (a) Subject to clause 11.6(c), at the first annual meeting of Shareholders held after the date of the Shareholders' Agreement, each Director (including the Independent Director(s)) will retire from office but shall be eligible for re-election.
- (b) At each subsequent annual meeting of Shareholders, two Directors (less any vacancies that have arisen during the previous Financial Year) will be required to retire from office but shall be eligible for re-election (provided they are not disqualified under clause 11.6(c)). The Director(s) who must retire will be those Director(s) who have held office as Directors for the longest period from their previous election (or re-election) as Directors. In the event that there are Directors who have held office for the equal longest period, those Director(s) who have held office as Director for the longest total aggregate tenure (including any broken and unbroken periods) will be required to retire. For the avoidance of doubt, if there have been two vacancies during the previous Financial Year, no Directors will be required to retire and seek re-election, provided they do not exceed the maximum tenure of office as set out in clause 11.6(c).
- (c) Unless the Shareholders unanimously agree otherwise, no Director may hold office for an aggregate tenure of more than 12 years.

11.7 Re-election of retiring Director

A Director retiring at a meeting in accordance with clause 11.6 shall, if standing for re-election, be deemed to have been re-elected unless:

- (a) Some other person is elected to fill the vacated office;
- (b) It is resolved not to fill the vacated office; or
- (c) A resolution for the re-election of that Director is put to the meeting and lost.

11.8 Appointment of Directors may be voted on jointly

The Shareholders of the Company may vote on a resolution to appoint one or more Directors.

11.9 Disqualification and removal

A person will be disqualified from holding the office of Director if he or she:

- (a) is removed under clause 11.4; or
- (b) resigns in writing and is not reappointed in accordance with this Constitution; or
- (c) becomes disqualified from being a Director pursuant to the Act or this Constitution.

11.10 Chair

The Chair will be appointed by the Board. If the Chair does not attend a meeting of Directors or is unwilling to chair the meeting, the Directors present at the meeting must, at the start of the meeting, elect one of themselves to chair that meeting.

11.11 Independent Directors

- (a) Subject to the independence criteria for Independent Directors set out in clause 1.1, the Shareholders may, by Ordinary Resolution, appoint up to two Independent Directors.
- (b) Any Independent Director may be removed by notice in writing to the Company if a Shareholder or Shareholders holding not less than 50% of the Shares in the Company elect to remove the Independent Director.

12. Indemnity and Insurance

12.1 Types of proceedings that may be indemnified against

The Company may indemnify a Director or employee of the Company or a related company for any costs incurred by him or her in any proceeding:

- (a) that relates to liability for any act or omission in his or her capacity as a Director or employee; and
- (b) in which judgment is given in his or her favour or in which he or she is acquitted, or which is discontinued.

The Board may determine the terms and conditions of such indemnity.

12.2 Types of liability that may be indemnified against

The Company may indemnify a Director or an employee of the Company or a related company in respect of:

- (a) liability to any person other than the Company or a related company for any act or omission in his or her capacity as a Director or employee; or
- (b) costs incurred by the Director or employee in defending or settling any claim or proceeding relating to any liability under paragraph (a) above;

not being:

- (c) criminal liability; or
- (d) in the case of a director, liability in respect of a breach of section 131 of the Act (which relates to the duty to act in good faith and in the best interests of the Company); or
- (e) in the case of an employee, liability for breach of any fiduciary duty owed to the Company or a related company.

The Board may determine the terms and conditions of such indemnity.

12.3 Insurance of directors and employees

The Company may, with the prior approval of the Board, effect insurance for Directors or employees of the Company or a related company in respect of:

- (a) liability, not being criminal liability, for any act or omission in his or her capacity as a Director or employee; or
- (b) costs incurred by such Directors or employees in defending or settling any claim or proceeding relating to any such liability; or
- (c) costs incurred by a Director or employee in defending any criminal proceedings that have been brought against the Director or employee in relation to any act or omission in his or her capacity as a Director or employee and in which he or she is acquitted.

The Board may determine the amount and then terms and conditions of any such insurance.

12.4 Directors to sign certificate

The Directors who vote in favour of authorising the effecting of insurance under clause 12.3 must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the Company.

12.5 Entry in the Interests Register

The Board must ensure that particulars of any indemnity given to, or insurance effected for, any Director or employee of the Company or a related company are forthwith entered in the interests register.

12.6 Definitions

For the purpose of this clause 12:

- (a) "Director" includes a former Director and "employee" includes a former employee; and
- (b) other words given extended meanings in section 162(9) of the Act have those extended meanings.

13. Powers and duties of the Board

13.1 Management by Board

Subject to any restrictions in the Act, this Constitution or the Shareholders' Agreement, the business and affairs of the Company must be managed by or under the direction or supervision of the Board.

13.2 Power of Board

Subject to any restrictions in the Act, this Constitution or the Shareholders' Agreement, the Board has, and may exercise, all the powers necessary for managing, directing and supervising the management of the business and affairs of the Company.

13.3 Delegation by Board

The Board may delegate to a committee of Directors, a Director, or an employee of the Company or any other person any one or more of its powers, other than the powers referred to in Schedule 2 of the Act.

14. Proceedings of the Board

14.1 Third schedule to Act applies

Proceedings of the Board shall be conducted in accordance with Schedule 3 of the Act subject to the terms and conditions in the Shareholders' Agreement and otherwise as may be determined by the Board from time to time, provided that notwithstanding anything to the contrary in Schedule 3 of the Act or in the Shareholders' Agreement, the quorum for any meeting of the Board is a majority of the Board.

15. Interested Directors

15.1 Transactions with Company

A Director, who is Interested in a transaction entered into, or to be entered into by the Company, may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of the Directors at which the matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
- (c) sign a document relating to the transaction on behalf of the Company; and
- (d) do any other thing in his or her capacity as a Director in relation to the transaction,

as if the Director was not Interested in the transaction.

15.2 Personal involvement of Directors

Notwithstanding any rule of law or equity to the contrary, but subject to section 107(3) of the Act (relating to avoidance of transactions in which a Director is Interested) and section 36(4) of the Financial Reporting Act 2013 (prohibiting a director from acting as auditor of a company), a Director may:

- (a) contract with the Company in any capacity;
- (b) be a party to any transaction with the Company;

- (c) have any direct or indirect personal involvement or be Interested in any transaction or arrangement to which the Company is a party or in which the Company is otherwise directly or indirectly interested or involved;
- (d) become a director or other officer of, or otherwise become Interested in, any body corporate promoted by the Company or in which the Company may be directly or indirectly interested as a Shareholder or otherwise; and
- (e) retain any remuneration, profit or benefits in relation to any of the foregoing.

No contract or arrangement of any kind referred to in this clause 15.2 may be avoided by reason of a Director being Interested.

16. Reporting

16.1 Half yearly report

Within two months after the halfway point of the Company's financial year, the Board must deliver to the Shareholders a report on the Company's operations during that half year. That report must include the information required to be included by the Company's Statement of Intent.

16.2 Annual report

Within three months after the end of the Company's financial year. The Board must deliver to the Shareholders, and make available to the public, a report on the Company's operations during that year. That report must include the information required to be included by:

- (a) clause 16.3;
- (b) the Company's Statement of Intent; and
- (c) the Act.

16.3 Contents of report on the operations of the Company

A report on the operations of the Company under clause 16.2 must:

- (a) contain the information that is necessary to enable an informed assessment of the operations of the Company and its subsidiaries (if any), including:
 - (i) a comparison of the performance of the Company and its subsidiaries (if any) with the Statement of Intent;
 - (ii) an explanation of any material variances between that performance and the Statement of Intent;
- (b) include audited, consolidated financial statements for that financial year for that organisation and its subsidiaries;
- (c) include an auditor's report on:
 - (i) those financial statements; and
 - (ii) the performance targets and other measures by which performance was judged in relation to the Company's objectives.

The audited financial statements under clause 16.3(b) must be prepared in accordance with generally accepted accounting practices.

16.4 Protection from disclosure of sensitive information

Nothing in this clause 16 requires the inclusion in any Statement of Intent, annual report, financial statement, or half yearly report required to be produced under this Constitution by the Company of any information that may be properly withheld if a request for the information were made under the Local Government Official Information and Meetings Act 1987.

17. Statement of Intent

17.1 Statement of Intent

Without limiting the obligations of the Board and the Company under the Local Government Act 2002 in respect of the Company's Statement of Intent, the Board must:

- (a) deliver to the Shareholders a draft Statement of Intent on or before 1 March each year;
- (b) consider any comments on the draft Statement of Intent that are made to it within two months of 1 March by the Shareholders or by any one of them; and
- (c) deliver the completed Statement of Intent to the Shareholders on or before 30 June each year.

17.2 Approval of Statement of Intent

The Shareholders must make a decision whether or not to approve the draft Statement of Intent that is prepared by the Board in accordance with Schedule 8 of the LGA, as well as any modifications to each Statement of Intent, within the time limits prescribed by the Local Government Act 2002 (or such earlier limits agreed to) so as to enable the Company to comply with applicable time limits.

18. Auditor

So long as the Company remains a Council Controlled Organisation, the Auditor-General shall be the auditor of the Company and of every subsidiary of the Company (if any) and shall have all of the functions, duties and powers:

- (a) of an auditor appointed under the Act; and
- (b) that the Auditor-General has under the Public Audit Act 2001.

19. Official Information

19.1 Local Government Official Information and Meetings Act 1987

Parts 1 to 6 of the Local Government Official Information and Meetings Act 1987 apply to the Company as if it were a local authority under that act.

19.2 Ombudsman Act 1975

The Ombudsman Act 1975 applies to the Company as if the Company were listed in Part 3 of the First Schedule of that act.

20. Authority to bind

For the purposes of section 180(1)(a)(iii) of the Act, an obligation which, if entered into by a natural person would be required to be by deed, may (in addition to any other method of contracting permitted under the Companies Act) be entered into on behalf of the Company by a director or other person or class of persons authorised by the Board, whose signature(s) must be witnessed.

21. Liquidation

21.1 Distribution of surplus assets on liquidation

Subject to the terms of issue of any shares, upon the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed among the holders of those shares that carry rights under section 36(1)(c) of the Act and in proportion to their shareholding; provided however, that the holders of shares not fully paid up shall receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the Shareholder to the Company in respect of the shares.

22. Removal from the New Zealand register

22.1 Cessation of Business

In the event that the Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with this Constitution and the Act, the Board may, in the prescribed form, request the Registrar to remove the Company from the New Zealand Register of Companies.

22.2 No Surplus Assets

In the event that the Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the Company into liquidation the Board may, in the prescribed form, request the Registrar to remove the Company from the New Zealand Register of Companies.

REGIONAL SOFTWARE HOLDINGS LIMITED
(NZCN 4046521)
(COMPANY)

SPECIAL RESOLUTIONS OF THE SHAREHOLDERS OF THE COMPANY
Issue of Class A Shares, Conversion of Ordinary Shares and Adoption and Revocation of Constitution
(In accordance with clause 6.4 of the Company's constitution (Existing Constitution))

1. Background

- 1.1 As part of a restructure of the Company and adoption of a new shareholders' agreement and constitution to replace the existing shareholders' agreement (**Existing Shareholders' Agreement**) and Existing Constitution, respectively, the Company wishes to carry out the following actions:
- (a) Issue a single Class A Share to each existing shareholder of the Company (**Shareholders**) that confers on the holder those rights set out in section 36(1)(a) of the Companies Act 1993 (**Act**).
 - (b) Convert all Ordinary Shares in the Company that are held by the Shareholders into Class B Shares that confer on the holder those rights set out sections 36(1)(b) and sections 36(1)(c) of the Act insofar as such rights relate to the value and ownership of the classic IRIS Software or other software or services related to classic IRIS Software that is funded by the Shareholders and developed or held by the Company.
 - (c) Enter into a new shareholders' agreement (**New Shareholders' Agreement**) to replace the Existing Shareholders' Agreement which will be terminated immediately upon the New Shareholders' Agreement coming into force.
 - (d) Revoke the Existing Constitution and adopt as the Company's constitution in the form annexed to these resolutions (**New Constitution**).

2. Resolutions

2.1 It is resolved by way of a special resolution that:

- (a) in accordance with clause 5.1(b) of the Existing Shareholders' Agreement, the issue of the Class A Shares as set out in the written resolution of the directors of the Company dated on or about these resolutions and that are annexed to these resolutions (**Directors' Resolutions**) be approved;
- (b) in accordance with clause 4 of the Existing Constitution and section 117(1) of the Act, the conversion of the existing Ordinary Shares into Class B Shares as set out in the Directors' Resolutions be approved;
- (c) the revocation of the Existing Constitution and adoption of the New Constitution be approved with effect from the date of the New Shareholders' Agreement coming into force (the **Effective Date**);

- (d) a notice of the revocation of the Existing Constitution and adoption of the New Constitution will be filed online with the Companies Office within 10 working days of the Effective Date; and
- (e) the directors of the Company be severally authorised to do or cause to be done all such further acts and things as each of the directors considers in his or her absolute discretion to be necessary or desirable to effect or carry out the intent and purpose of these resolutions.

Signed by all of the Shareholders of the Company

.....
Waikato Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

.....
Northland Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

.....
Horizons Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

.....
Taranaki Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

.....
Southland Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

.....
West Coast Regional Council, by its authorised signatory
Name of authorised signatory:
Date:

Annex A: Directors' Resolution

Annex B: New Constitution

TITLE: IRIS Next Gen Collaborative Project

From: Carol Cottam, Information Services and Technology Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 20
Group Manager/s: July 2022

Executive summary/Whakarāpopototanga

Council is a shareholder in Regional Software Holdings Limited (RSHL), a Council Controlled Organisation.

The current IRIS software is end of life and RSHL has worked with eleven councils to select a modern solution to support the regional sector function going forward. Additionally, the IRIS Next Generation project will help council adopt a consistent good practice approach across the sector.

RSHL, with representatives from councils, undertook a thorough and robust procurement process to select Datacom as the partner. Through further due diligence, Datacoms Datascape product has now been proven as a fit for purpose software solution.

The next step is to sign a Memorandum of Understanding (MOU) to commit to implementing the Datacom solution. Datacom, the councils and RSHL will then move into the development and implementation phase of the programme.

The Long Term Plan (LTP) budget for the project is \$6.8m and the budget forecast for the project is within this.

Recommendation(s)

1. That the report 'IRIS Next Gen Collaborative Project' by Carol Cottam, Information Services and Technology Manager and dated 23 June 2022, be received.
2. That the Chief Executive Office be delegated authority to sign the MOU.

Options

No.	Option	Advantages	Disadvantages
1	Sign the MOU and proceed as a member of the IRIS Next Generation programme	Achieve a better outcome through collaboration in the sector to achieve a shared solution to support regional council activities. Investment and risk is shared with other councils	None
2	Do not sign the MOU or become a member of the IRIS Next Generation programme	Council can choose to use its own unique processes.	Potential for increased costs and lesser alignment with the regional council sector.

No.	Option	Advantages	Disadvantages
3	Do Nothing	Lower investment.	Current systems will fail or not be able to be supported or upgraded. Potentially higher cost impact if failure occurs.

The staff's recommended option is Option 1 – Sign the MOU and continue as a member of the IRIS Next Generation programme.

Considerations

1. Environmental Impact

Nil

2. Community views

Community views were considered as part of the Long Term Plan 2021-2031 consultation.

3. Māori impact statement

Impact was considered through the Long Term Plan 2021-2031 consultation.

4. Financial implications

Financial impacts were considered through the Long Term Plan 2021-2031 consultation.

5. Implementation issues

Implementation issues were considered through the Long Term Plan 2021-2031 consultation.

6. 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 and 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 these decisions without undertaking further consultation or engagement.

7. Policy, risk management and legislative compliance

Contributing to this collaborative work programme will help manage risk for council with pending changes to the resource management regulations and ensuring council systems are current helping reduce the risk of cyber attacks.

Background/Tuhinga

Council is a shareholder in Regional Software Holdings Limited (RSHL), a Council Controlled Organisation.

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

RSHL is responsible for the long-term maintenance and development of the Integrated Regional Information System (IRIS) product as developed for and by the shareholding councils.

As the IRIS system reaches the end of its technical useful life, RSHL has made the strategic decision to prioritise planning for and deliver of the next generation of IRIS (IRIS Next Generation).

IRIS Next Generation

The IRIS Next Generation Programme will provide a replacement for the IRIS software solution, which is currently used by seven regional councils to support their core regulatory processes. Most councils recognise that there is significant scope for improvement in regulatory and customer processes and there is an opportunity to align the sector around consistent good practice processes, supported by fit for purpose software. Although IRIS meets current operational requirements, it is essential that we have an eye to the future and the next evolutionary step must include the technology required to offer flexible, mobile, and digital end-to-end processes that are standardised across the sector. Furthermore, as the role of councils in the sector evolves, we require an adaptable platform that puts the customer at the centre of the process.

In November 2019 RSHL undertook a procurement process on behalf of councils to identify a partner and platform to meet the objectives of the IRIS Next Generation programme. The procurement process put dual emphasis on identifying a partner with:

- the right capacity and capability to support and maintain good practice processes for the sector, and
- a technology solution that is customer centric, modular, mobile, and supports digital end-to-end processes.

Eleven regional councils and unitary authorities participated in the procurement process. Council staff and members of the SIG network were involved in developing requirements for the Request for Proposal and evaluating the responses, which identified Datacom as the preferred vendor.

RSHL completed due diligence checks on the Datacom RFP response in July and August 2021, confirming Datacom's status as the preferred vendor.

Datacom's proposed solution will be delivered via the Datascape Regulatory and Customer Relationship Management (CRM) platform. Datascape is a cloud-based, software-as-a-service solution, developed for the New Zealand and Australian local government sector. A portion of Datascape will be custom-built to meet the specific needs of the regional sector.

In November 2021 councils, RSHL and Datacom commenced the IRIS NextGen Discovery Phase to establish a solid basis for the IRIS NextGen programme, to reduce risk and prepare for the work to come. The Discovery Phase concluded in May 2022 and we are confident that the Datacom solution best meets the needs of the regional sector.

Next Steps


The next step is to sign a memorandum of understanding to commit to implementing the Datacom solution. Datacom, the councils and RSHL will then move into the development and implementation phase of the programme.

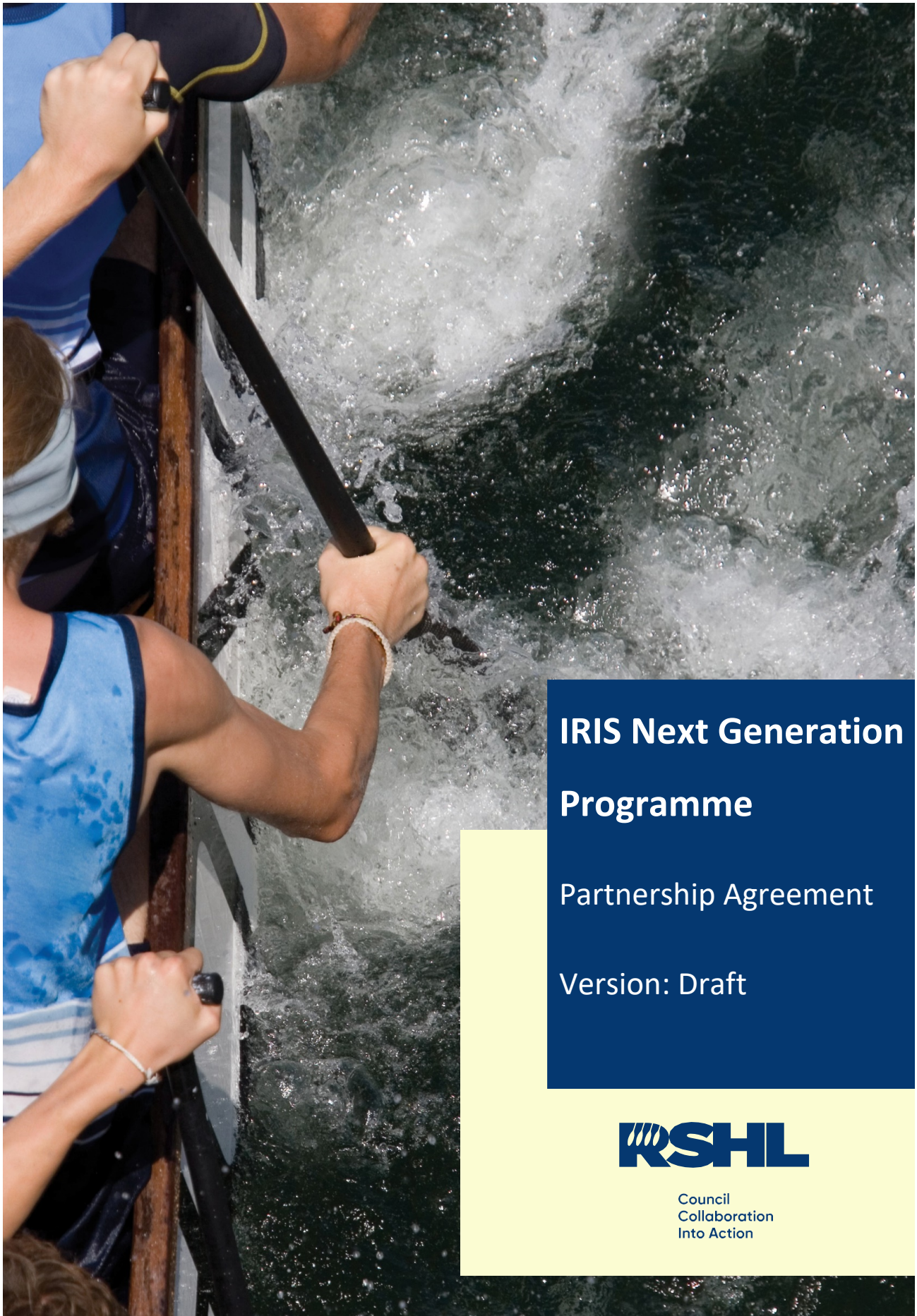
Budget

Through the Discovery phase a greater level of understanding of the regional sector requirements was gained by Datacom. This resulted in a revised price for the entire programme being provided of \$33.8m, assuming all eleven council's sign the MOU to implement the IRIS Next Generation product.

Council has budgeted \$6,686,000 in the 2021-2031 Long term plan to fund this project, made up of the IRIS Next Generation programme costs and implementation costs. The budget forecast for the project is within the LTP budget.

Attachments/Ngā tapirihanga

Attachment 1: IRIS NextGen Programme Partnership Agreement [↓](#) 



IRIS Next Generation Programme

Partnership Agreement

Version: Draft



Council
Collaboration
Into Action



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A. Parties

1. This Partnership Agreement (Agreement) is between Regional Software Holdings Ltd (RSHL) and the Participating Councils.
2. The Participating Councils are those councils that are listed in Schedule 1.

B. Background

3. The IRIS Next Generation Programme is a programme of work owned and managed by RSHL on behalf of the Participating Councils. The programme is defined by the IRIS Next Generation Programme Charter.
4. The objective of the IRIS Next Generation programme (IRIS NextGen) is to align the regional sector around consistent good practice processes, supported by fit for purpose software.
5. RSHL has concluded an RFP process on behalf of a group of regional and unitary councils whereby Datacom has been selected as the preferred partner for development, implementation and support. The Datacom proposal is based on the Datascape ERP suite.
6. RSHL worked with Special Interest Groups (SIGs) and staff in regional councils and unitary authorities to define and agree a common set of high-level good practice processes. This will form the basis of the Good Practice Operating Model.
7. After the RFP process, the councils have undertaken a process to determine the participants in the IRIS NextGen programme, agree the financial commitment required and determine the apportionment of costs.
8. The IRIS NextGen Programme will bring together the Participating Councils and RSHL to collaborate with Datacom on delivery of the regional sector software platform and good practice processes. The programme will coordinate the implementation of the processes and software in councils, ensuring effective organisational change management as well as long term support and enhancement of the regional sector software platform and processes.

C. Purpose and Scope

9. The purpose of this Agreement is to establish the basis upon which the Parties will progress the IRIS NextGen work programme, to develop the IRIS Next Generation software solution and good practice processes; implement them in the Participating Councils; and maintain them over the term of the Agreement.
10. The scope of the IRIS Next Generation programme is defined in Schedule 2.



11. The contract structure for the IRIS NextGen programme is defined in Schedule 3.

D. Term of the Agreement

12. The Partnership Agreement comes into effect when the Participating Councils listed in Schedule 1 have signed the Agreement.
13. This Agreement is effective from [DATE] ("**Commencement Date**") for an initial period of 10 years.
14. At the end of the initial 10-year period, the Parties may renew the Agreement for an additional 3 years, and at the end of each 3-year period after that.

E. RSHL Roles and Responsibilities

15. RSHL is accountable and responsible for managing the overall IRIS NextGen programme. RSHL will maintain an IRIS NextGen Programme Management Office appropriately staffed for these responsibilities.
16. The services that RSHL will be responsible for delivering under this Agreement include:
- a. Programme management, to coordinate the management of the various projects and initiatives that make up the IRIS NextGen Programme
 - b. Development, promotion and maintenance of the good practice operating model
 - c. Management of Datacom as the solution partner that is responsible for designing, developing and operating fit-for-purpose software to support the business processes defined in the good practice operating model
 - d. Management of the Datascope Regional Sector Template product roadmap.
 - e. Engaging external service providers and resources to assist in the delivery of projects and services
 - f. General management, financial and administrative services relating to the IRIS NextGen programme
 - g. Budgeting and forecasting the costs of the programme over its lifetime.
 - h. Management and ownership of any shared assets and intellectual property created by the programme. This includes software, training and process design documentation.
17. The performance measures that will be used to assess the performance of RSHL are in Schedule 4.

F. Council Roles and Responsibilities

18. The Participating Councils are accountable and responsible for managing the implementation of the good practice operating model and software solution within their own council, including organisational change and ensuring that data from legacy applications is migrated accurately.



19. The councils will be responsible for:

- a. Establishing, resourcing and managing a project to implement the good practice operating model and software solution in their council, including organisational change management
- b. Providing suitable staff to participate in the IRIS NextGen programme as required, for example as subject matter experts and software testers
- c. Committing to the common good practice processes defined in the Good Practice Operating Model
- d. Committing to and managing their council implementation project to the agreed schedule so as not to delay the IRIS NextGen implementation programme
- e. Inclusion of appropriate provisions in Annual Plan and Long-Term Plan budgets
- f. Prompt payment of programme invoices

G. Programme Governance

20. The delivery vehicle that will be used to facilitate and administer the IRIS NextGen programme of work is Regional Software Holdings Ltd (RSHL), a legally established Council Controlled Organisation owned by a number of regional councils and unitary authorities.
21. The Parties recognise that RSHL has an independent Board and has its own reporting accountability requirements through an Annual Report and Statement of Intent process.
22. An IRIS NextGen Programme Steering Group will be established consisting of senior leaders from councils and the programme sponsors from RSHL and Datacom. The constitution and membership of the Steering Group will be defined in a Terms of Reference that is agreed by the Participating Councils and RSHL.
23. There is an IRIS NextGen Advisory Group that has a management advisory role that is similar to the senior management team of an organisation. An existing *Terms of Reference* defines the constitution and membership.

H. Funding

24. The Parties acknowledge that to operate effectively the IRIS Next Generation programme needs certainty of funding payments and schedule.
25. Councils will contribute funding to the IRIS NextGen programme according to the percentages in the contribution model in Schedule 5.
26. Councils will be invoiced in quarterly instalments, in advance. Invoices will normally be issued in July, October, January and April for payment on the 20th of the following month.
27. The first instalment will be due on the 20th of the month following the Commencement Date.



28. If circumstances require additional funding to be collected from councils, then this will be collected according to the percentages in the contribution model in Schedule 5.
29. The Parties agree to annually review the on-going funding needs of IRIS NextGen to evaluate whether funding remains appropriate for programme activities.
30. The programme budget for each financial year will be developed by RSHL in consultation with the councils. The draft budget for the following year will be approved by the Programme Steering Group before 1 March and circulated to Participating Councils for feedback.
31. The programme budget will include the budget for the next financial year and an indicative budget for the following two financial years.
32. The finalised budget will be approved by the Programme Steering Group by 30 June.
33. The Parties agree that the Programme Contingency identified in the Programme Budget will not be collected from councils unless it is required.
34. Unless previously agreed in writing by RSHL, each council will cover all costs of their staff participating in the programme, including but not limited to, salary, travel and accommodation costs.

I. Ways of Working

35. The Parties will develop and maintain a reciprocal relationship of support and will work constructively and on a “no-surprises” basis. In particular, the Parties will keep each other apprised of any potential contentious events or issues in a timely manner.
36. The Parties agree that in dealing with each other, and in our dealings with individual councils, we will abide by the following principles and professional standards of behaviour:
 - a. Be open, frank, honest, prompt, fair and consistent in dealings with each other
 - b. Seek constructive steps to avoid differences and identify solutions
 - c. Be ready to discuss issues and negotiate with each other in a principled manner
 - d. Act in ways that are supportive of each other’s ownership and interests
 - e. Act for the betterment of the group as a whole rather than for one or more individual councils.
37. Each Party agrees to:
 - a. use its best endeavours to co-operate with the other parties to ensure the IRIS NextGen programme operates efficiently and effectively and in accordance with this Agreement
 - b. not unreasonably delay any action, decision or notice required under this Agreement
 - c. act in good faith towards the other Parties
 - d. agree to take such action as is required to give effect to the provisions of this Agreement



J. Good Practice Framework

38. Adherence to the governance framework for the Good Practice Operating Model is critical to the success of the overall programme. Each Participating Council commits to implementing the standard regional sector template (system and processes).
39. Councils will have exceptions to the regional sector template (system and processes) approved by the Regional Sector Reference Model governance group, whether or not the council is funding the changes to their implementation. The parties will agree the process and criteria for exceptions, which will not be withheld if the exception is required to meet legislative, regulatory or a council's documented and approved policy.

K. Implementation Schedule

40. The IRIS NextGen Advisory Group will agree the timetable of council implementations (the "Implementation Schedule") which will be approved by the Programme Steering Group.
41. The schedule to implement the solution in councils within the planned timeframe depends on each council completing its implementation within the timeframe allocated in the Implementation Schedule. Any delays will have a downstream effect on other councils and therefore councils agree to make all reasonable efforts to avoid delays. A council that does not meet agreed readiness assessment criteria may be required by the Programme Steering Committee to forfeit its place in the Implementation Schedule and be reassigned to a later implementation timeframe to avoid delays to the whole programme.
42. In the event of a delay, if the delay was not avoidable by the implementing council (as determined by the Programme Steering Group) then the costs of the delay will be shared by the Participating Councils. Otherwise, reasonable costs of the delay will be borne by the implementing council. The scope of costs will be limited to direct costs borne by RSHL or a Participating Council related to their IRIS NextGen implementation.
43. If the delay was caused by Datacom, programme contingency may be used to cover the costs of the delay.

L. Conflict and Dispute Resolution

44. The process for resolving any dispute or disagreement is that the dispute or disagreement will be raised through the governance structure outlined in Schedule 6 of this Agreement. All endeavours to resolve disputes or disagreements will be made at the IRIS NextGen Advisory Group and the Steering Group before they are raised to the RSHL Board if deemed necessary.



45. In the event that resolution cannot be reached through the governance structure, the parties must mediate the dispute in accordance with the procedures of the Resolution Institute.
46. A party to this Agreement may not commence any court or arbitration proceedings relating to the dispute unless it has complied with process outlined in this Agreement.

M. Council Opt Out

47. From 3 years after the Commencement Date a Participating Council can opt out of this Agreement by giving 18 months' notice in writing to RSHL.
48. Any council opting out of the Agreement will be required to fulfil all its obligations, including financial obligations, during the notice period. The council will not receive any refund of contributions to the programme.

N. Variation

49. This Agreement can be varied at any time by agreement of 75% of the Participating Councils. For the avoidance of doubt, this includes changes to Schedule 1 – Participating Councils.
50. By agreement with RSHL and the Participating Councils, other NZ regional councils and unitary authorities may join this Agreement after the Commencement Date to become a Participating Council.
51. A council joining after the Commencement Date will be required to pay a joining payment to contribute to the cost of prior work. The amount of any joining payment will be agreed between RSHL, the Participating Councils and the joining council. The Joining Payment will be collected by RSHL on terms agreed by the Parties. The funds from the Joining Payment may be applied to the programme costs at the direction of the Programme Steering Group or may be returned to Participating Councils.
52. An adjustment of the funding contribution model will be required when a council joins or leaves. The amounts will be agreed between the Participating Councils and RSHL.
53. In the event of Local Government reorganisation, Participating Councils will make every effort to continue this Agreement. Reorganisation does not negate any obligations of the Participating Councils if councils form another local authority.

O. Termination of the Agreement

54. This Agreement can be terminated at any time by agreement of 75% of the Participating Councils.



55. If the Agreement is terminated, the participating councils will pay any and all costs associated with closing the programme, including but not limited to staff costs, legal costs and vendor costs. Costs will be apportioned in accordance with Schedule 5.



Signed:

Name: Organisation:
Date:

Name: Organisation:
Date:

Name: Organisation:
Date:

Name: Organisation:
Date:

Name: Organisation:
Date:

Name: Organisation:
Date:



Name: Organisation:

Date:

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Date:

Name: Organisation:

Date:

Name: Organisation:

Date:

Name: Organisation:

Date:



Schedule 1: Participating Councils

Council	Contact



Schedule 2: IRIS Next Generation Scope

i. Programme Scope

The scope of the IRIS Next Generation programme includes:

- a) Design, development and delivery of the Regional Sector Template on the Datascape ERP Platform to support the business processes defined in the good practice operating model
- b) Development and promotion of the good practice operating model
- c) Implementation of the Datascape software solution and good practice operating model in Participating Councils
- d) Support and maintenance of the Datascape software solution and the good practice operating model over the term of the Agreement
- e) Programme management, to coordinate the management of the various projects and initiatives that make up the IRIS NextGen Programme

The IRIS Next Generation programme scope does not include:

- f) Extract, transformation and cleansing of data from legacy systems to prepare it for upload into Datascape. That is the responsibility of Participating Councils.
- g) Development of third-party application APIs to enable them to integrate with Datascape. That is the responsibility of Participating Councils.

ii. Functional Scope

The regional sector functions that are within the scope of the IRIS Next Generation programme are:

- a) Community engagement - The customer, providing information (requests) and sharing information.
- b) Environmental stewardship - Farm, land and catchment management, biodiversity, environment monitoring, selected land use sites and grants.
- c) Regulatory - Resource consents, building consents for dams, sundry authorisations, compliance monitoring, enforcement, incidents, and biosecurity plants and animals.

The functional and non-functional requirements of the IRIS NextGen solution are as defined in the Discovery Phase Report DEL.10 - Solution Mapping Requirements Acceptance Tracker.

Regional sector functions that are out of scope of the IRIS Next Generation programme are:

- a) Flood protection and control
- b) Hazard management
- c) Transport
- d) Environmental data management
- e) Resource management policy and planning
- f) and any other area not specifically stated as being in scope.



Schedule 3: Contract Structure

Contract	Parties	Content	Approval Process
IRIS Next Generation Programme Partnership Agreement	RSHL All Participating Councils	An agreement between the councils and RSHL to work together on the IRIS NextGen programme that outlines the framework for collaboration and rules of engagement.	Agreement terms are determined by the Participating Councils and RSHL. Signed by RSHL Chief Executive under delegated authority. Signed by a representative of each Participating Council under delegated authority.
Master Services Agreement	Datacom RSHL	The terms and conditions which govern the basis on which RSHL and Datacom will do business together.	Reviewed and endorsed by the IRIS NextGen Programme Steering Group and RSHL Board. Signed by RSHL Chief Executive under delegated authority.
Statement of work for Datascape development	Datacom RSHL	A statement of work for the development of Datascape to meet regional sector requirements as outlined in the IRIS NextGen RFP and defined in Discovery Deliverable 10 Solution Mapping Requirements Acceptance Tracker.	Reviewed and endorsed by IRIS NextGen Advisory Group and Programme Steering Group. Financial approval from RSHL Board. Signed by RSHL Chief Executive under delegated authority.
Datascape Services Agreement	Datacom Each Participating Council	A SaaS licence agreement for the council to use Datascape.	Reviewed and endorsed by RSHL.



			Agreement terms are reviewed and endorsed by the management at each council. Signed by a representative of the Participating Council under delegated authority.
Statement of work for implementation of Datascape	Datacom Each Participating Council	A statement of work for the vendor component of IRIS NextGen implementation in each council.	Reviewed and endorsed by RSHL. Agreement terms are reviewed and endorsed by the management at each council. Signed by a representative of the Participating Council under delegated authority.



Schedule 4: Critical Success Indicators and Programme Performance Measures

The goal of the IRIS NextGen programme is to promote productivity in the sector through consistent good practice processes, supported by fit-for-purpose software.

Critical success indicators for the programme include:

- The programme is completed within budget and agreed timelines
- The technology solution meets the acceptance criteria for all functional and non-functional requirements
- The full scope of the programme is delivered including:
 - a good practice framework and policies
 - the fully featured technology solution
 - support for councils in their implementation of the technology solution and organisational change.
- Productivity gains that can be objectively measured within councils are achieved following implementation.
- The solution provides a good user experience that meets the needs of council customers and staff.

Performance measures by which the success of the programme may be judged in relation to critical success indicators are:

Non-Financial	Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.
	Stay abreast of sector developments that may result in new requirements. Maintain a roadmap of priorities for enhancement of the Datascape Regional Template.
	Councils use the Good Practice Operating Model to benchmark themselves and measure the degree to which good practice is being achieved. Measured by the number of councils that report they have used the model artefacts for benchmarking.



	<p>Measure productivity gains in Participating Councils through predetermined metrics, for example:</p> <ul style="list-style-type: none"> • reduced time to incident resolution • reduction in consent processing timeframes • consistent data capture allowing ease of cross-council reporting (e.g. MFE reporting)
Financial	The programme will operate within approved budget, with any material variations approved by the Programme Steering Group.
	Annual charges for Participating Councils will be at the level approved by Programme Steering Group and the Board.
Growth	<p>Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen.</p> <p>The objective is to increase the number of councils using the solution, and the breadth of the solution in use.</p>



Schedule 5: Programme Budget

i. Council contribution model

The Participating Councils will share the programme costs of the IRIS NextGen programme according to the following contribution model:

Large Councils	Medium Councils	Small Councils
16.5% per council (Total 33%)	10% per council (Total 40%)	4% per council (Total 12%)
Waikato Regional Council	Horizons Regional Council	West Coast Regional Council
Bay of Plenty Regional Council	Otago Regional Council	Nelson City Council
	Northland Regional Council	Tasman District Council
	Hawke's Bay Regional Council	
	7.5% per council (Total 15%)	
	Taranaki Regional Council	
	Environment Southland	



ii. Estimated Shared IRIS NextGen Programme Costs

Over the initial 10-year term of this Agreement, the programme costs that will be shared according to the council contribution model defined in this schedule are expected to total \$27.25 million.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Datcom software solution delivery	\$3.6M	\$2.8M									\$6.4M
Datcom programme management	\$430K	\$410K	\$420K	\$425K	\$435K	\$442K	\$238K	\$243K	\$248K	\$253K	\$3.6M
Datcom support and maintenance	\$28K	\$350K	\$515K	\$568K	\$580K	\$647K	\$660K	\$673K	\$687K	\$700K	\$5.4M
Datcom council implementation costs	\$215K	\$1.3M	\$2.6M	\$2.5M	\$545K						\$7.1M
Datcom Good Practice Process Operating Model development	\$205K	\$71K	\$20K	\$20K	\$20K	\$21K	\$21K	\$22K	\$22K	\$23K	\$445K
RSHL programme management	\$485K	\$565K	\$660K	\$675K	\$370K	\$300K	\$300K	\$300K	\$300K	\$300K	\$4.3M
Total Programme Level Costs	\$5.0M	\$5.6M	\$4.3M	\$4.2M	\$1.8M	\$1.4M	\$1.2M	\$1.2M	\$1.3M	\$1.3M	\$27.25M

Provision has been made for inflation adjustments. The actual inflation rate may differ from the estimates.

iii. Programme Contingency

The programme costs outlined above do not include programme contingency.

The circumstances under which Programme Contingency may be required will be agreed by the Programme Steering Group via an annual risk assessment.

RSHL will not invoice Participating Councils for contingency until it is required. Councils may choose to include a contingency amount in annual plan and long-term plan budgets, based on the annual risk assessment.



iv. Estimated Direct Council Costs

In addition to the shared programme costs stated above, each council will directly incur costs. For the avoidance of doubt, these costs are the responsibility of each council and will not be shared according to the council contribution model. These costs will be invoiced directly to the council from Datacom and will commence during the council's implementation.

Item		Estimated Total Cost (10 year costs)
Datascape SaaS Licence Fee	Large Council	\$1.2M
	Medium Council	\$900K
	Small Council	\$515K
Datacom Organisational Change Management*	High Change Risk Council	\$170K
	Medium Change Risk Council	\$110K
	Low Change Risk Council	\$75K
Council Implementation Resources	Project resourcing requirements will vary depending on the size and complexity of the council and the implementation.	
Datascape API development for integration of third-party applications	Costs for Datascape API development will vary depending on the applications a council chooses to integrate with.	

*The pricing for Datacom Organisational Change Management is based on the change impact assessments undertaken in the Discovery Phase. The assessment results are detailed in *DEL.17 – Organisation Change v1.2* and in individual assessments provided to each council. Councils were assigned a change assessment risk score of High, Medium or Low. The higher the risk, the higher the change complexity and this is reflected in the cost.



Schedule 6: RSHL IRIS NextGen Structure Diagram





Schedule 7: Related Documents

Document Title	Document ID
IRIS NextGen Programme Charter	RSHL-643600151-6324
IRIS Next Generation Advisory Group Terms of Reference	RSHL-587691331-4991
IRIS Next Generation Programme Steering Group Terms of Reference	
Regional Sector Reference Model Governance Group Terms of Reference	RSHL-587691331-5153
Datacom Master Services Agreement	
IRIS NextGen Discovery Phase Report: DEL.17 – Organisation Change	RSHL-643600151-6817
IRIS NextGen Discovery Phase Report: DEL.10 - Solution Mapping Requirements Acceptance Tracker	RSHL-643600151-6934
IRIS NextGen Implementation Readiness Assessment	

TITLE: Regional Software Holdings Limited Board Appointments

From: Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Authorised by: Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 05 July 2022

Executive summary/Whakarāpopototanga

Council is a shareholder in Regional Software Holdings Limited (RSHL), a Council Controlled Organisation.

The Chief Executive Officer is council's appointed director to the RSHL Board. The Chief Executive Officer is retiring from council on 30 September 2022. As such, council needs to appoint a new director.

The Group Manager Corporate Services is currently the Alternate Director, appointed to the RSHL Board in this capacity in December 2021.

It is recommended that council appoint the Group Manager – Corporate Services as Director to the RSHL Board, effective from 1 October 2022.

It is recommended that council appoint the Information Services & Technology Manager as Alternate Director to the RSHL Board, effective from 1 October 2022.

Recommendations

1. That the report 'Regional Software Holdings Limited Board Appointments' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 16 June 2022, be received.
2. That council authorises the appointment of the Group Manager – Corporate Services as Director to the RSHL Board, effective from 1 October 2022.
3. That council authorises the appointment of the Information Services & Technology Manager as Alternate Director to the RSHL Board, effective from 1 October 2022.

Options

No.	Option	Advantages	Disadvantages
1	Do not make the board appointments.	Nil.	Council not represented on the board.
2	Make the board appointments.	Council is represented on the board.	Nil.

The staff's recommended option is 2.

Considerations

Being an administrative matter, environmental impacts, community views, Māori impact statement, financial implications and implementation issues do not apply.

1. Significance and engagement

When assessed against council's significance and engagement policy, and in relation to section 79 of the Local Government Act 2002, this decision is of low significance as this is an administrative matter.

This decision is consistent with council's policy on the appointment of directors to council organisations.

Attachments/Ngā tapirihanga

Nil

TITLE: Regional Software Holdings Limited's Statement of Intent

From: Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 15
Group Manager/s: July 2022

Executive summary/Whakarāpopototanga

The Regional Software Holdings Limited (RSHL) Statement of Intent (SOI) is included as **Attachment 1** for council to note. The Statement of Intent has been approved by the RSHL Board.

Recommendations

1. That the report 'Regional Software Holdings Limited's Statement of Intent' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 15 July 2022, be received.
2. That council notes the Regional Software Holdings Limited's Statement of Intent (*included as Attachment 1*).

Options

No.	Option	Advantages	Disadvantages
1	Council notes the RSHL Statement of Intent	Compliant with legislative requirements. The RSHL SOI is noted by council. Council's investment is managed appropriately.	No material disadvantage.
2	Council doesn't note the RSHL Statement of Intent	No material advantage.	Not compliant with legislative requirements. Potentially destroys council's value in our CCO and council's shareholding may not be managed appropriately.

The staff's recommended option is Option 1

Considerations

Given this is an administrative matter, Environmental Impacts, Community Views, Māori Impact Statement, Financial implications and Implementation issues are not applicable.

1. 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 the council's Significant and Engagement Policy because it is part of council's day to day business.


2. Policy, risk management and legislative compliance

This decision is consistent with council's policy as a shareholder if RSHL.

Background/Tuhinga

Nil

Attachments/Ngā tapirihanga

Attachment 1: Regional Software Holdings Limited's Statement of Intent [↓](#) 

Regional Software Holdings Limited

Statement of Intent 2023/2024/2025

June 2022
Version: FINAL

1 Introduction

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

1.1 Transition to Regional Sector Shared Services Organisation

The regional sector (Te Uru Kahika) intends to implement a regional sector shared services organisation. This will be a Council Controlled Organisation, created by restructuring RSHL. The sector will consolidate existing collaboration and resource sharing activities under RSHL.

The transition to the new structure is planned to occur in July 2022 but may be delayed by legal and statutory processes.

Where applicable, this Statement of Intent describes the current state, and the future state – after the restructure is complete.

Subsidiaries

RSHL has no subsidiaries or joint ventures.

1.2 Vision

To provide high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

1.3 Mission

Deliver shared solutions to Te Uru Kahika along with collaborative outcomes through sector special interest groups to achieve:

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

1.4 Nature and Scope of Activities to be Undertaken

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

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

RSHL activities are currently grouped as follows:

IRIS	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils.</p> <p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p>
IRIS Next Generation	<p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p> <p>IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) with better online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>Along with the SaaS, we will implement consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will confirm:</p> <ul style="list-style-type: none"> • The IRIS NextGen solution • A transition plan for existing users • A growth plan to attract new councils to the programme. <p>The budget for 2022/23 and indicative budget for subsequent years reflect the use of debt to fund the development of IRIS NextGen. This approach is seen as the best way to smooth the costs of the new solution over a longer term than would otherwise be the case.</p>
Environmental Monitoring and Reporting (EMAR)	<p><u>Environmental Monitoring and Reporting Programme</u></p> <p>The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand.</p> <p>The EMAR Programme has three projects.</p> <ul style="list-style-type: none"> • National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand. • Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format. • Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment. <p>EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, StatsNZ and DOC (and others).</p>

	<p>The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has it's own Steering Group who oversee operational activities.</p> <p>Current State : The EMAR Programme Manager is employed by Otago Regional Council.</p> <p>Future State: The EMAR/LAWA Programme Manager is employed by RSHL and is part of the Regional Sector Programme office. The LAWA project administration (financial and contractual) is managed by RSHL.</p>
Regional Sector Office	<p>The Regional Sector Office supports the activities of Te Uru Kahika and the Regional Sector Special Interest Groups (SIG) network.</p> <p>The Sector Office is made up of three roles:</p> <ul style="list-style-type: none"> • Executive Policy Adviser – Regional CEOs (RCEOs) Group • Chief Science Advisor • Regional Sector SIG Network Administrator <p>Current State: Sector Office staff are employed by Horizons Regional Council. Future State: Sector Office staff are employed by RSHL.</p> <p>The sector office is an all-of-sector programme.</p>
Sector Financial Management System	<p>In 2020 the Regional Council Collaboration (ReCoCo) Programme was superseded by the Sector Financial Management System (SFMS). As part of the SFMS RSHL is responsible for the management of the funding for regional sector collaborative programmes.</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Programme • ReCoCo Technology Projects • Bio Managers Programme • Bio Control Programme <p>The sector has a budget of over \$2M for these initiatives. RSHL collects this funding from councils and engages suppliers to deliver services to achieve the outcomes from each of the programmes.</p> <p>ReCoCo is one of the programmes within the SFMS. Under the ReCoCo banner RSHL delivers collaborative technology projects for groups of regional councils under the ReCoCo Programme. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.</p> <p>The SFMS is an all-of-sector programme.</p>

1.5 Values

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

- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable

- We are flexible and open

1.6 Guiding Principles

- The best decision is that which provides the best end result, primarily for regional sector councils and indirectly the communities they serve.
- Our solutions will be practical, appropriate to the scale of the problem and affordable.
- Where appropriate we will utilise codes of practice and standards produced by industry groups.
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

1.7 Possible Opportunities for Growth

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

Over the next year RSHL expects to restructure to become the regional shared services organisation for Te Uru Kahika, with a shareholding including most regional councils and unitary authorities.

Once this restructure is complete it is expected that new shared services opportunities will emerge.

New opportunities will be identified, and priorities set in the Business Plan. Other opportunities may arise and be investigated on a case-by-case basis. New activities will require explicit Board approval.

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

2 Objectives

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

The secondary objective of RSHL is to:¹

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

3 Board's Approach to Governance

Members of RSHL's Board of Directors are appointed by the shareholders to govern and direct RSHL's activities.

Current State: The Shareholders Agreement states that each shareholder has the right to appoint one Director, and that person will be the CEO, or a person nominated by the CEO.² The Constitution allows each Director to appoint an alternative director.³

Future State: The new constitution will outline the appointment process for directors, including independents.

¹ From: Constitution of Regional Software Holdings Ltd, Section 1.1

² RSHL Shareholders Agreement clause 4.1

³ RSHL Constitution clause 8.3

The Constitution requires that the Board collectively must have relevant knowledge and experience of finance, public bodies, management, governance, and IT management.⁴

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

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

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

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

4 Accounting Policies

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP), the Financial Reporting Act 1993 and the NZ PBE's Tier 2.

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Standards. RSHL is not publicly accountable and expenditure is not higher than \$30 million.

Appendix 1 includes RSHL's Accounting Policies.

5 Performance Targets and Other Measures

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

		2022/23	2023/24	2024/25
Non Financial	With participating councils, define and agree milestones for the IRIS NextGen Programme.	Applies in the 2022/2023 year only.		
	Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Applies each year		

⁴ RSHL Constitution clause 8.6

		2022/23	2023/24	2024/25
	Prepare and adopt the annual IRIS development roadmap by 30 June for delivery in the subsequent year.	Applies each year		
	Major IRIS Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Applies each year		
	Budgets for IRIS support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager.	Applies each year		
	Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.	Applies every year.		
	Effectively support the activities of the Regional Sector through the Regional Sector Office	Applies every year.		
	Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	Applies every year.		
	Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	Applies each year		
Financial	RSHL will operate within approved budget, with any material variations approved by the Board.	Applies each year		
	Annual charges for shareholders and customers to be at the level approved by the Board and councils based upon the approved operating budget and budgets	Applies each year		
Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies each year		
	Work with the Regional Sector SIG Network to develop shared service opportunities.	Applies each year		
	Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen. The objective is to increase the number of councils using the solution, and the breadth of the solution in use.	Applies each year		

6 Distribution of Profits to Shareholders

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

In order for RSHL to be subject to tax, generally it must meet the business test. Fundamental to this is a profit motive. Given the basis under which this CCO operates is to minimise the costs and

generally operate on a cost recovery basis and that a pecuniary profit is not intended and highly unlikely, the lack of a profit motive is real.

The RSHL Shareholders Agreement states “If Operating Expenses for a fiscal year are less than the budgeted amount for such year, the Company will retain the funds for application to Operating Expenses for the subsequent fiscal year”⁵. Therefore there will not be a profit available for distribution.

7 Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within two months of the end of the financial year the following audited⁶ statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company’s medium to long-term plans.
- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year.
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Shareholder Councils the ability to include any changes in Annual Fees, or any other form of financial impact, in their budget processes. The Board are to approve the business plan by the end of June prior to the commencement of the new financial year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council’s shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets.
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

8 Procedures for Major Transactions and Other Acquisitions and Disposals

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

9 Procedures for Issue of Shares

The RSHL shareholder agreement requires the approval of the Shareholders holding at least of 75% of the shares for “the issuing or acquisition of any Shares or any change to the rights attaching to any Shares”⁷.

⁵ Shareholders Agreement, clause 7.4

⁶ Delivery of audited statements is subject to availability of suitably qualified auditors from AuditNZ.

⁷ *RSHL Subscription & Shareholders Agreement* Section 5.1 (b)

10 Activities for Which Compensation Is Sought

Payment of annual fees will be sought for the following activities:

Sector Financial Management System.	Payment of annual contributions will be sought from all regional sector councils for the operation of the Programmes in the Sector Financial Management System. Contributions will be according to the agreed model. This activity includes the Regional Sector Office and EMAR.
IRIS	Payment of an Annual Fee for IRIS will be sought from all councils that use the IRIS Software for annual support and development fees, as set out in the License Agreement.
IRIS Next Generation	Contributions to the costs of the IRIS NextGen Programme will be sought from councils that participate. Payment of funding for IRIS NextGen will be sought from all councils that participate in the IRIS NextGen Programme. These funds will be used for programme management, annual support and development fees, as set out in the relevant agreements.
RSHL Overhead Costs	All work programmes will contribute to the overhead costs of RSHL, with the proportion of the contribution based on financial activity.

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

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

11 Estimate of Commercial Value of The Shareholder's Investment

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

12 Shareholding

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

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

Future State:

RSHL will be restructured as part of the Regional Sector Shared Services implementation.

To enable the founding shareholders to retain their rights and ownership of the IRIS asset and to reduce the impact of the transition the current shareholding will be converted into a separate, Class B shareholding which will hold the ownership rights over IRIS classic.

Statement of Intent 2022-2023
Regional Software Holdings Limited
Consolidated Statement of Financial Performance
For the 12 Months to 30 June 2023

2021/22 Budget	Income	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
1,214,881	IRIS Programme		1,231,038	1,274,584	1,298,317
	IRIS NextGen Programme		415,251	383,118	385,138
2,551,392	Sector Work Programmes		2,671,656	2,682,132	2,701,440
	Central Government Funding		129,000	129,000	129,000
3,766,273			4,446,945	4,468,835	4,513,894
231,931	<u>Other Income</u>			-	-
600	Interest Received	600	600	600	600
126,066	Council Specific Software Funding		128,715	132,577	136,554
358,597			129,315	133,177	137,154
4,124,870	Total Income		4,576,260	4,602,011	4,651,048
	Expenditure				
9,522	Administration costs		35,600	36,559	37,458
32,343	Accounting & Technical Support		66,370	38,245	39,370
86,534	Audit & Legal fees		85,000	52,000	53,930
260,000	Datacom Support Services (IRIS)		275,340	291,585	308,789
646,040	Technology Services		529,966	524,714	520,333
22,444	IT Hosting Charges		63,768	64,481	65,216
20,000	Finance Costs		-	-	-
145,000	Secondments		-	-	-
176,610	Personnel Costs		778,000	823,000	860,240
8,000	Promotional Costs		84,000	86,040	75,141
33,000	Independent Director's Fees		37,000	38,110	39,253
18,750	Travel & Meeting Costs		34,500	34,500	34,500
126,066	Council Specific Software Purchases		128,715	132,577	136,554
	Other Direct Software		2,000	2,200	2,266
2,551,392	Consultants		2,128,000	2,128,000	2,128,000
4,135,701			4,248,260	4,252,011	4,301,048
	<u>Other Expenditure</u>				
920,438	Depreciation		979,556	550,559	546,570
5,056,139	Total Expenditure		5,227,816	4,802,571	4,847,618
(931,269)	Surplus/ (Deficit) before tax		(651,556)	(200,559)	(196,570)
	Income Tax Expense				
(931,269)	Surplus/(Deficit) after Tax		(651,556)	(200,559)	(196,570)

Regional Software Holdings Limited
Consolidated Statement of Financial Position
As at 30 June 2023

<u>Statement of Financial Position</u>				
2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
ASSETS				
Current assets				
899,799		899,799	919,799	1,069,799
-		-	-	-
-		-	-	-
-		-	-	-
Non Current Assets				
3,318,471		2,111,430	1,890,871	1,544,300
<u>4,218,270</u>		<u>3,011,229</u>	<u>2,810,670</u>	<u>2,614,099</u>
LIABILITIES				
Current liabilities				
-		-	-	-
-		-	-	-
Non Current Liabilities				
1,000,000		0	0	0
<u>1,000,000</u>		<u>0</u>	<u>0</u>	<u>0</u>
<u>3,218,270</u>		<u>3,011,229</u>	<u>2,810,670</u>	<u>2,614,099</u>
NET ASSETS				
REPRESENTED BY:				
2021/22 Budget		2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Equity				
5,149,150		5,149,150	5,149,150	5,149,150
(931,269)		(651,556)	(200,559)	(196,570)
(999,611)		(1,486,366)	(2,137,922)	(2,338,481)
<u>3,218,270</u>		<u>3,011,229</u>	<u>2,810,670</u>	<u>2,614,099</u>
Total Equity				
<u>Statement of Movement in Equity</u>				
4,149,539		3,662,784	3,011,229	2,810,670
(931,269)		(651,556)	(200,559)	(196,570)
<u>3,218,270</u>		<u>3,011,229</u>	<u>2,810,670</u>	<u>2,614,099</u>
<u>3,218,270</u>		<u>3,011,229</u>	<u>2,810,670</u>	<u>2,614,099</u>
76%	equity to assets (>60%)	100%	100%	100%

Regional Software Holdings Limited
Consolidated Statement of Cash Flows
For the 12 Months to 30 June 2023

2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Cashflows from Operating Activities				
<u>Cash received from:</u>				
2,783,323	Receipts from customers	4,575,660	4,601,411	4,650,448
1,340,948	Shareholder contributions	-	-	-
600	Interest	600	600	600
	Income Tax Paid (refunded)	-	-	-
4,124,871	Total Operating Receipts	4,576,260	4,602,011	4,651,048
<u>Cash applied to:</u>				
4,135,702	Payments to suppliers	4,248,260	4,252,011	4,301,048
	Net GST movement	-	-	-
	Income Tax Paid (refunded)	-	-	-
	Interest W/holding tax paid	-	-	-
4,135,702	Total Operating Payments	4,248,260	4,252,011	4,301,048
(10,831)	Net cash from operating	328,000	350,000	350,000
Cashflow from Investing Activities				
<u>Cash received from:</u>				
-	Sale of Fixed Assets	-	-	-
-	Investment Maturities	-	-	-
-	Total Investment Receipts	-	-	-
<u>Cash applied to:</u>				
720,000	Purchase of Fixed/ Intangible assets	328,000	330,000	200,000
	Investment deposits	-	-	-
720,000	Total Investment Payments	328,000	330,000	200,000
(720,000)	Net cash from investing	(328,000)	(330,000)	(200,000)
Cashflow from Financing Activities				
<u>Cash received from:</u>				
0	Capital contributions	-	-	-
1,000,000	Proceeds from Loan Borrowings	-	-	-
1,000,000	Total Financing Receipts	0	0	0
<u>Cash applied to:</u>				
	Capital repaid	-	-	-
	Loan interest paid	0	0	0
	Loan repayment of debt	-	-	-
0	Total Financing Payments	0	0	0
0	Net cash from financing	0	0	0
269,169	Net increase (decrease) in cash-flow for the year	0	20,000	150,000
630,630	Opening cash balance	899,799	899,799	919,799
899,799	Closing cash balance	899,799	919,799	1,069,799
Made up of:				
25,000	Current account	25,000	25,000	25,000
874,799	Auto-call account	874,799	894,799	1,044,799
899,799		899,799	919,799	1,069,799

IRIS Programme
Statement of Financial Performance
For the 12 Months to 30 June 2023

2021/22 Budget		Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
1,214,881	Income				
3,766,273	IRIS Programme		1,231,038	1,274,584	1,298,317
			1,231,038	1,274,584	1,298,317
231,931	<u>Other Income</u>				
600	Interest Received		600	600	600
126,066	Council Specific Software Funding		128,715	132,577	136,554
358,597			129,315	133,177	137,154
4,124,870	Total Income		1,360,353	1,407,761	1,435,471
	Expenditure				
9,522	Administration costs		3,451	3,598	3,660
32,343	Accounting & Technical Support		18,922	11,232	11,657
86,534	Audit & Legal fees		32,829	15,272	15,968
260,000	Datacom Support Services (IRIS)		275,340	291,585	308,789
646,040	Technology Services		359,966	414,714	410,333
22,444	IT Hosting Charges		23,768	24,481	25,216
20,000	Finance Costs		-	-	-
145,000	Secondments		-	-	-
176,610	Personnel Costs		167,829	137,685	146,965
8,000	Promotional Costs		4,562	4,699	888
33,000	Independent Director's Fees		10,549	11,193	11,622
18,750	Travel & Meeting Costs		4,421	4,524	4,553
126,066	Council Specific Software Purchases		128,715	132,577	136,554
	Other Direct Software		2,000	2,200	2,266
2,551,392	Consultants		-	4,000	7,000
4,135,701			1,032,353	1,057,761	1,085,471
	<u>Other Expenditure</u>				
920,438	Depreciation		979,556	550,559	546,570
5,056,139	Total Expenditure		2,011,909	1,608,320	1,632,041
(931,269)	Surplus/ (Deficit) before tax		(651,556)	(200,559)	(196,570)
	Income Tax Expense				
(931,269)	Surplus/(Deficit) after Tax		(651,556)	(200,559)	(196,570)

IRIS Programme
Statement of Financial Position
For the 12 Months to 30 June 2023

2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
ASSETS				
Current assets				
899,799		899,799	919,799	1,069,799
-		-		
-		-	-	-
-		-	-	-
Non Current Assets				
3,318,471		2,111,430	1,890,871	1,544,300
4,218,270		3,011,229	2,810,670	2,614,099
LIABILITIES				
Current liabilities				
-		-	-	-
-		-	-	-
Non Current Liabilities				
1,000,000		-	-	-
1,000,000		0	0	0
3,218,270		3,011,229	2,810,670	2,614,099

REPRESENTED BY:

2021/22 Budget		2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Equity				
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(931,269)	Current Year Earnings	(651,556)	(200,559)	(196,570)
(999,611)	Retained Earnings	(1,486,366)	(2,137,922)	(2,338,481)
3,218,270	Total Equity	3,011,229	2,810,670	2,614,099

Statement of Movement in Equity

4,149,539	Opening Equity	3,662,784	3,011,229	2,810,670
(931,269)	Comprehensive income for the year	(651,556)	(200,559)	(196,570)
3,218,270	Total Equity	3,011,229	2,810,670	2,614,099

IRIS Programme
Statement of Cashflows
For the 12 Months to 30 June 2023

2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Cashflows from Operating Activities				
<u>Cash received from:</u>				
2,783,323	Receipts from customers	1,359,753	1,407,161	1,434,871
1,340,948	Shareholder contributions	-	-	-
600	Interest	600	600	600
	Income Tax Paid (refunded)	-	-	-
4,124,871	Total Operating Receipts	1,360,353	1,407,761	1,435,471
<u>Cash applied to:</u>				
4,135,702	Payments to suppliers	1,032,353	1,057,761	1,085,471
	Net GST movement	-	-	-
	Income Tax Paid (refunded)	-	-	-
	Interest W/holding tax paid	-	-	-
4,135,702	Total Operating Payments	1,032,353	1,057,761	1,085,471
(10,831)	Net cash from operating	328,000	350,000	350,000
Cashflow from Investing Activities				
<u>Cash received from:</u>				
-	Sale of Fixed Assets	-	-	-
-	Investment Maturities	-	-	-
-	Total Investment Receipts	-	-	-
<u>Cash applied to:</u>				
720,000	Purchase of Fixed/ Intangible assets	328,000	330,000	200,000
	Investment deposits	-	-	-
720,000	Total Investment Payments	328,000	330,000	200,000
(720,000)	Net cash from investing	(328,000)	(330,000)	(200,000)
Cashflow from Financing Activities				
<u>Cash received from:</u>				
0	Capital contributions	-	-	-
1,000,000	Proceeds from Loan Borrowings	-	-	-
1,000,000	Total Financing Receipts	0	0	0
<u>Cash applied to:</u>				
	Capital repaid			
	Loan interest paid			
	Loan repayment of debt			
0	Total Financing Payments	0	0	0
0	Net cash from financing	0	0	0
269,169	Net increase (decrease) in cash-flow for the year	0	20,000	150,000
630,630	Opening cash balance	899,799	899,799	919,799
899,799	Closing cash balance	899,799	919,799	1,069,799
Made up of:				
25,000	Current account	25,000	25,000	25,000
874,799	Auto-call account	874,799	894,799	1,044,799
899,799		899,799	919,799	1,069,799

IRIS NextGen Programme
Statement of Financial Performance
For the 12 Months to 30 June 2023

	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Income				
IRIS Programme		-	-	-
IRIS NextGen Programme		415,251	383,118	385,138
Sector Work Programmes		-	-	-
Central Government Funding		-	-	-
		<u>415,251</u>	<u>383,118</u>	<u>385,138</u>
<u>Other Income</u>				
Interest Received		-	-	-
Council Specific Software Funding		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Total Income		415,251	383,118	385,138
Expenditure				
Administration costs		962	901	908
Accounting & Technical Support		6,383	3,376	3,458
Audit & Legal fees		24,328	4,591	4,737
Datacom Support Services (IRIS)		-	-	-
Technology Services		160,000	100,000	100,000
IT Hosting Charges		-	-	-
Finance Costs		-	-	-
Secondments		-	-	-
Personnel Costs		209,328	260,414	263,270
Promotional Costs		1,539	1,412	263
Independent Director's Fees		3,558	3,364	3,448
Travel & Meeting Costs		9,154	9,059	9,054
Council Specific Software Purchases		-	-	-
Other Direct Software		-	-	-
Consultants		-	-	-
		<u>415,251</u>	<u>383,118</u>	<u>385,138</u>
<u>Other Expenditure</u>				
Depreciation		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditure		415,251	383,118	385,138
Surplus/ (Deficit) before tax		0	0	0
Income Tax Expense				
		<u>0</u>	<u>0</u>	<u>0</u>
Surplus/(Deficit) after Tax		0	0	0

IRIS NextGen Programme
Statement of Financial Position
For the 12 Months to 30 June 2023

Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
ASSETS			
Current assets			
Bank Accounts and Cash	0	0	0
Debtors and Prepayments			
Accrued Revenues	-	-	-
GST receivable	-	-	-
Tax receivable (payable)	-	-	-
Non Current Assets			
Property, Plant & Equipment			
Total Assets	0	0	0
LIABILITIES			
Current liabilities			
Creditors and Accrued Expenses	-	-	-
Income Received in Advance	-	-	-
GST payable			
Non Current Liabilities			
Borrowings	0	0	0
Total Liabilities	0	0	0
NET ASSETS	0	0	0

REPRESENTED BY:

	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Equity			
Equity	0	0	0
Current Year Earnings	0	0	0
Retained Earnings	0	0	0
Total Equity	0	0	0

Statement of Movement in Equity

Opening Equity	0	0	0
Comprehensive income for the year	0	0	0
Total Equity	0	0	0

IRIS NextGen Programme
Statement of Cashflows
For the 12 Months to 30 June 2023

Statement of Cash Flows

2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Cashflows from Operating Activities				
<u>Cash received from:</u>				
2,783,323		415,251	383,118	385,138
1,340,948		-	-	-
600		-	-	-
		-	-	-
4,124,871		415,251	383,118	385,138
<u>Cash applied to:</u>				
4,135,702		415,251	383,118	385,138
		-	-	-
		-	-	-
4,135,702		415,251	383,118	385,138
(10,831)		0	0	0
Cashflow from Investing Activities				
<u>Cash received from:</u>				
-		-	-	-
-		-	-	-
-		-	-	-
720,000		0	0	0
720,000		0	0	0
(720,000)		0	0	0
Cashflow from Financing Activities				
<u>Cash received from:</u>				
0		-	-	-
1,000,000		0	0	0
1,000,000		0	0	0
<u>Cash applied to:</u>				
		0	0	0
0		0	0	0
0		0	0	0
269,169		0	0	0
630,630		0	0	0
899,799		0	0	0

**Sector Financial Management System
Statement of Financial Performance
For the 12 Months to 30 June 2023**

2021/22 Budget		Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
2,551,392	Income				
	Sector Work Programmes		2,671,656	2,682,132	2,701,440
	Central Government Funding		129,000	129,000	129,000
3,766,273			2,800,656	2,811,132	2,830,440
231,931	<u>Other Income</u>				
600	Interest Received		-	-	-
126,066	Council Specific Software Funding		-	-	-
358,597			-	-	-
4,124,870	Total Income		2,800,656	2,811,132	2,830,440
	Expenditure				
9,522	Administration costs		31,187	32,059	32,890
32,343	Accounting & Technical Support		41,065	23,636	24,255
86,534	Audit & Legal fees		27,843	32,137	33,225
260,000	Datacom Support Services (IRIS)		-	-	-
646,040	Technology Services		10,000	10,000	10,000
22,444	IT Hosting Charges		40,000	40,000	40,000
20,000	Finance Costs		-	-	-
145,000	Secondments		-	-	-
176,610	Personnel Costs		400,843	424,901	450,005
8,000	Promotional Costs		77,900	79,928	73,989
33,000	Independent Director's Fees		22,893	23,553	24,183
18,750	Travel & Meeting Costs		20,925	20,916	20,893
126,066	Council Specific Software Purchases		-	-	-
	Other Direct Software		-	-	-
2,551,392	Consultants		2,128,000	2,124,000	2,121,000
4,135,701			2,800,656	2,811,132	2,830,440
	<u>Other Expenditure</u>				
920,438	Depreciation		-	-	-
5,056,139	Total Expenditure		2,800,656	2,811,132	2,830,440
(931,269)	Surplus/ (Deficit) before tax		0	0	0
	Income Tax Expense				
(931,269)	Surplus/(Deficit) after Tax		0	0	0

Appendix 1: Accounting Policies

1 General Information

Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO). Owned as follows:

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

RSHL was incorporated on 17 October 2012.

RSHL was originally incorporated for the purposes of managing the investment and development of IRIS Software. RSHL now exists for the purpose of supporting collaborative and shared services projects for Te Uru Kahika. RSHL has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

Public Benefit Entity Simple Format Reporting

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

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. RSHL is not publicly accountable and expenditure is not higher than \$30 million. These financial statements comply with PBE standard.

Basis of Preparation of the Financial Statements

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

Statement of Compliance

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

The financial statements have been prepared to comply with Tier 2 Public Benefit Entity (PBE) Standards. RSHL is not publicly accountable and expenditure is not higher than \$30 million.

These financial statements comply with PBE Standards.

Presentation Currency and Rounding

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

The functional currency of RSHL is New Zealand dollars.

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

2 Summary of Significant Accounting Policies

Revenue

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

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

Interest revenue is recorded as it is earned.

Expenditure

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

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

Bank Accounts and Cash

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

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

Debtors

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

Inventories

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

Costs that are directly associated with the development of software owned by RSHL or its subsidiaries are recognised as property, plant and equipment.

Depreciation

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

The carrying value is depreciated on a straight-line basis over its useful life. The default useful life and associated depreciation rate for the developed software is 10 years and 10%. If an alternative rate is used this will be noted in the financial statements.

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

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

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

3 Proportion of Contributions to the IRIS Programme

Member contributions for IRIS and the operation of RSHL will be collected in the following proportions.

Shareholder	Percentage
Waikato Regional Council	36.78%
Northland Regional Council	13.55%
Horizons Regional Council	18.17%
Taranaki Regional Council	13.55%
Southland Regional Council	13.55%
West Coast Regional Council	4.4%
Total	100%

4 Proportion of Contributions to the IRIS NextGen Programme

Member contributions for IRIS NextGen Programme will be agreed with participating councils.

5 Proportion of Contributions to the Regional Sector Office, EMAR and Sector Financial Management System

The funding contributions for the Sector Office, EMAR and the most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.

Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each
Auckland Council	Horizons RC	Tasman DC
Environment Canterbury	Otago RC	Nelson City Council
Greater Wellington RC	Hawkes Bay RC	Gisborne DC
Waikato RC	Northland RC	Marlborough DC
Bay of Plenty RC	Taranaki RC	West Coast RC
	Environment Southland	
Total 47%	Total 37%	Total 16%

BioControl and the Science Programme have custom funding models based on the value of the programmes to the region.

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

Item	Section
Statement of intent	This document
Coverage over three financial years and updated annually	1 & 7 & 5
Objectives of the group	2
A statement of the board's approach to governance	3
Nature and scope of the activities to be undertaken	1
Accounting policies	4
Performance targets and other measures by which the performance of the group may be judged in relation to its objectives	5
An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders	6
The kind of information to be provided to the shareholders/ shareholding Ministers by the organisation during the course of the next three financial years	7 (Shareholders)
Procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation	8
Any activities for which the board seeks compensation from any local authority, Harbour Board, or the Crown (whether or not the relevant entity has agreed to provide the compensation)	10 (Local authority)
The board's estimate of the commercial value of the Crown/shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed	11 (Shareholders)
Other matters that are agreed by the shareholders/ shareholding Ministers and the board	none (Shareholders)
Annual report should contain information that is necessary to enable an informed assessment of the operations of the parent entity and its subsidiaries, including a comparison of performance with the relevant statement of intent or statement of corporate intent	7 (Plus explanation of material variances)

ⁱ Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.

TITLE: Adoption of the Draft Freshwater Framework

From: Justin Murfitt, Strategic Policy Specialist

Authorised by Jonathan Gibbard, Pou Tiaki Taiao – Group Manager Environmental
Group Manager/s: Services, on 20 July 2022

Whakarāpopototanga | Executive Summary

This report presents a Draft Freshwater Framework for adoption by council. The draft framework outlines the council's goals, priorities, and approaches for freshwater management over the next 10 years. The draft framework reflects commitments in the 2021 Long Term Plan (LTP) and the key steps planned to deliver on central government direction in 'essential freshwater'. The framework is essentially a 'roadmap' to provide an outline of council's key issues, goals and actions for freshwater management over the next 10 years – it will also provide a means for council to track progress against those goals and actions. It is intended as a 'living document' and to be reviewed following long-term plans and / or significant change in government policy to ensure it remains current. A more user-friendly layout of the framework will be made publicly available on the council website to inform interested parties.

The framework has been extensively workshopped with staff, councillors and Te Taitokerau Māori and Council Working Party prior to being presented here for council adoption.

The report recommends council adopt the attached framework (**Attachment 1**) subject to final layout, formatting and minor wording changes being made under delegation to the Group Manager Environmental Services.

Ngā mahi tūtohutia | Recommendations

1. That the report 'Adoption of the Draft Freshwater Framework' by Justin Murfitt, Strategic Policy Specialist and dated 5 July 2022, be received.
2. That council adopt the Draft Freshwater Framework as its roadmap for freshwater management in Taitokerau.
3. That council authorise the Group Manager Environmental Services to make minor wording changes and to approve the final formatting and layout of the Freshwater Framework prior to publishing on the council website or otherwise publicly releasing it.

Options

No.	Option	Advantages	Disadvantages
1	Council does not adopt the Draft Freshwater Framework	None	There is no publicly available document setting out council's goals and actions for freshwater management over the next 10yrs. And council does not have a clear programme to monitor its progress.

No.	Option	Advantages	Disadvantages
2	Council adopts the Draft Freshwater Framework	Council's goals and actions for freshwater management over the next 10yrs are set out clearly for the public and council has a clear programme to monitor its progress.	None
3	Council makes significant changes to the draft framework.	Unknown	The draft Framework has been extensively workshopped and further amendment has the potential for significant further delay in making the framework public (especially given the local government elections in October).

The staff's recommended option is Option 2. This will set a clear pathway forward outlining council's commitment to improving freshwater management in Taitokerau and providing goals and targets to measure progress against. This Framework should be considered a living document, and one that can and should be updated over time to reflect the changing direction from central government, LTP budgeting, our knowledge of freshwater management and our communities' expectations.

Considerations

1. Environmental Impact

The adoption of the Framework will assist council in the sustainable management of freshwater resources in Northland. It will not impede or otherwise compromise the ability of council to proactively respond to environmental or climate change issues.

2. Community views

There are a wide range of community interests in water, however the Framework largely reflects council decisions in the 2021 Long Term Plan and government direction in 'Essential Freshwater'. There will be opportunity for community to express their views in a number of the actions / steps in the Framework (for example the Freshwater Plan Change process).

3. Māori impact statement

Māori have a strong interest in freshwater and the goals and actions within it, however the adoption of the Framework in itself will not impact on Māori as the Framework is more of a roadmap reflecting direction in the government's 'Essential Freshwater' package and council goals and actions in the 2021 Long Term Plan. The Framework has also been discussed with TTMAC and was endorsed for council adoption at the TTMAC meeting of 9 June 2022. Māori are also involved in many of the actions / processes in the Framework and freshwater management generally.

4. Financial implications

The actions in the Framework reflect council's 2021 Long Term Plan and direction from central government in the 'Essential Freshwater' package and have been allocated resources. While costs are difficult to predict in some cases, any further resourcing can be identified through review of the Framework and planned for in subsequent annual or long term plan processes.

5. Implementation issues

Implementation of the Framework is challenging given much of it relates to implementation of the NPS-FM and other elements of the government's essential freshwater package. However, having a clear set out 'roadmap' of actions for the next 10 years will assist implementation of freshwater requirements and help keep council on track.

6. 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 been provided for in council's Long-Term Plan and 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 (noting the draft was discussed with TTMAC). Public consultation will also be undertaken in relation to a number of key steps / processes identified in the Framework such as the development of the Freshwater Plan Change.

7. Policy, risk management and legislative compliance

The Framework is not a regulatory / statutory document or requirement of legislation. Adoption of the Framework does not in itself present any obvious risks and will assist in implementing key legislative requirements related to freshwater (such as the NPS Freshwater Management). The Framework can also be reviewed to reflect government policy changes or when / if any significant risks are identified.

Tuhinga | Background

The development of a draft Freshwater Framework setting out key freshwater issues for council and its goals, priorities and approaches to managing freshwater started in mid-2020. TTMAC endorsed engagement between MTAG and staff in developing the draft and good progress was made. However, the release of the government's 'Essential freshwater' package in late 2020 changed the policy direction for freshwater significantly, meaning the draft was effectively put on hold.

The policy 'landscape' for freshwater has now settled somewhat, and council commitments and resourcing for freshwater management have been confirmed through the 2021 Long Term Plan. The timing for restarting work on the Draft Freshwater Framework was then considered more appropriate and the concept was reintroduced to TTMAC on 14 October 2021. Recommended actions from the October 2021 meeting were that MTAG be engaged on the draft and that a draft be presented to TTMAC prior to adoption by council.

A draft was circulated to MTAG for feedback in early December 2021. An update was provided to the 10 March 2022 meeting of TTMAC where further MTAG input was recommended. The draft Framework has since been discussed at MTAG meetings on 7 April and 12 May 2022. Feedback received has been largely incorporated into the draft Framework. TTMAC since endorsed council adoption of the draft Framework at its meeting of 9 June 2022. At that meeting it was suggested that the Framework include an action relating to Mana Whakahono a Rohe – this is considered an appropriate addition and the action below is recommended for inclusion:

Continue to promote development of Mana Whakahono ā Rohe agreements with iwi / hapu

It was also suggested at the TTMAC meeting, that the Framework refer to the Te Ao Māori Decision Making Framework currently under development. It is understood this has yet to be finalised, so adding a reference at this stage seems premature. This could however be added following future review of the Freshwater Framework.

The Draft Framework is attached for consideration and adoption by council. (**Attachment 1**).

Attachments/Ngā tapirihanga


Attachment 1: Draft Freshwater Framework [↓](#) 

Image removed to reduce file size

Caring for Northland's freshwater: our 10-year plan

Tiakina ngā Wai Māori o Te Tai Tokerau:

Ko tō mātou mahere rautaki tekau tau te roa

Kei te tangi a Ranginui
Kei te tangi a Papatūānuku
Kei te rere ngā roimata
Rere ki uta. Rere ki tai.
Kei hea ngā Kaitiaki mō Te Mana o te Wai
Te Mauri o te Wai?
Whakarongo mai!
Whakaoratia!
Hei oranga wairua!
Hei oranga tāngata!
Hei oranga mō Aotearoa katoa

Our primordial sky father weeps
As our earth mother mourns
Their tears flowing forth manifest in the mountain waters that percolate down to the sea.
Where-art the earthly protectors of the water's authority?
The guardians of its essence?
Pay heed to the abuses of our time and reinvigorate the water's power of life
As sustenance for our spirit
As wellbeing for our person
And as health and prosperity for a vibrant New Zealand for all.

– Statement from *Te Mana o te Wai* | *The health of our wai, the health of our nation*

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Protecting our freshwater |

Kia manaakitia ō tātou Wai Māori

Freshwater is a taonga that we all need to protect. It is the source of all life and underpins our natural environment, our unique culture and the health of our families and communities. It is fundamental to the social and economic activities necessary to maintain and improve our communities and quality of life.

For generations people and enterprise have taken unsustainably from the environment, creating a complex legacy of issues for our freshwater today.

As a regional council it is vital that we, alongside the communities we serve, manage freshwater in an integrated and sustainable way – to restore what is depleted, to act responsibly now, and to protect future generations, and the environment.

We also need to provide for the mana (or authority) of water and its sacred relationship for the wellbeing of Māori.

We acknowledge there are huge changes happening for freshwater management in Aotearoa through the government's Essential Freshwater programme. A key part of Essential Freshwater is the National Policy Statement for Freshwater Management 2020 (NPS-FM) which embeds the concept of Te Mana o te Wai in all freshwater planning and identifies four compulsory freshwater values (Ecosystem health, Human contact, Threatened species and Mahinga kai) that must be managed. It also sets out the process councils must use to implement the NPS-FM by the end of 2024.

It's not our intention to replicate or pre-empt the outcomes of that mahi in this document. The strands of this work are, however, woven throughout our plans which we'll review and adapt as needed.

In the meantime, we have a huge amount of work underway and planned to protect and improve freshwater in Te Taitokerau – this document maps out our pathway for the next 10 years as committed to in our Long Term Plan 2021-2031. It will be updated as freshwater planning progresses and after each long term plan to ensure it remains current.

Council's role in managing water

Ko te tūranga o te kaunihera i ngā mahi whakahaere wai

As a regional council, we're charged with managing freshwater but we don't do this alone. From the hills to our harbours, we work together with iwi and hapū, landowners, communities, and industry to care for and improve our water.

A huge amount of the work we do relates to managing water quality, water quantity and the health of ecosystems within freshwater bodies.

We monitor freshwater state and trends, develop policy and rules, and manage both consenting and compliance for discharges, land use and water takes. We also support a lot of mahi on the ground through our biodiversity, land management and biosecurity programmes.

Having meaningful relationships and partnerships with Māori is critical to how we manage water in Te Taitokerau. It is entrenched in Te Tiriti o Waitangi / the Treaty of Waitangi and the legislation we operate under, and our commitment to strong relationships with Māori is embedded as a strategic direction for council.

While there's plenty of work happening, we recognise that there is plenty more to do. This document explains where we're focussing our efforts and will help us keep on track as work we towards improving the state of Northland's freshwater.

Recognising Māori perspectives |

Kia ākuhakuhatia te tirohanga Māori

In Te Ao Māori, one of the core values for how Māori connect with the world is kaitiakitanga – protecting and preserving the environment for generations to come. Freshwater is considered a taonga, and Māori are the kaitiaki (guardians) of the natural world including freshwater and the life it supports.

As kaitiaki, Māori are committed to working within communities and applying mātauranga Māori (a deep knowledge based in the Māori world view) to inform the varying iwi and hapū aspirations for water across Te Taitokerau.

We recognise that there are fundamental differences between the Māori world view and how councils operate. We won't always agree on how best to get there, but we're committed to working in close partnership along the way – we all want clean, healthy water for Te Taitokerau.

We also acknowledge that Māori have a strong desire to be represented in decision-making on water which to date hasn't been fulfilled. There remain some significant water-related issues for Māori, including ownership and allocation of water (which is a matter between Māori and the Crown) which have yet to be resolved.

Our interconnected water

Ko ngā hononga wai

As water travels through the landscape of Te Taitokerau, it is affected by geology, land use, and soils.

Waterbodies of different types are also very much interconnected. Groundwater affects surface water (and vice versa), and the quality of freshwater affects coastal waters in harbours and estuaries.

In Te Ao Māori, the environment is viewed holistically – the moana, whenua, wai and tāngata are all connected by whakapapa.

Rivers and streams – varied and valued

Te Taitokerau has many rivers, stemming from over 1400 catchments (the area of land from which rainfall drains into a river).

Our rivers are mostly short and have highly variable flows which are more sensitive to water takes, especially during dry periods when demand for water is high. Most of our rivers flow into estuaries or harbours – these areas are more impacted by contaminants like sediment than the open coast. They are highly valued for cultural and recreational uses and as water sources for communities and production – they also support a wide range of native plants and animals.

Dune lakes – rare and precious

Dune lakes are rare and precious ecosystems on a global scale and Northland is home to more than 400 of them, including the iconic Kai Iwi Lakes.

While water quality and biodiversity are world-class in several of our dune lakes, many others are slowly degrading and need help to recover.

Wetlands – kidneys of the earth

Northland's numerous wetlands support a wealth of indigenous habitats and wildlife, and act as 'buffers' or 'sponges' storing and releasing water in times of flood or drought. In the past, many people didn't recognise the true value of wetlands so huge numbers were converted to pasture or urban use.

Like kidneys, most wetlands act as giant filters, helping to soak up water and cleanse the system by breaking down nutrients and trapping sediment.

Groundwater – what lies beneath

Groundwater is rainwater that has travelled through the soil to underground aquifers.

Our understanding of groundwater is still growing, and caution is needed so that extraction is sustainable and for coastal aquifers, demand does not lead to salt water intrusion. Ground water and surface water are also often related, with groundwater feeding rivers, springs, lakes and wetlands which makes a holistic management approach important.

Rainfall – an uneven resource

We get plenty of rain in Te Taitokerau (about 1600mm a year on average) but it doesn't always come when or where we want it.

Climate change predictions for our rainfall are that we'll see more extreme weather events – both large storm events, and more frequent and intense drought conditions. Changes in rainfall will affect how much water is available in rivers and aquifers.

More information on the state of freshwater in Te Taitokerau is available at:

- <https://www.nrc.govt.nz/environment/environmental-data/>
- Land Air Water Aotearoa (LAWA) <https://www.lawa.org.nz/explore-data/northland-region/>

Challenges for managing freshwater

Ko ngā wero whakahaere Wai Māori

A legacy of land use: water quality

Our history of land development over generations (often actively encouraged by the government of the day) has had an enormous impact on water quality in Northland. While modern land use and development practices have improved, we are still dealing with the legacy of the past.

Soil loss through erosion is a significant issue in Northland due to the region's terrain and soil types. A history of deforestation means our valuable soils continue to be washed off our hillsides and pour into our waterways.

Sediment is the most widespread contaminant in Northland waterways and its many shallow harbours, smothering precious aquatic habitat and reducing water clarity.

Also, *E. Coli* levels indicates faecal contamination mostly from livestock (and in some cases wildfowl and human sources) is high in many of our waterways, particularly after rain. Nutrients are an issue in places like dune lakes which don't flush like rivers.

For Māori, this legacy of land development has damaged the mauri (life force) of water, affecting their ability to sustain their way of life and undermining the principle of kaitiakitanga.

Improving water quality in Northland is very much a marathon, not a sprint, and the journey is well underway. However, the impact of our activities today, both positive and negative, may take years to be reflected in our rivers, lakes, aquifers and wetlands.

A fine balance: water quantity

Being able to use water is critical to everything we do. We drink it, swim in it, use it to produce food and are culturally connected to it. The productivity of our land and our wider economy depends on it.

Managing water quantity is about striking the right balance between water being taken and used, while ensuring enough remains to support healthy aquatic life, cultural values and recreational use. This is particularly important where there is high demand for water.

Water quantity also needs to be looked at as part of a bigger picture – it's intimately linked with water quality, and often surface water and groundwater are connected too.

Getting the balance right is not easy as there are often competing demands and values for water.

Further, most water takes rely on extraction from natural waterbodies (rather than collecting and storing water when it is plentiful), so reliability of supply is an issue in many areas, especially during dry years and where demand for water is high (areas of high allocation).

We get plenty of rain, but often not when or where it's needed most, which is becoming increasingly challenging for our region's water reliability and can limit economic opportunities and resilience.

In many cases, traditional Māori water resources (such as puna/springs) have been impacted by changes to flows and levels in waterbodies, affecting the ability of Māori fulfil their obligations of kaitiakitanga and impacting customary uses and the ability to provide water for whanau, papakainga and marae.

An ideological shift: Te Mana o te Wai

Central government has recognised the national significance of freshwater and Te Mana o te Wai through the National Policy Statement for Freshwater Management 2020 (NPS-FM).

The concept of Te Mana o te Wai is an ideological change for central and local government in the approach to freshwater management. It puts the health and wellbeing of waterways first, the health needs of people second and the social, economic and cultural wellbeing of people third.

Fundamental to Te Mana o te Wai is actively involving tāngata whenua in freshwater management and decision-making processes to the extent that they wish to be involved.

The NPS-FM also places emphasis on the application of mātauranga Māori to freshwater management. In Te Taitokerau, the expression of mātauranga Māori specific to wai, whenua and moana needs to be considered in the context of iwi and hapū structures.

What we want to achieve |

Ko ā tātou whaingā

To protect and restore the health and mauri of freshwater, we're working towards a number of outcomes. These are shaped by our legal obligations as a regional council, what our communities need and want, and the specific freshwater issues here in Northland.

The government's recent Essential Freshwater policies and regulations, and the concept of Te Mana o te Wai at the centre of it, will require changes across all our activities relating to water. A key tool will be a freshwater plan change which will set the vision and outcomes sought for freshwater and the rules and actions needed to deliver these.

Healthy waters for our environment and our people - The fresh and coastal waters of Te Taitokerau are clean and abundant, supporting a healthy environment and the needs of our people."

This is one of longer term goals from our Long Term Plan which underpins everything we do. To move towards this goal we want to achieve the following over the next 10 years:

- Te Mana o te Wai is embedded across all of council's freshwater management activities
- Opportunities and capacity for Māori participation in decision making and implementation is progressively improved.
- A new freshwater management plan is developed that sets aspirational outcomes for freshwater and its implementation is well underway.
- A risk based monitoring and compliance regime is applied and all community wastewater and stormwater discharges have up-to-date resource consents, and all conditions are met.
- An improved freshwater monitoring and accounting network is up and running, providing improved understanding and management of freshwater.
- A refocused landowner advice and grant funding scheme is in place, targeting highly erodible land and protecting our sensitive environments such as dune lakes, wetlands and estuaries.
- One-third of Northland's high-risk, erosion-prone land is under soil conservation management.
- Natural wetlands have been identified and protected, restoration and enhancement are proactively encouraged, and the area of wetlands is increasing.
- The reliability of water supplies continues to improve (especially drinking water) and Northland is more resilient to the effects of climate change and droughts through efficient use and storage of water.
- Aquatic ecosystems and habitats particularly vulnerable to the effects of climate change are identified, and work continues to improve their resilience.
- Water quantity and quality limits are protecting waterbodies and their ecosystems, and providing for the health and wellbeing of communities.

Strategic themes | Ko ngā Kaupapa rautaki

There are a number of strategic issues for managing freshwater over the next 10 years. We have grouped them into broad themes. These themes are used to categorise our actions over the next 10 years.

Science and data – our priorities and actions to better understand freshwater, including application of mātauranga Māori and cultural health indicators, monitoring the state, trends, pressures and the effectiveness of any interventions taken to improve the health of our freshwater resources.

Policy development – the priorities and key steps for developing water related policy and rules and delivering on central government direction.

Consenting, compliance monitoring and enforcement – the priorities and approaches for ensuring compliance with rules and consent conditions.

Non-regulatory programmes – action ‘on the ground’ to improve the state and resilience of our water resources, including partnerships, advocacy and education.

Oversight of the above will be provided by the Council’s Planning and Regulatory Working party, with regular reporting on progress with the non-regulatory workstreams to Councils Land and Water Working Party.

Our actions Tā mātou mahi

Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
<p>Te Mana o te Wai is embedded across all of council's freshwater management activities</p> <p>Opportunities and capacity for Māori participation in decision making and implementation is improved.</p>	<ul style="list-style-type: none"> By mid-2023 a policy is developed to better support tāngata whenua to participate in council's environmental monitoring programme By late 2024 in collaboration with tāngata whenua, identify monitoring measures and matauranga Māori to assess cultural health of waterbodies and the condition of Māori values for water. Continue to provide funding for tāngata whenua environmental monitoring Tāngata whenua Kaitiaki continue to be supported through partnerships and collaborative projects such as Waimā Waitai Waiora. 	<ul style="list-style-type: none"> Engage with the Tāngata Whenua Water Advisory group (TWWAG) and Te Taitokerau Māori and Council Working Party (TTMAC) in development of the freshwater plan change By mid-2024 the concept of Te Mana o te Wai and Māori values for water are provided for in the freshwater plan change. Tāngata whenua are involved in council decision making of the freshwater plan change. Continue to engage with the Te Taitokerau Māori and Council Working Party in relation to freshwater operations (recognising this is a strategic area of focus for the group) Continue to promote development of Mana Whakahono ā Rohe agreements with iwi / hapu 	<ul style="list-style-type: none"> Continue to improve outcomes for Māori in consent processes (including protocols for engagement by applicants and requirements for cultural impact assessments) and monitor the effectiveness of the measures applied. 	<ul style="list-style-type: none"> In collaboration with tāngata whenua, matauranga Māori is applied in freshwater action plans and soil conservation programmes / freshwater improvement projects. Te Mana o te Wai informs development of freshwater action plans and freshwater improvement projects. Council continues to lobby for central government funding and support for freshwater improvement and water resilience projects in partnership with Māori

Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
<p>A new freshwater management plan is developed that sets aspirational outcomes for freshwater and its implementation is well underway.</p> <p>A risk-based monitoring and compliance regime is applied and all community wastewater and stormwater discharges have up-to-date resource consents, and all conditions are met</p>	<ul style="list-style-type: none"> By early 2022, additional monitoring needed to implement the NPS FM is in progress. By late 2022 the baseline state of NPS FM water quality attributes is identified for rivers and lakes. By late 2022 water quality modelling is developed to assess the effectiveness of mitigations for key water quality measures (attributes). By mid 2023 draft freshwater limits are identified for relevant NPS FM attributes Investigations are undertaken in response to deterioration of water quality in a timely manner. 	<ul style="list-style-type: none"> Engage with tāngata whenua and Primary Sector Liaison Groups in the development of the freshwater plan change (including identification of vision, values, outcomes, limits / targets and associated rules. The cost-effectiveness of management scenarios to address key contaminants is assessed. By early 2023 complete a 5yr review of the Regional Policy Statement (including freshwater related provisions) with input from Māori. By mid 2023 develop draft vision(s) for freshwater Release a Draft Freshwater Plan change for public feedback in mid 2023 including freshwater outcomes, target states and rules / policy to achieve outcomes over time. Publicly notify a proposed freshwater plan change by mid 2024 that gives effect to the NPS-FM (including a proposed change to the 	<ul style="list-style-type: none"> Continue current monitoring compliance and enforcement activity with a particular focus on: <ul style="list-style-type: none"> Consents for wastewater treatment plant and stormwater discharges Farm dairy effluent disposal High risk plantation forestry activities Water takes in highly allocated catchments during low flow conditions. Wetland disturbance By late 2022 a compliance monitoring and enforcement plan is developed to: <ul style="list-style-type: none"> Improve compliance with wetland disturbance rules Prepare for enforcement of livestock exclusion rules, particularly in relation to swimming sites, municipal drinking water supply catchments and wetlands Assess and record compliance with Freshwater Farm Plan requirements By mid-2022 a regime is in place to record information 	<ul style="list-style-type: none"> By late 2025, engage with tāngata whenua and communities to develop and implement action plans that target water quality improvements where freshwater outcomes / target states are not being met. By mid-2022 guidance is developed to provide advice to landowners on compliance with key water related regional plan / government provisions (such as stock exclusion, wetland, water takes and land disturbance rules). By late 2025, guidance is provided on compliance with key rules in the freshwater plan change

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Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
		<p>Regional Policy Statement to insert freshwater visions).</p> <ul style="list-style-type: none"> By late 2030 review the effectiveness and efficiency of regional plan provisions. 	<p>requirements of the NES Freshwater (including nitrogen fertiliser use, fish passage/in-stream structures) and monitor compliance.</p> <ul style="list-style-type: none"> By 2025 develop a risk-based compliance monitoring and enforcement plan to support implementation of the freshwater plan change. 	
<p>Water quantity and quality limits are protecting waterbodies and their ecosystems and providing for the health and wellbeing of communities.</p> <p>An improved freshwater and quantity monitoring and accounting network is up and running, providing improved understanding and management of freshwater</p>	<ul style="list-style-type: none"> Ongoing review of water quantity limits / allocation regimes in priority fully allocated catchments to ensure freshwater ecosystems are protected By late 2022 the revised freshwater quality monitoring network is in place and can: <ul style="list-style-type: none"> i. Measure progress towards freshwater outcomes and target states ii. Detect deterioration in water quality and when freshwater limits are not met. Monitoring to assess the effectiveness of mitigations to improve water quality are developed in conjunction with the freshwater plan change. Investigations are initiated in areas where deterioration is detected. 	<ul style="list-style-type: none"> By mid-2024 freshwater objectives, water quality limits / targets and associated rules are included in the notified freshwater plan change By mid-2024 long term vision(s) for freshwater are proposed for inclusion in the Regional Policy Statement Revised water quantity limits and allocation regimes (as needed) are identified for priority areas that are fully allocated included in the regional plan. 	<ul style="list-style-type: none"> Continue to use water shortage directions during droughts to restrict non-essential water use in catchments with waterbodies at or below minimum water flow / level limits. Continue to apply minimum flows / levels and allocation limits in conditions of consent. Water quality limits are reflected in conditions of consent for new activities and reviewed consents where applicable once the freshwater plan is finalised. Compliance and enforcement activity is prioritised in areas where deterioration in water quality is detected and / or limits and target states are not being met due to human activities. 	<ul style="list-style-type: none"> By late 2023 prioritised plans are developed to reduce the effects of sediment and E.coli on priority swimming sites and public drinking water sources and implementation has started. Action plans are developed to respond to deterioration in water quality (where needed) and measures are in place to assess their effectiveness Information on indicative surface and groundwater allocation is publicly available to guide use and development.

Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
	<ul style="list-style-type: none"> Continue to increase use of telemetry and remote sensing in the water quality and quantity monitoring network. By late 2024 water quality and quantity accounting tools are developed that reflect the freshwater attributes used in the freshwater plan change Results of freshwater monitoring and progress towards objectives / targets states is publicly reported 		<ul style="list-style-type: none"> Appropriate enforcement action is taken to address non-compliance with water quality and quantity limits Measurement and Reporting of Water Takes Regulations are actively enforced and data recorded and used in the accounting system. 	
The reliability of water supplies continues to improve (especially drinking water) and Northland is more resilient to the effects of climate change and droughts through efficient use and storage of water.	<ul style="list-style-type: none"> Continue to monitor flows and levels in water bodies to ensure water quantity limits are met. By mid 2023 review the high flow harvest regime for rivers By late 2022 a soil moisture deficit and drought warning system is in place. By late 2022 assess the ability of the existing monitoring network to monitor climate change By late 2025 a regional water-balance model is developed to inform decision making Continue to use sentinel bores and develop groundwater models to predict aquifer responses to sea level rise and effects of extraction from coastal aquifers 	<ul style="list-style-type: none"> Council advocates for adequate water supply infrastructure through district plan changes and resource consent applications Assess the need for bespoke allocation regimes for areas of high / full allocation are included in the regional plan as needed. By mid-2024, include revised high flow harvest regime in the notified freshwater plan change. 	<ul style="list-style-type: none"> Continue to use water shortage directions to manage supply and use during low flow / dry conditions Apply water efficiency measures in consent conditions Require water metering as a condition of consent in accordance with national standards / regulations. For large water takes include review clauses and where appropriate require adaptive management in conditions of consent 	<ul style="list-style-type: none"> Continue to support improved water resilience through the water tank scheme and partnerships with central government and Māori Continue to support investigations into water availability / security of supply and water storage options. Continue to participate in Northland Councils Four Waters Advisory Group. Risk assessments identify public supplies with current and / or predicted low security of water supply that are

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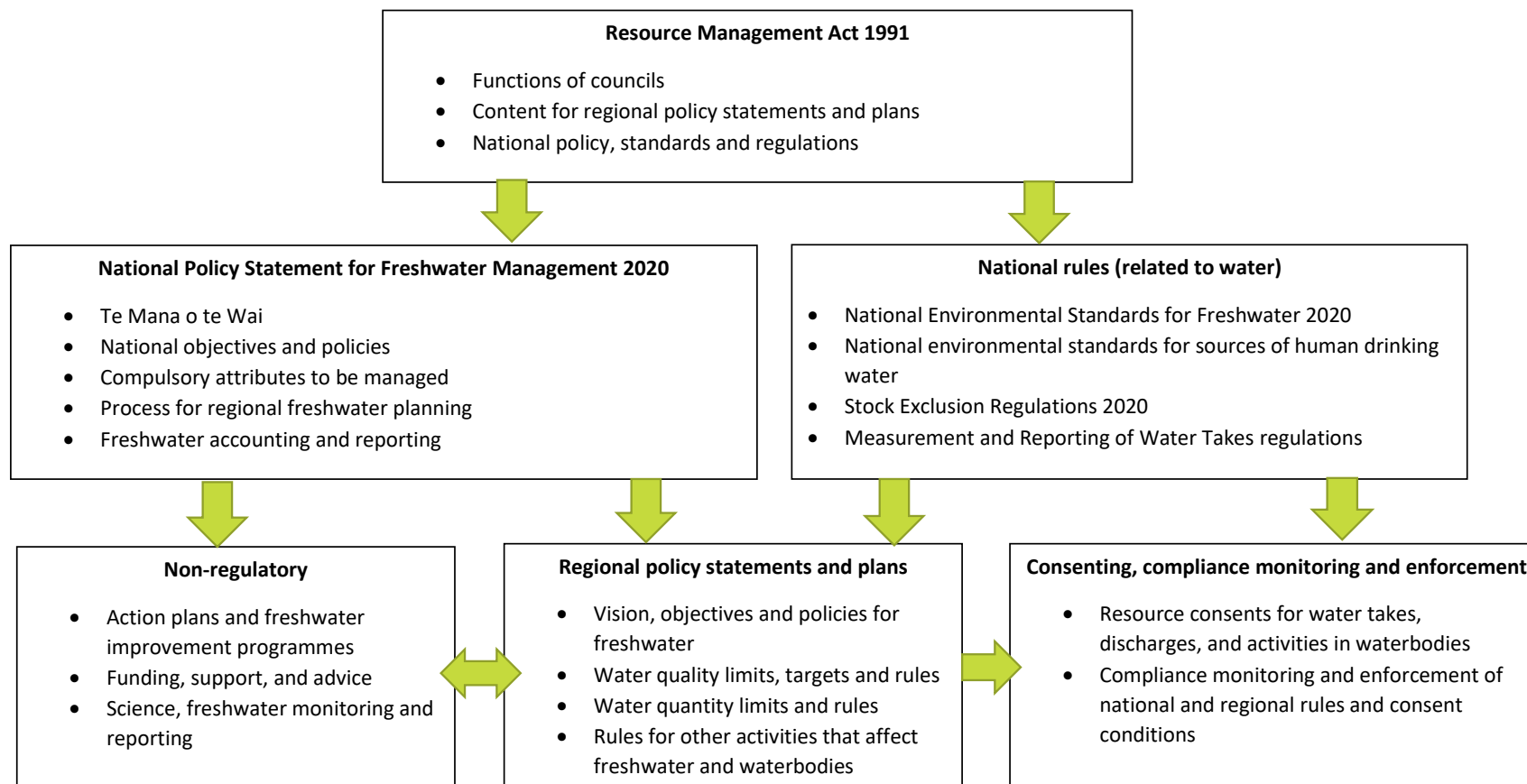
Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
	<ul style="list-style-type: none"> Ongoing investigation into the need for bespoke allocation regimes for areas of full or high allocation. Continue to commission advice on the impacts of climate change on Northland's hydrology. 			<p>vulnerable to climate change</p> <ul style="list-style-type: none"> By late 2025 source water protection plans are developed for priority drinking water catchments in conjunction with district councils, Māori, water providers and catchment communities. Continue to provide advice on adequate water tank storage capacity for landowners. Continue to support and coordinate drought responses through Civil Defence and emergency management planning.
<p>Aquatic ecosystems and habitats particularly vulnerable to the effects of climate change are identified, and we continue working to improve their resilience.</p> <p>Natural wetlands have been identified and protected, restoration and enhancement are proactively encouraged,</p>	<ul style="list-style-type: none"> By mid 2023 freshwater habitats of threatened species have been identified and indicators for monitoring threatened species are developed By mid 2023 a wetland SOE monitoring programme has been designed for Northland By late 2023 indicators of wetland condition are identified to assess and record wetland health. 	<ul style="list-style-type: none"> By mid 2024 the freshwater plan change has been notified and includes limits and rules to protect aquatic ecosystems, freshwater biodiversity and habitats of threatened species. 	<ul style="list-style-type: none"> Continue to apply conditions of consent for in-stream structures to provide for fish passage Barriers to fish passage are identified and new in-stream structures are inventoried. By late-2022 a compliance monitoring and enforcement plan is developed to: <ul style="list-style-type: none"> i. Improve compliance with wetland disturbance rules 	<ul style="list-style-type: none"> Continue to implement and develop dune lake management plans in conjunction with Māori Wetland restoration continues to be supported through grant funding By late 2022 an action plan is developed to identify barriers and improve fish passage

Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
and the area of wetlands is increasing.	<ul style="list-style-type: none"> Identify pressures that are likely to worsen the impacts of climate change on aquatic ecosystems By late 2022 water quality information is readily available to support development of freshwater farm plans 		<ul style="list-style-type: none"> ii. Improve compliance with the NES Freshwater and regional plan fish passage rules 	<ul style="list-style-type: none"> By early 2024, natural wetlands > 500m2 are mapped and a wetland inventory developed to record condition and extent Opportunities for wetland creation / restoration are identified in freshwater action plans Continue to support landowners to improve water quality and aquatic biodiversity through grant funding Continue to lobby government to recognise and reward the carbon removals provided by wetlands.
<p>A refocused landowner advice and grant funding scheme is in place, targeting highly erodible land and protecting our sensitive environments such as dune lakes, wetlands and estuaries.</p> <p>One-third of Northland's high-risk, erosion-prone land is under soil</p>	<ul style="list-style-type: none"> Continue to monitor sediment attributes and trends in river monitoring By mid-2023, identify critical sources of sediment in Northland 	<ul style="list-style-type: none"> By mid-2023 review and revise as needed regional policies and rules relating to land disturbance and use of erosion prone land (and include in the draft freshwater plan change) By mid 2024 following consultation with tāngata whenua and communities propose, target states and rules for sediment 	<ul style="list-style-type: none"> Continue to apply a risk-based approach to monitoring compliance with plantation forestry, stock exclusion rules and land disturbance activities. 	<ul style="list-style-type: none"> Continue to support the Kaipara Moana Restoration programme Lobby for further government funding for soil conservation in Northland By late-2022 develop a strategic soil conservation plan that: <ul style="list-style-type: none"> i. Identifies critical erosion sources

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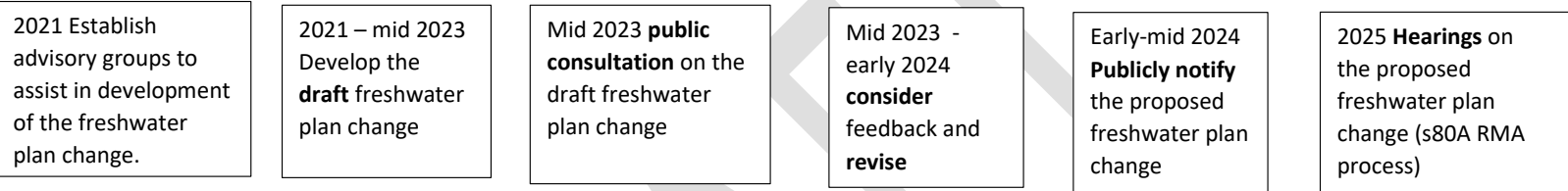
Outcome	Science & data	Policy development	Consents, compliance monitoring & enforcement	Non-regulatory
conservation management.		reduction in the notified freshwater plan change		<ul style="list-style-type: none"> ii. Identifies mitigations / sediment reduction measures iii. Identifies priorities for sediment mitigation efforts • Support Māori and community efforts to improve freshwater at a catchment scale through funding starting in mid-2022 • Continue to develop partnerships with communities, landowners, Māori, agencies and industry groups to improve freshwater. • Support the development and implementation of freshwater farm plans.

The big picture Ko te tirohanga whānui



The freshwater plan change - timeline

The development of a freshwater plan change is a key element of councils action on freshwater – following consultation with tāngata whenua and communities it will set out the vision, outcomes and targets for freshwater and the limits and rules to achieve them. The freshwater plan change must follow the process set out in the NPS-FM and be publicly notified by the end of 2024 – an indicative timeline is set out below.



Ko te pae tawhiti, whaia kia tata ko te pae tata, whakamaua
kia tina, haumie, hui e, taiki e.

Seek out distant horizons and cherish those that we attain as one.

Northland Regional Council

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TITLE: Adoption of the draft policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts, for consultation.

From: Kyla Carlier, Corporate Strategy Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 19
Group Manager/s: July 2022

Executive summary/Whakarāpopototanga

This report seeks council approval and adoption of the draft Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts, and approval for these to be released for consultation under section 82 of the Local Government Act 2002.

The rating policies were last updated as part of the wider process of the Long Term Plan 2021-2031. The Whangārei and Kaipara district councils have subsequently made updates to their policies that now need to be reflected in the policies that council adopts. A consultation process is required to support this.

Recommendations

1. That the report 'Adoption of the draft policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts, for consultation.' by Kyla Carlier, Corporate Strategy Manager and dated 11 July 2022, be received.
2. That council resolves to consult on the draft Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts (**attachment 2**), in accordance with section 82 of the Local Government Act 2002.
3. That council adopts the Statement of Proposal (**attachment 1**) on the draft Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts for consultation.
4. That council delegates to the Group Manager Corporate Services the authority to make any changes to the Statement of Proposal for the consultation of the draft Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts that may improve readability and compliance with the Local Government Act.

Options

Consultation on council's rating policies is required under sections 102(2)(e), 102(3)(a), and 102(3)(b) of the LGA, using the principles of consultation under section 82 of the LGA.

Section 82 of the LGA requires that a statement of proposal be prepared including a summary of the proposal and details of the proposed changes, and that this and supporting material including a draft of the policies, be made publicly available.

Options are set out below.

No.	Option	Advantages	Disadvantages
1	Adopt the draft Rating Policies and Statement of Proposal for consultation	Council can adopt rating policies having followed the correct legislative procedure.	Resources will need to be allocated to the consultation process.
2	Do not adopt the draft Rating Policies and Statement of Proposal for consultation	Resources will not need to be allocated to the consultation process.	Council will not be compliant with legislation.

The staff's recommended option is option 1, to adopt the draft Rating Policies and Statement of Proposal for consultation.

Considerations

1. Environmental Impact

There is no environmental impact associated with this proposal.

2. Community views

The decisions contained within this report will enable consultation, which will provide council with feedback on community views.

Further consideration of community views will be addressed through the deliberations process and subsequent council decision to adopt the final Rating Policies.

3. Māori impact statement

The decisions contained within this report will enable consultation, which will provide council with feedback on any potential impacts on Māori. A pānui will be sent to council's Iwi contact list. Further consideration of impacts on Māori can be addressed through councils' decision to adopt the final Rating Policies.

4. Financial implications

Any financial impacts are addressed in the attached documentation. Further consideration of financial impacts can be addressed through councils' decision to adopt the final Rating Policies.

5. Implementation issues

Any implementation issues are addressed in the attached documentation. Further consideration of implementation issues can be addressed through councils' decision to adopt the final Rating Policies.

6. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. This policy assists council in determining how to achieve compliance with LGA requirements in relation to decisions.

This decision in itself is considered to be of low significance when assessed against council's current Significance and Engagement Policy, because it is for the purpose of achieving compliance with sections 82 and 102 of the LGA, and does not, in itself, impact the community other than to provide them with information.

The decision to adopt the draft Rating Policies and Statement of Proposal, while not significant in itself, will enable council in the future to make decisions on the policies while having full regard to community views. This will assist council in achieving compliance with procedures in relation to decisions as set out in Part 6 of the LGA.

7. Policy, risk management and legislative compliance

The decision to adopt the draft Rating Policies and Statement of Proposal for consultation will achieve compliance with section 82 and 102 of the Local Government Act 2002.

As no changes are proposed to policies under S55 or 56 of the Local Government (Rating) Act, consultation under S82 of the Local Government Act is considered appropriate.

The current situation of having rating policies inconsistent with those of the district councils introduces an element of risk around the remission of rates. This decision will enable a process of consultation to facilitate amendment of council's policies to align with the district council policies. The timelines of this decision will enable any risk to be limited to rates assessment for the first quarter of 2022/23 only.

This decision will also achieve compliance with council's current Significance and Engagement Policy, in particular 'We will consult when we are required to by law, when a proposal is considered significant, and when we need more information on options for responding to an issue'.

Background/Tuhinga

Section 102 of the Local Government Act 2002 (LGA) requires local authorities to adopt a policy on the remission and postponement of rates on Māori freehold land, and provides for council to adopt rates remission and postponement policies. Sections 108 and 109 of the LGA require the policies to be reviewed at least once every six years.

The Far North, Whangārei, and Kaipara District Councils administer the collection of rates on council's behalf. In order to minimise the marginal cost of collection, and to be administratively efficient, council adopts the same policies on the remission, postponement and early payment of rates as those of the three district councils.

Council does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (for example, a policy, or part of a policy, related solely to water rates).

NRC adopted their policies on the remission and postponement of rates and penalties, and early payment of rates, in June 2021 as part of the suite of documents adopted with the Long Term Plan 2021-2031, and following appropriate consultation. The Kaipara and Whangārei councils have subsequently made changes to their policies by way of a process carried out concurrently with the development of their 2022/23 annual plans, to give effect to a new requirement for such policies to support the principles set out in Te Ture Whenua Māori Act 1993.

These principles, including *"to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu"* are supported by council. Council consider that this support is reflected in making the proposed changes to these rating policies, as set out in the attached Statement of Proposal.

Council is proposing to adopt all of these changes with the exception of the removal of a clause from the rating policies pertaining to the Kaipara District. Clause 1.5 of the previous policy 'rates postponement' stated '*This policy does not provide for the postponement of the requirement to pay rates*'. Council proposes to retain this clause to make the policy position on postponement clear, now set out as clause 7 in the draft policy for Kaipara. The other proposed changes support the principles set out in the Preamble to Te Ture Whenua Māori Act 1991, and at this stage it is not considered that there is additional benefit to be gained by introducing postponement in the Kaipara district.


NRC now seeks to receive feedback and update their policies accordingly, with a view to keeping their policies largely consistent with those of the district councils. None of these changes relate to policies set under the Rating Act.


Details of the changes are contained in the Statement of Proposal on the draft Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts (**attachment 1**), which has been the subject of legal review.

Consultation on council's rating policies is required under the LGA and the Rating Act. Consultation in accordance with S82 of the Local Government Act will take place from 27 July to the 10 August, with the intention to present the final policies to council for adoption at their August meeting.

Consultation tools include the Statement of Proposal (**attachment 1**), public notice, pānui, and information on council's website. Feedback will be invited by way of online submission, email, and hard copy.

Attachments/Ngā tapirihanga

Attachment 1: Statement of proposal on draft rating policies for Māori freehold land pertaining to the Kaipara and Whangārei Districts, July 2022 [↓](#) 

Attachment 2: Draft policies on the Remission and Postponement of Rates on Māori Freehold Land Pertaining to the Kaipara and Whangārei Districts. [↓](#) 



Statement of proposal

Northland Regional Council's draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts

Date: July 2022

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Council's rating policies- have your say

Rating policies outline the way that councils achieve fair and equitable rates collection to support the overall wellbeing of the community. The remission of rates involves reducing the amount owing or waiving collection of rates altogether, where it's considered appropriate to do so. Postponement allows ratepayers to postpone payment of all or a portion of their rates, essentially borrowing the equivalent amount from Council each year.

Broadly speaking, councils consider the following objectives when developing these policies:

- The fair and equitable collection of rates across all sectors of the community.
- The community benefit of providing assistance to some charitable and community organisations.
- Providing financial assistance to support ratepayers where they may otherwise have difficulty
- Addressing any rating anomalies and enabling economic development
- Recognising the particular conditions of some Māori Freehold Land
- Working within legislation

This statement of proposal supports Northland Regional Council (NRC)'s consultation on its draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts. Because the three district councils across Northland are contracted to collect rates on behalf of the Northland Regional Council, it is simpler, more effective and administratively efficient that the rating policies adopted by NRC closely match or are identical to those of the district councils.

The Kaipara and Whangārei district councils made some changes to their policies as part of the recent annual plan process (March/April 2022). NRC now seeks to align their policies with these changes. These changes reflect the new requirement that policies on the remission and postponement of rates on Māori freehold land support the principles set out in the Preamble to Te Ture Whenua Maori Act 1991.

NRC invites the Northland community to have their say on these changes. Details of the changes and where to find more information is set out in the statement of proposal below.

To make a submission, go to www.nrc.govt.nz/haveyoursay

Have your say by 4pm, Wednesday 10 August 2022.

Statement of proposal

Northland Regional Council's draft policies on the remission and postponement of rates on Māori freehold land pertaining to the Kaipara and Whangārei districts

July 2022

Purpose

The purpose of this document is to inform the public and seek comments on council's draft policies on the remission and postponement of rates on Māori freehold land, in relation to the Whangārei and Kaipara districts only. Consultation is being carried out to ensure that council's policies remain in line with those of the Whangārei and Kaipara District Councils, following changes made by the Whangārei and Kaipara District councils during their recent annual plan process.

Background

Section 102 of the Local Government Act 2002 (LGA) requires local authorities to adopt a policy on the remission and postponement of rates on Māori freehold land. In development of these policies, the council has considered Schedule 11 of the LGA and recognises that the nature of Māori freehold land is different to general title land.

For wider context, Section 102 also allows a local authority to adopt rates remission and postponement policies. Sections 108 and 109 of the LGA require the policies to be reviewed at least once every six years.

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's (NRC) behalf. It is administratively efficient that the council adopts policies on the remission and postponement of rates and penalties, that are the same as those of the three district councils. NRC does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (for example, a policy, or part of a policy, related solely to water rates).

NRC adopted their policies on the remission and postponement of rates and penalties, and early payment of rates, in June 2021 as part of the suite of documents adopted with the Long Term Plan 2021-2031, and following appropriate consultation.

The Kaipara and Whangārei councils have subsequently made changes to their policies for Māori freehold land by way of a process carried out concurrently with the development of their 2022/23 annual plans, to give effect to a new requirement for such policies to support the principles set out in Te Ture Whenua Māori Act 1993.

These principles, including *"to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu"* are supported by council. Council consider that this support is reflected in making the proposed changes to these rating policies, as set out here.

NRC now seeks to receive feedback and update their policies accordingly, with a view to keeping their policies consistent with those of the district councils.

This document comprises a summary of the proposed amendments to the policies, since their adoption in June 2021, that are relevant to NRC:

Whangārei district

Whangārei District Council have made wording changes to their definitions section and policy for whenua Māori.

The full suite of policies on the remission, postponement and early payment of rates recently adopted by Whangārei District Council, can be found on their website:
<https://www.wdc.govt.nz/Council/Council-documents/Policies/Rates-Remission-and-Postponement-Policy>

The rating policies that relate to rates collected by the Whangārei District Council on NRC's behalf, including the policies on māori freehold land that are proposed to be adopted by the council, can also be found on our website: www.nrc.govt.nz

Policy	Change	Current wording	Proposed wording
Policy 21/114 Remission of Rates on Māori Freehold Land	Clarification of what land is defined as 'used' by adding two sentences.	<p>2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.</p> <p>3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non-useable portions and the rates will be remitted on the percentage of non-useable land.</p>	<p>2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way. Land that is maintained to reduce fire risk, or land that is unfenced and grazed by wandering stock for no income by the owners is not 'used'.</p> <p>3. In order to encourage the development of the land, the rating unit may be apportioned into used and non-used portions and the rates will be remitted on the percentage of non-used land. Any 'used' dwellings (occupied dwellings) or activities using the land for commercial or agricultural purposes will be rated the general and targeted rates per separately used or inhabited parts of a rating unit.</p>
Policy 21/115 Postponement of Rates on Māori Freehold Land	Alteration of policy wording with the intention of adding more flexibility on the amount of time before the postponed rates is offered.	<p>4. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be written off.</p>	<p>4. The rates will remain as a statutory charge against the property until they are written off no later than six years from the date they were assessed.</p>

Kaipara District

Kaipara District Council has altered text, deleted text, and added new text to the policies for Māori Freehold land, as set out in the table below.

Council is proposing to adopt all of these changes with the exception of the removal of clause 1.5 'rates postponement' which states *'This policy does not provide for the postponement of the requirement to pay rates'*. Council proposes to retain this clause to make the policy position on postponement clear, set out as point 7 in the draft policy. The other proposed changes support the principles set out in the Preamble to Te Ture Whenua Māori Act 1991, and at this stage it is not considered that there is additional benefit to be gained by introducing postponement in the Kaipara district.

The rating policies that relate to rates collected by the Kaipara District Council on NRC's behalf, including the policies on māori freehold land that are proposed to be adopted by council, can be found on our website www.nrc.govt.nz

The full suite of policies on the remission, postponement and early payment of rates recently adopted by Kaipara District Council can be found on their website: <https://www.kaipara.govt.nz/a-z-documents>

Current policy	Change	Current wording	New wording and policy number
Māori Freehold land rates postponement and remission policy.			
1.1 Overview, background and objectives	Amendment of text.	<p>This Policy is to ensure the fair and equitable collection of rates occurs from all sectors of the community. It is important to also recognise that Māori freehold land has particular conditions, and ownership structures which may make it appropriate to provide relief from rates.</p> <p>Specifically this Policy considers the matters set out in schedule 11 of the LGA 2002 and is intended to support the following objectives:</p> <ul style="list-style-type: none"> Recognise matters related to the physical accessibility of the land. Facilitate development or use of the land. <p>This policy also has an objective to recognise situations where there is no occupier, or person gaining an economic or financial benefit from the land.</p>	<p>2. Objective</p> <p>2.1 The purpose of this policy is to ensure that the fair and equitable collection of rates from all sectors of the community, while recognising that Māori freehold land has particular conditions and ownership structures, which may make it appropriate to provide relief from rates in circumstances beyond what it already provided by legislation.</p> <p>2.2 In determining this policy, Council has considered the matters set out in schedule 11 of the LGA and how it supports the principles set out in the preamble to Te Ture Whenua Māori Act 1993.</p>

1.2.1 Remission for undeveloped and inaccessible Māori Freehold Land.	Alteration of policy wording.	<ol style="list-style-type: none"> 1. The council may remit rates penalties and/or current year or arrears of rates on Māori Freehold land where the land has been unoccupied for the period which the remission is requested; 2. To be eligible for remission no person may, during the course of the year for which the remission is granted: <ol style="list-style-type: none"> a) Lease the land; b) Do one or more of the following things on the land, for profit or other benefit: <ol style="list-style-type: none"> i. Reside on the land; ii. De-pasture or maintain livestock on the land; iii. Store anything on the land; iv. Use the land in any other way. 	<p>3. Policy</p> <p>3.1 Council may remit some or all of the rates on a rating unit of Māori freehold land where it considers it just and equitable to do so because:</p> <ol style="list-style-type: none"> a. There are special circumstances in relation to the rating unit, or the incidence of rates (or a particular rate) assessed for the rating unit which mean that the rating unit's rates are disproportionate to those assessed for comparable rating units. b. The circumstances of the rating unit or rate payer are comparable to those where a remission or non-rateability would be granted under the Local Government (Rating) Act 2002, but the circumstances are such that the land does not qualify. c. There are exceptional circumstances such that the council believes it is equitable to remit rates.
1.2.2 Remission to facilitate development of Māori Freehold Land	Removal of conditions	The council may remit the previous years arrears and penalties provided the person or entity requesting the remission will pay for the annual rates for the current and previous two years and has agreed to contract to the council to keep all the future rates paid in full.	None
1.4 Delegation of decision-making	Removal of text relating to delegation of decision-making	Decisions about applying a remission of rates will be made as outlined in the council's delegations manual.	None.
New policy wording	New wording added		<p>5. Applications</p> <p>5.1 Applications for remissions under this policy must be made in writing, and must include the following information:</p> <ol style="list-style-type: none"> a) the details of the property for which the application for remission is being made b) an explanation of why the applicant considers the circumstances of the application

			<p>meet the objective (Clause 2) of this Policy.</p> <p>c) an explanation of how the matters under Clause 3 of this Policy applies to the circumstances of the application.</p> <p>d) d. documentation that proves the land which is the subject of the application is Māori freehold land, as defined above.</p>
New policy wording			<p>6. Relevant legislation</p> <p>6.1 Legislation relevant to this Policy includes, but is not limited to:</p> <ul style="list-style-type: none"> a. Local Government Act 2002 (LGA) b. Local Government (Rating of Whenua Māori) Amendment Act 2021 c. Te Ture Whenua Māori Act 1993 d. Local Government (Rating) Act 2002 <p>6.2 This Policy is adopted in accordance with the requirements of sections 102(1) and 108 of the LGA. Under section 108(4A) of the LGA this policy is required to be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the LGA.</p>

Assessment of options

The reasonably practicable options are:

- That council updates and adopts rating policies on the remission and postponement of rates on Māori freehold land to align with the Whangārei and Kaipara district councils, or
- The council establishes its own draft policies.

No other reasonably practicable options were considered in any depth due to the low level of significance of the policies.

The advantage of adopting the policies set by each of the three district councils in Northland is that it would be administratively efficient for each district council that administers our rate collection in their respective district to only apply one set of policies. Ratepayers will also avoid possible confusion by having a single approach to all of their rates. Additionally these proposed changes achieve compliance with the new requirement that councils policy on the remission and postponement of rates on māori freehold land supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

The disadvantage is that the council does not have a single set of policies which are applied on a uniform basis across the region.

Have your say

Full copies of the proposed rating policies and information on how to make a submission are available from the council website at www.nrc.govt.nz/haveyoursay

Submissions can be lodged online at the above URL, posted or delivered to one of our service centres, or emailed to submissions@nrc.govt.nz

Submissions close 4pm, Wednesday 10 August 2022.

Whangārei
36 Water Street
Whangārei 0110

Dargaville
Ground floor
32 Hokianga Road
Dargaville 0310

Kaitaia
192 Commerce Street
Kaitaia 0410

Waipapa
Shop 9, 12 Klinac Lane
Waipapa 0295

Hours: 8am - 4.30pm

Hours: 9am - 4pm

Hours: 8.30am - 4pm

Hours - 8.30am - 4.30pm

Northland Regional Council

P 0800 002 004

E info@nrc.govt.nz

W www.nrc.govt.nz

Draft policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei Districts 2022/23

July 2022

Kaipara District

Māori Freehold Land Rates Postponement and Remission Policy

1. Legislative requirements

1.1 Section 102(2) of the Local Government Act 2002 (LGA) provides that a Council must adopt a policy on the postponement and remission of rates on Māori freehold land (the Policy).

2. Objective

2.1 The purpose of this Policy is to ensure the fair and equitable collection of rates from all sectors of the community, while recognising that Māori freehold land has particular conditions and ownership structures, which may make it appropriate to provide relief from rates in circumstances beyond what it already provided by legislation.

2.2 In determining this Policy, Council has considered the matters set out in schedule 11 of the LGA and how it supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

3. Policy

3.1 Council may remit some or all of the rates on a rating unit of Māori freehold land where it considers it just and equitable to do so because:

- a. There are special circumstances in relation to the rating unit, or the incidence of rates (or a particular rate) assessed for the rating unit which mean that the rating unit's rates are disproportionate to those assessed for comparable rating units.
- b. The circumstances of the rating unit or ratepayer are comparable to those where a remission or non-rateability would be granted under the Local Government (Rating) Act 2002, but the circumstances are such that the land does not qualify.
- c. There are exceptional circumstances such that the Council believes it is equitable to remit rates.

4. Criteria

4.1 Application for land to be granted remission of rates in accordance with this Policy must be made by the owners or trustees, or any person(s) who has gained a right to occupy through the Māori Land Courts and is the authorised occupier(s).

4.2 The land is Māori freehold land as defined in the Local Government (Rating) Act 2002.

5. Applications

5.1 Applications for remissions under this Policy must be made in writing, and must include the following information:

- a. the details of the property for which the application for remission is being made
- b. an explanation of why the applicant considers the circumstances of the application meet the Objective (Clause 2) of this Policy
- c. an explanation of how the matters under Clause 3 of this Policy applies to the circumstances of the application
- d. documentation that proves the land which is the subject of the application is Māori freehold land, as defined above.

6. Relevant legislation

6.1 Legislation relevant to this Policy includes, but is not limited to:

- a. Local Government Act 2002 (LGA)
- b. Local Government (Rating of Whenua Māori) Amendment Act 2021
- c. Te Ture Whenua Māori Act 1993
- d. Local Government (Rating) Act 2002

6.2 This Policy is adopted in accordance with the requirements of sections 102(1) and 108 of the LGA. Under section 108(4A) of the LGA this Policy is required to be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the LGA

7. Rates postponement

This policy does not provide for the postponement of the requirement to pay rates.

Whangārei District

Policy 22/114 Remission of Rates on Māori Freehold Land

Objectives of the Policy

Some Māori freehold land in the Whangārei District is unoccupied and unproductive. This land creates a significant rating burden on the Māori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

The objective of the policy is:

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied or used, to grant remission for the portion of land not occupied or used.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

Criteria and conditions

1. The land must be Māori freehold land (as defined in the Local Government (Rating) Act 2002) or the land is general land that ceased to be Māori land under Part 1 of the Māori Affairs Amendment Act 1967 which does not produce any income.

2. The land or portion of the land must not be “used”. This includes leasing the land, residing on the land, maintaining livestock on the land, growing exotic forest for future harvesting, using the land for storage or in any other way. Land that is maintained to reduce fire risk, or land that is unfenced and grazed by wandering stock for no income by the owners is not “used”.

3. In order to encourage the development of the land, the rating unit may be apportioned into used and non-used portions and the rates will be remitted on the percentage of non-used land. Any “used” dwellings (occupied dwellings) or activities using the land for commercial or agricultural purposes will be rated the general and targeted rates per separately used or inhabited parts of a rating unit.

4. To be considered for rates remission under this policy, the owner, occupier or ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the

relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by Council.

5. However, if the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.

6. If the circumstances of a ratepayer who has been granted a remission under this policy changes, the ratepayer must inform Council within 30 days. The change in circumstances may mean that the rating unit or part of the rating unit, is no longer eligible for a remission under this policy in future rating years.

7. All land identified under this policy for remission, will be reviewed triennially.

Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy 22/115 Postponement of Rates on Māori Freehold Land

Objectives of the Policy

The difficulty in establishing and contacting owners or occupiers of Māori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land but are reluctant to take on the outstanding rate arrears.

In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

Council wishes to encourage the development and use of Māori freehold land where Council considers the full payment of the rate arrears would be a disincentive.

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the

following criteria:

1. The land must be Māori freehold land, as defined in the Local Government (Rating) Act 2002 or the land is general land that ceased to be Māori land under Part 1 of the Maori Affairs Amendment Act 1967.
2. The owners, occupiers or ratepayers has applied for rates postponement under this policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by Council.
3. The owners, occupiers or ratepayers agree payment conditions with Council to pay current and future years' rates.
4. The rates will remain as a statutory charge against the property until they are written off no later than six years from the date they were assessed.

Delegations

Decisions on postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

TITLE: Navigation Safety Bylaw Review

From: Jim Lyle, Regional Harbourmaster and Michael Payne, Policy Specialist

Authorised by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience, on 13 July
Group Manager/s: 2022

Executive summary/Whakarāpopototanga

The purpose of this report is to seek that the council makes the necessary determinations under section 155 of the Local Government Act 2002 (LGA) regarding the review of the Northland Regional Council Navigation Safety Bylaw 2017 and the Kai Iwi Lakes Navigation Safety Bylaw 2017.

The LGA requires that new bylaws be reviewed within five years of them being made. For Northland to meet its statutory responsibilities, and to avoid unnecessary costs, it is important that the 2017 Bylaws are reviewed so that they remain current. Staff have reviewed the bylaws and have prepared a report for council's consideration.

This report seeks direction from council that amendments to the Navigation Safety Bylaw 2017 and public consultation on the proposed amendments are delayed until after Maritime New Zealand has completed its forecasted review of Maritime New Zealand of Part 91 of the Maritime Safety Rules (MRP91).

Recommendation(s)

1. That the report 'Navigation Safety Bylaw Review' by Jim Lyle, Regional Harbourmaster and Michael Payne, Policy Specialist and dated 15 June 2022, be received.
2. That the council determines under section 155(1) of the LGA that a bylaw is the most appropriate way of addressing problems relating to the maritime safety in the region.
3. That the council Adopt the report titled "Navigation Safety Bylaws: Review Report" and notes the staff recommendations that the overall form of the Northland Regional Council Navigation Safety Bylaw 2017 and Kai Iwi Lakes Navigation Safety Bylaw 2017 is generally appropriate but that amendments should be made to improve the substance of the Navigation Safety Bylaw 2017.
4. That amendments to Navigation Safety Bylaw 2017 and the required public consultation are delayed until the overarching maritime rule part 91 review is completed by Maritime NZ.
5. That the council determines under section 155(2)(b) of the LGA that the Northland Regional Council Navigation Safety Bylaw 2017 does not give rise to any implications under the New Zealand Bill of Rights Act 1990.

Options

No.	Option	Advantages	Disadvantages
1	Review and Update bylaws immediately	Legislative requirements are met.	Council may need to update bylaw and consult again following Maritime NZs part 91 review
2	Delay Bylaw Review and Amendments until after Maritime NZ's part 91 rule review	Avoid multiple amendments to bylaw and multiple public notifications	Council will not meet its legislative requirement to review bylaw within 5 years. Delaying the new bylaw taking effect and with possibly requiring a new bylaw
3	Review Bylaw but delay amendments until after Maritime NZ's part 91 rule review	Legislative requirements are met Avoid multiple amendments to bylaw and multiple public notifications	Review of bylaw and recommendations will likely need updating following Maritime NZs part 91 review. Delay in new bylaw taking effect

The staff's recommended option is option is 3

Considerations

1. Environmental Impact

Climate change has no material impact on this advice, or on any of the recommendations within it, or on any actions that would arise from it.

2. Community views

Through previous consultation processes it is evident that the community values the ability to influence how maritime safety on our waterways is managed. The bylaw process provides the community with an opportunity to do so.

3. Māori impact statement

This report relates to a council administrative matter and therefore does not have a direct impact on Māori. Any potential impacts of future related decisions will be addressed in the relevant reports and therefore we have not determined any direct impact.

4. Financial implications

As the review to date has not incurred any significant costs, the costs of a delay are considered negligible

5. Implementation issues

Safety – Ensuring the safety and enjoyment of all waterway users in the Northland region is vital. National and regional education initiatives are in place to address key risk factors contributing to injury or drowning, for example encouraging people to wear personal flotation devices. However, education alone is not seen as a comprehensive way of addressing the issue.

Conflict of users – If we relied solely on the national rules, we would have no locally specific rules. We would also have no regional standards for moorings or navigation within the port areas.

Consistency – In Northland, navigation safety bylaws have worked well and have been a reasonable method of providing for local conditions. This is an approach mirrored throughout New Zealand with other regional bylaws. This leads to a public expectation that there will be a bylaw and that this will provide for safe places to swim or use non-powered craft, and a way to modify unsafe behaviour.

6. Significance and engagement

Legal advice is that the proposed amendments will fall below the level of significance that would require a full special consultation process, provided it can be completed, and the bylaw amendments made prior to 22 September 2024 (two years following the review date).

With the above in mind, an engagement plan will be completed once the full scope of proposed amendments is known. This scope would be subject to the previously mentioned MRP91 review, which is expected to be completed late 2022/early 2023. Formal notification of proposed amendments to the 2017 Bylaw would follow this, ensuring there would be sufficient time to complete any required process.

7. Policy, risk management and legislative compliance

In any bylaw process there is a risk of judicial review. Staff will continue to seek legal advice throughout the process when required.

An engagement plan will be completed once the full scope of proposed amendments is known.

Provided the MRP91 review is completed within the expected timeframe (by early 2023) a draft amended 2017 Bylaw and an engagement plan would be available for consideration by council as soon as possible after that. Ongoing engagement with Maritime NZ will ensure the necessary information is available to minimise drafting time. The target date for a council decision on approving an amended bylaw is June 2023 so that it could be in force by December 2023, provided that the maritime rule review has been completed.

The LGA requires that all new bylaws must be reviewed within five years after the date on which the bylaw was made. The 2017 Navigation Safety Bylaw was confirmed by the council on 27 June 2017 and came into force on 1 August 2017, therefore needs to be reviewed by 1 August 2022. If the review is not undertaken the bylaw will lapse on 1 August 2024. After this 2022 review is completed, subsequent reviews are only required every 10 years (section 159, LGA). The Kai Iwi Lakes Bylaw came into force on 1 July 2018. This only applies to these lakes, and staff consider these bylaws do not require any changes.

The review required by 1 August 2022 involves the council making determinations as to whether a bylaw is the most appropriate way of addressing the perceived problem, the appropriateness of the Bylaw and any implications under the New Zealand Bill of Rights Act 1990.

After these determinations are made by the council, staff will provide a further report to council with the proposed amendments to the 2017 Bylaw to council, together with recommendations as to the appropriate consultation process.

The following sections of the LGA set out the process for reviewing a bylaw:

Section 158(1) states that "A local authority must review a bylaw made by it under this Act... no later than 5 years after the date on which the bylaw was made."

Section 160 outlines the procedure and nature of the review; it requires the council to make determinations under section 155 as to the appropriateness of the Bylaw and whether it gives rise to any implications under the New Zealand Bill of Rights Act 1990. Once these determinations have been made, the review has been undertaken in accordance with section 160 (meeting the 22 September 2021 deadline).

If, after the review, the council considers that the Bylaw should be amended, revoked, or revoked and replaced, it must consult on the proposal in accordance with section 156 of the LGA. Staff will report further to council on any proposed amendments and appropriate consultation.

Section 160A provides that if the review is not completed by 27 June 2022, it will be revoked on 27 June 2024. If the review of the 2017 Bylaw is undertaken, but after 22 September 2022, it will be processed as a new bylaw. A subsequent review will therefore be required after five years.

Background/Tuhinga

Northland Regional Council has two Navigation Safety Bylaws:

- Northland Regional Council Navigation Safety Bylaw 2017
- Kai Iwi Lakes Navigation Safety Bylaw 2017

The Northland Regional Council Navigation Safety Bylaw 2017 applies to coastal waters and waters in estuaries, inlets, harbours and along the Northland coast. The bylaw sets out safe practices and rules for activities such as recreational and commercial boating, swimming and water skiing, for moorings management, and for activities related to commercial shipping including potentially hazardous activities.

Kai Iwi Lakes Navigation Safety Bylaw 2017 applies to the lakes in the Taharoa Domain in the Kaipara district of Northland, comprising Lake Waikare, Lake Taharoa and Lake Kai Iwi. The bylaw sets out safe practices for recreational boating, swimming, water skiing and other activities on the lakes.

Section 33M in the Maritime Transport Act 1994 gives regional councils the power to make navigation safety bylaws for the purpose of "ensuring maritime safety" in their region.

The 2017 Bylaws were created in accordance with the consultation provisions of the LGA.
Under the 2017 Bylaw, Northland has undertaken ongoing education and enforcement activities that have seen a continued improvement in boating safety behaviour throughout the region.

Attachments/Ngā tapirihanga

Attachment 1: Navigation Safety Bylaws Review Report [↓](#) 



Navigation Safety Bylaws: Review Report

Date: July 2022

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Introduction

Northland Regional Council's Navigation Safety Bylaws set the rules for keeping people and property safe on the water.

Council has the statutory function to promote social, economic, environmental and cultural well-being in our region, which includes navigation safety. We do this through bylaws such as the Navigation Safety Bylaws, and through the appointment of Harbourmasters and Honorary Enforcement Officers.

Northland Regional Council (NRC) has two Navigation Safety Bylaws:

- NRC Navigation Safety Bylaw 2017
- Kai Iwi Lakes Navigation Safety Bylaw 2017

The NRC Navigation Safety Bylaw 2017 applies to coastal waters and waters in estuaries, inlets, harbours and along the Northland coast. The bylaw sets out safe practices and rules for activities such as recreational and commercial boating, swimming and water-skiing, for moorings management, and for activities related to commercial shipping including potentially hazardous activities.

The Kai Iwi Lakes Navigation Safety Bylaw 2017 applies to the lakes in the Taharoa Domain in the Kaipara district of Northland; comprising Lake Waikare, Lake Taharoa and Lake Kai Iwi. The bylaw sets out safe practices for recreational boating, swimming, water-skiing and other activities on the lakes.

Purpose

This report presents the findings from the review of NRC's Navigation Safety Bylaw 2017 and the Kai Iwi Lakes Navigation Safety Bylaw 2017. This review has been undertaken to satisfy the requirements of the Maritime Transport Act 1994 and the Local Government Act 2002 (LGA), including sections 155 and 158 of the LGA.

Bylaw status

Section 33M in the Maritime Transport Act 1994 gives regional councils the power to make navigation safety bylaws for the purpose of "ensuring maritime safety" in their region.

The current iterations of NRC's Navigation Safety Bylaw 2017 and the Kai Iwi Lakes Bylaw 2017 came into force in August 2017 and July 2018, respectively. The LGA requires that all new bylaws must be reviewed within five years after the date on which the bylaw was made. Therefore, the Navigation Safety Bylaw 2017 must be reviewed before 1 August 2022.

The review required before 1 August involves the Council making determinations as to whether a bylaw is the most appropriate way of addressing the perceived problem, the appropriateness of the Bylaw and any implications under the New Zealand Bill of Rights Act 1990. These requirements are addressed in subsequent sections of this report.

If a bylaw is not reviewed as required under section 158 or 159 of the Local Government Act it will automatically be revoked 2 years after the review was due.

Is a bylaw appropriate?

This section of the report addresses the legislative requirements of Section 155 of the Local Government Act 2002. Section 155 of the Act requires local authorities to determine whether a bylaw:

1. is the most appropriate way of addressing the perceived problem.
2. is the most appropriate form of bylaw; and
3. gives rise to any implications under the New Zealand Bill of Rights Act 1990.

The perceived problem

Safety – Ensuring the safety and enjoyment of all waterway users in the Northland region is vital. National and regional education initiatives are in place to address key risk factors contributing to injury or drowning, for example encouraging people to wear personal flotation devices. However, education alone is not seen as a comprehensive way of addressing the issue.

Conflict of users – If we relied solely on the national rules, we would have no locally specific rules. We would also have no regional standards for moorings or navigation within the port areas.

Community input – Through previous consultation processes it is evident that the community values the ability to influence how maritime safety on our waterways is managed. The bylaw process provides the community with an opportunity to do so.

Consistency – In Northland, navigation safety bylaws have worked well and have been a reasonable method of providing for local conditions. This is an approach mirrored throughout New Zealand with other regional bylaws. This leads to a public expectation that there will be a bylaw and that this will provide for safe places to swim or use non-powered craft, and a way to modify unsafe behavior.

Determination of whether a bylaw is appropriate

A bylaw is considered by staff to still be the most appropriate way of ensuring maritime safety in the region for the following reasons:

1. Northland has one of the most popular boating areas in New Zealand. NRC has previously considered the restrictions of the national maritime rules on our waterways and the potential conflict between different water-based activities. The 2017 bylaw provides regional versions or geographically specific rules for the purpose of maritime safety. These supplement the national rules, providing for the desires and requirements of local users.
2. The continuation of the 2017 bylaws balances the finite resources of NRC with the need and public desire to have a clear, practical and efficient approach to maritime safety enforcement. The use of a bylaw is consistent with the approach taken by other regional councils throughout New Zealand, thus providing nationwide consistency.
3. The 2017 bylaw is only one aspect of achieving maritime safety in the region. Public education initiatives are in place and look to address some of the key risk factors which compromise maritime safety. However, education alone is not considered sufficient as a method to ensure safety on our waterways; legislative requirements are considered a much more robust method to control unsafe behaviour.
4. It is considered the community involvement, practicality and proven performance of previous bylaws to manage issues means a bylaw remains the most effective and reasonable method to manage current water safety matters.

Form of the Bylaw

It is considered that the overall form of the bylaw is generally appropriate for the reasons listed below:

1. The 2017 bylaw has been current for almost five years. During this time, the bylaw has been well received and has proven to be a simple method for achieving its objectives.
2. The 2017 bylaw is of similar format and content to bylaws used by other regional councils to ensure maritime safety (e.g. Otago Regional Council, Auckland Council and Bay of Plenty Regional Council).

However, a review of the bylaws has made it clear that some amendments to the Navigation Safety Bylaw 2017 are required. No amendments are required to the Kai Iwi Lakes Navigation Safety Bylaw 2017.

Given that improvements can be made to the bylaw, NRC should determine that the 2017 bylaw is not the most appropriate form of bylaw and that it needs to be updated.

New Zealand Bill of Rights Act 1990

The New Zealand Bill of Rights Act 1990 establishes certain fundamental human rights as well as rights in relation to offences and other matters.

Legal advice has been obtained from Wynn Williams confirming that the 2017 bylaw is not inconsistent with that Act and does not give rise to any implications under this Act. The 2017 bylaw contributes to the safety of navigation and does not place any limitations on the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990.

Review findings

Kai Iwi Lakes Navigation Safety Bylaw 2017

The Kai Iwi Lakes Bylaw was made operative in August 2017, under Section 33M of the Maritime Transport Act 1994, and is now due for statutory review.

The Regional Harbourmaster, in conjunction with NRC's Maritime team, has reviewed the Kai Iwi Lakes Bylaw and recommends that content of the 2017 Kai Iwi Lakes Bylaw be carried over into the new bylaw, without amendments.

While no changes are recommended, there is benefit in seeking public feedback on this bylaw so that the public can provide their comment, in the event NRC may have overlooked a potential issue.



Northland Regional Council Navigation Safety Bylaw

NRC staff have reviewed the Navigation Safety Bylaw 2017 and recommend the following amendments, as well as minor amendments for consistency and ease of use:

Prohibit anchoring in Kioreroa Reach

The Hātea River and upper harbour hosts a number of marinas, haul out and vessel repair facilities catering for vessels ranging from small recreational boats right through to commercial vessels in excess of 500 GT. The channel to access facilities in the upper reaches is narrow with limited water available outside of the buoyed channel.

This shallow upper harbour area has seen navigational issues caused by vessels anchoring and leaving vessels unattended. Vessels have frequently dragged anchor or have been observed to swing into and obstruct the channel or access to the various facilities.

Vessels have also, on occasion, anchored in or near the Portland channel obstructing large commercial vessels who are only able to navigate strictly within the marked channel. This both endangers those on small vessels and creates the risk of grounding of a large vessel. The Portland channel can be used commercially 24 hours a day, at any time of the year.

A review of the NRC Navigation Safety Bylaw 2017 found that the navigation safety issues posed by vessels anchoring in the area are significant and that the bylaw should be amended. Amendments should include:

- a) All anchoring in the main shipping and fairway channels from the fairway buoy inbound is prohibited anywhere within Whangārei Harbour.
- b) All anchoring in the Portland channel, and the approach to the Portland cement facility is prohibited.
- c) Anchoring within the Hātea River and Kioreroa Reach upstream from Kaiwaka Point is restricted as follows:
 - i. Vessels must not anchor during hours of darkness, except in the designated anchor area east of the marked channel in the designated anchorage area before Kissing Point.
 - ii. Anchoring in the above designated areas for longer than 24 hrs is only permitted if the vessel is booked into a repair facility for haul out. These are temporary anchoring areas only (as shown in Appendix A).

Board sports

The 2017 Navigation Safety Bylaw included provisions controlling the use of wind-powered board sports. The provisions primarily addressed ecological issues. The review recommends removal of the clause relating to areas where wind-powered board sports are prohibited, as this is not a navigation safety issue.

Adopt existing Harbourmaster's Directions

In 2018 the Northland Regional Harbourmaster issued a Harbourmasters Direction (#1 -2018/HOU) to address safety issues in Motuturangi Stream, Hohoura Harbour. The Navigation Safety Bylaw 2017 review identified that there are benefits in rolling this Harbourmaster's Direction into the bylaws for administrative ease.

The Harbourmaster's Direction prohibits the use of power-driven vessels in Motuturangi Stream, Hohoura Harbour. This Direction applies to all power-driven vessels of any length or purpose, including personal watercraft (jet-skis), but does not apply to hand-powered vessels being rowed or paddled, such as kayaks and paddleboards.

The reason for these restrictions is that use of power-driven vessels within this small estuary pose significant risk to passive water users.

Given its sheltered nature and proximity to the holiday park, Motutangi Stream is a popular recreational area, particularly for families and children. It is already a requirement of the local Navigation Safety Bylaw that any vessel must not proceed at more than 5 knots within 200m of shore, a dive flag or within 50m of other vessels or people in the water. However, due to the high risk of injury if powered craft operate whilst persons are paddling or swimming, the Harbourmaster has deemed it necessary to ban all powered craft from this small area (See Appendix B).

Updating of Personal Flotation Device (PFD) rule

Amendments to the provisions controlling the use of personal flotation devices requires updating. Provisions in a Navigation Safety Bylaw must be consistent with national maritime rules. The proposed amendments will bring the bylaw provisions into line with Part 91 Maritime Rules which are currently being reviewed.

Moorings

Various amendments are required to moorings provisions of the bylaw to improve safety including:

- a) prohibiting tandem mooring (no more than one vessel per mooring);
- b) requiring moored vessels to be moored in accordance with the moorings design specifications; and
- c) clearly stating that any amendments to mooring design specifications must be approved by the Regional Harbourmaster.

Mangawhai speed uplifting area

Members of the Mangawhai community approached NRC to request an extension to the existing speed uplift area in Mangawhai Harbour. The review does not recommend extending the speed uplift area at this time, mainly due to potential conflicts with other water users, the high demand for recreational space in Mangawhai Harbour and potential ecological effects.

Next steps

This review recommends amendments are made to the Navigation Safety Bylaw 2017 and that no changes are made to the Kai Iwi Navigation Safety Bylaw 2017. NRC is required to consult on the proposed amendments to the Navigation Safety Bylaw 2017¹. This must be done in line with the Local Government Acts special consultative procedure².

While no changes are proposed to the Kai Iwi Lakes Navigation Safety Bylaw, it should also be made available for public feedback to provide an opportunity for the public to raise any issues that NRC may not be aware of.

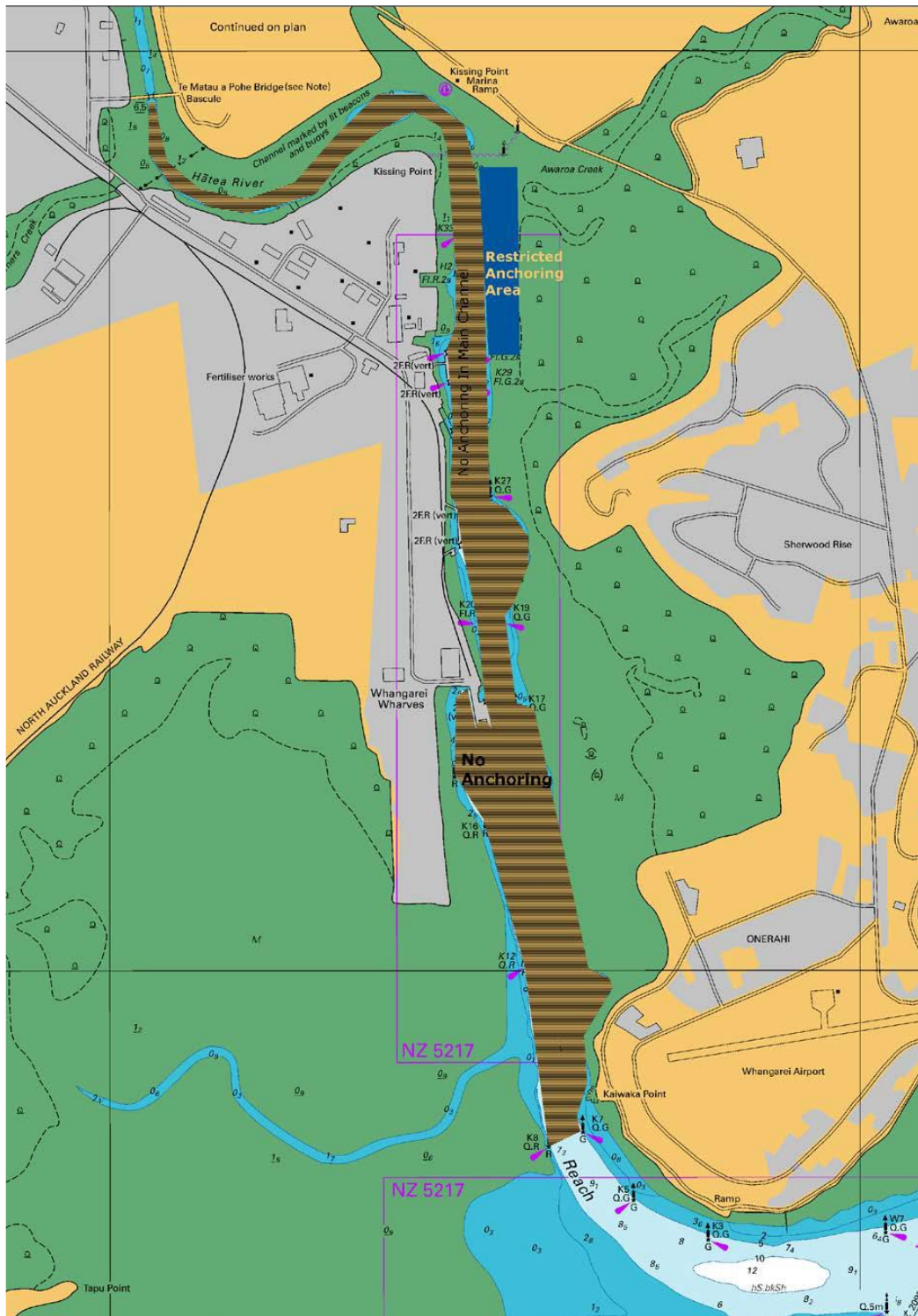
Following the review of NRC's bylaws, Maritime New Zealand notified staff that they will be reviewing Maritime Rule Part 91. This is a national rule for navigation safety which seeks to manage similar issues to regional council bylaws. Regional Council Navigation Safety Bylaws cannot be inconsistent with a national Maritime Rule.

For reasons of efficiency, consultation on amendments to the bylaw delayed until the overarching Maritime Rule Part 91 review is completed by Maritime New Zealand. Depending on the outcome of the review, the findings of this report may also need to be updated.

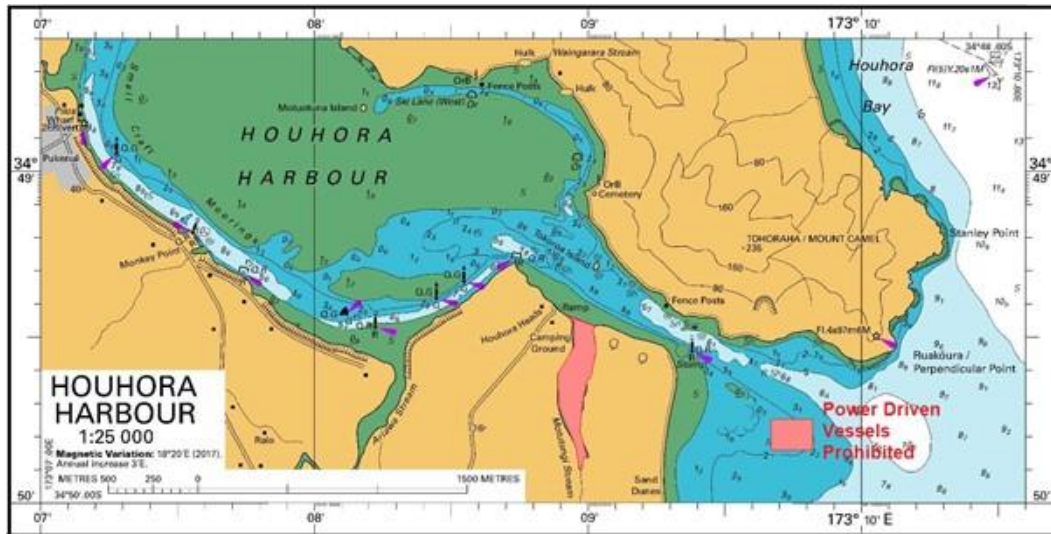
¹ S156 Local Government Act 2002

² S86 Local Government Act 2002

Appendix A



Appendix B



TITLE: Tangata whenua water advisory group membership

From: Ben Lee, Planning and Policy Manager

Authorised by Jonathan Gibbard, Pou Tiaki Taiao – Group Manager Environmental
Group Manager/s: Services, on 12 July 2022

Executive summary/Whakarāpopototanga

Karyn Nikora-Kerr has stepped down as a member of the Tangata Whenua Water Advisory Group (TWWAG). This item seeks council's approval to appoint Niki Conrad as the replacement.

At its meeting in May, Te Taitokerau Māori and Council Working Party (TTMAC) considered a report regarding the replacement of Karyn Nikora-Kerr. It was agreed that TTMAC and TWWAG members provide nominations for a replacement member. The selection panel (Juliane Chetham, Mira Norris, Cr Justin Blaikie and Cr Joce Yeoman) met and agreed to recommend to council that Niki Conrad (Te Aupōuri) be appointed as the replacement.

One of the overall criteria for the membership of TWWAG is geographic spread. With Karyn Nikora-Kerr leaving the group, there is a lack of members from the far north. Niki Conrad's appointment would ensure there is far north representation.

Niki Conrad brings practical, on the ground, Māori land management expertise, and works as a kaitiaki and environmental expert for Te Rūnanga Nui o Te Aupōuri. He is also actively involved in advocating for the water challenges and issues for Te Kao and supporting Potahi marae.

Millan Ruka has also stepped down from TWWAG, resulting in a vacancy for another member. Nominations are being called from TTMAC and TWWAG members for a replacement member for Millan Ruka. It is anticipated a recommendation will be brought to council's August meeting.

With Niki Conrad's appointment there would be 12 members of TWWAG, plus the vacancy left by Millan Ruka. TWWAG's terms of reference states that there must be between 12 to 15 members inclusive.

Recommendation(s)

1. That the report 'Tangata whenua water advisory group membership' by Ben Lee, Planning and Policy Manager and dated 5 July 2022, be received.
2. That council approve the appointment of Niki Conrad to the Tangata Whenua Water Advisory Group

Options

No.	Option	Advantages	Disadvantages
1	Not make the appointment	Costs savings (one less member on TWWAG) Avoids risk of a new member 'relitigating' TWWAG's work to date.	Against TTMAC recommendations Opportunity cost of not having additional expertise and knowledge brought the TWWAG

No.	Option	Advantages	Disadvantages
			table and reduce geographic representation on TWWAG.
2	Confirm the appointment	Consistent with TTMAC recommendations Brings additional expertise and knowledge to the table and maintains strong geographic representation.	Additional costs to council (but budgeted for) May take a bit of time for the new member to come up to speed and risk of member relitigating TWWAG work to date, and the associated time delay that may cause.

The staff's recommended option is Option 2.

Considerations

1. Environmental Impact

Not applicable

2. Community views

Wider community unlikely to have views about the appointment.

3. Māori impact statement

The appointment is consistent with the advice from TTMAC and shows council's support for involving tangata whenua in freshwater management.

4. Financial implications

Members of TWWAG are paid for their time. The costs of the appointment are already anticipated within the existing budget.

5. Implementation issues

There may need to be some time spent on bringing the new member up to speed. There is also a risk that the new member will want to relitigate work already confirmed by TWWAG.

6. Significance and engagement

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

7. Policy, risk management and legislative compliance

The appointment is consistent with TWWAG's terms of reference and does not conflict with any known policy or statutory directives.

Attachments/Ngā tapirihanga

Nil

TITLE: **Tāiki ē NRC Te Tiriti Strategy and Implementation Plan**

From: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 19 July 2022

Whakarāpopototanga / Executive summary

The purpose of the report is to present to council 'Tāiki e' (NRC Te Tiriti Strategy and Implementation Plan) (referred to as Tāiki e henceforth) (included as **Attachment 1**) for formal adoption by council. The name Tāiki e encapsulates council's ongoing commitment to a Te Tiriti based partnership with tangata whenua and is an Implementation Plan clearly outlining how council can deliver on its commitments under Te Tiriti o Waitangi.

The ingoa or name Tāiki e denotes the intent to a collective commitment that "we come together collectively to get the mahi done" as described by the Te Taitokerau Maori and Council Working Party (TTMAC) Co-Chair with a Kaupapa/Mission "He iwi tahi tātou kia ora ai te Taiao" translated as "Kawanatanga and Rangatiratanga work together for the well-being of the environment". Tāiki e focuses specifically on actions to achieve the desired Ngā Whainga / Goals for Capacity, Capability and Māori Representation as represented in the TTMAC Strategic Intent 2021-2040 (included as **Attachment 3**). There is a commitment for further work to be undertaken for the remaining Ngā Whainga / Goals outlined in the Strategic Intent, these being Water/Marine, Climate Crisis and Economic Development.

A Sub-Group consisting of TTMAC representatives and councillors have participated in a series of workshops supported by the Chief Executive Officer and key staff. The drafting process has been iterative and directly informed by the subgroup members in workshops facilitated by consultants from Barker & Associates.

Barker & Associates were engaged in the development of the TTMAC Strategic Intent and have had experience in working with TTMAC and council in Te Tiriti based matters, consequently they were engaged for this next significant step in council's commitment to Te Tiriti o Waitangi and Tāiki e.

Furthermore, Tāiki e has now been endorsed by TTMAC at its 14 July 2022 formal meeting and is being brought to the full council for adoption.

Recommendations

1. That the report 'Tāiki ē NRC Te Tiriti Strategy and Implementation Plan' by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement and dated 8 July 2022, be received.
 2. That the Tāiki ē (NRC Te Tiriti Strategy and Implementation Plan) be adopted by council (subject to any final minor, graphic, structural or grammatical changes or amendments recommended by the Chief Executive Officer).
-

Options

No.	Option	Advantages	Disadvantages
1	Council adopts Tāiki e.	<p>Aligns with council's commitment to Te Tiriti o Waitangi and strengthens partnerships with tangata whenua.</p> <p>Strengthens council's position to respond to central government reforms.</p> <p>Provides clear strategic direction both at a governance and operational level to give effect to Te Tiriti o Waitangi.</p> <p>Provides a robust starting point for the incoming council for the understanding of Te Tiriti o Waitangi and Te Taitokerau context, partnership and obligations.</p>	<p>Increased workload for staff, elected and non-elected members.</p> <p>Financial implications for some of the unbudgeted actions.</p>
2	Council does not adopt Tāiki e.	<p>No extra resource required for unbudgeted areas or action points.</p>	<p>Undermines council's commitment to partnerships and will receive negative reactions from tangata whenua partners.</p> <p>Minimal policy direction available to governance and operational staff.</p> <p>Significant amount of work and good will from TTMAC and the Sub Group would be lost and underutilised.</p> <p>There would not be a clear framework for the incoming council to deliver on its Te Tiriti o Waitangi obligations.</p>

The staff's recommended option is Option 1 – Council adopts Tāiki e.

Considerations

1. Environmental Impact

Tāiki e includes direct actions relating to environmental monitoring, review of council's regulatory services, and education on environmental and resource management issues. Furthermore, while Tāiki e focuses on capacity, capability and Māori representation, it establishes a framework for looking at the other Ngā Whainga / Goals which include Water/Marine and Climate Crisis.

2. Community views

Community views have been represented throughout the process via the make-up of the Sub-Group which includes fully elected councillors and non-elected iwi/hapū TTMAC members. The positive reception of Tāiki e is evident in the unanimous endorsement of the document by TTMAC on 14 July 2022.

3. Māori impact statement

This report directly relates to a partnership with Māori and recognises a commitment to a Te Tiriti o Waitangi based partnership between council and TTMAC.

4. Financial implications

Through the development of Tāiki e, financial implications are clearly identified, and where unbudgeted actions have been identified, it has been acknowledged that long term plan budgeting process have to be negotiated. If a commitment to funding is not reached, it is acknowledged that this will need to be discussed further with TTMAC to understand why funding was not received, and what further action may be taken.

5. Implementation issues

Actions, their priority and timeframes for implementation are clearly identified in Tāiki e. If there are any issues with implementation, a review of Tāiki e can be undertaken at any time as indicated in the Monitoring and Review section of the document.

6. 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 Te Pae Tawhiti 2021 – 2031 and the Strategic Intent have already been adopted by council and TTMAC respectively. Many of the actions listed in Tāiki e already have budget allocated to them in the current LTP. Where actions are unbudgeted, it is acknowledged that the full public process under the LTP would have to be completed before funding can be committed to. 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.

7. Policy, risk management and legislative compliance

The decision is consistent with policy and legislative requirements.

Background/Tuhinga

Council adopted Te Pae Tawhiti – Our Vision 2021 – 2031 last year. Concurrently, Te Taitokerau Māori and Council Working Party (TTMAC) developed their own Strategic Intent that was adopted by TTMAC late last year. While there are similar outcomes sought in both documents, the Strategic Intent was not adopted by council, as further detail was required as to what the Ngā Whaingā/Goals meant in terms of actions for council, TTMAC and other agencies.

In April 2022, a Sub-Group of councillors and TTMAC iwi and hapū members was formed to plot a pathway forward on an implementation plan to address these issues. Tāiki e (NRC Te Tiriti Strategy and Implementation Plan) has been developed to provide actions (“how”) to achieve the outcomes (“why”) for achieving Ngā Whaingā/Goals relating to Capacity and Capability & Māori Representation.

A comprehensive series of workshops have been held with the Sub-Group, full council and also the Executive Leadership Team at council. These are shown in the table below.


DATE	WORKSHOP	PURPOSE
7 April 2022	Sub-Group Workshop 1	Intro to Kaupapa, purpose and intent
5 May 2022	Sub-Group Workshop 2	Implementation plan structure
20 May 2022	Sub-Group Workshop 3	Skeleton draft
7 June 2022	Sub-Group Workshop 4	Further draft review
15 June 2022	Full Council Workshop	Discuss process, latest draft & next steps
20 June 2022	Sub-Group Workshop 5	Discuss changes from Council workshop
23 June 2022	ELT Workshop	For information purposes – no changes
5 July 2022	Full Council Workshop	Review draft from Workshop 5
8 July 2022	Sub-Group Workshop 6	Finalise implementation plan for TTMAC
14 July 2022	TTMAC Meeting	Seek full TTMAC endorsement for Tāiki e

The workshops were designated as a safe space to be open and honest about opportunities, issues and constraints in order to facilitate robust feedback on actions. The process was iterative and took time, as is indicated in the number of workshops that were held over the last several months. The Sub-Group carefully reviewed actions line by line, and they were circulated for review in between workshops. Every change has been carefully checked by the Sub-Group and ultimately supported in its final form which is attached to this agenda item. Tāiki e has also been supported by a diagram attached, displaying where Tāiki e fits in terms of other council relationships and strategies.

Tāiki e was unanimously endorsed by TTMAC at the 14 July 2022 meeting and is now being brought to the full council meeting for adoption.

Attachments/Ngā tapirihanga

Attachment 1: Tāiki e (NRC Te Tiriti Strategy and Implementation Plan) [↓](#) 

Attachment 2: Tāiki e (NRC Te Tiriti Strategy and Implementation) Context Diagram [↓](#) 

Attachment 3: TTMAC Strategic Intent 2021-2040 [↓](#) 

Tāiki e (NRC Te Tiriti Strategy and Implementation Plan)

Te Kaupapa | Mission

He iwi tahi tatou kia ora ai te taiao

Kāwanatanga and rangatiratanga* work together for the wellbeing of the environment

Our vision for the future is only as good as the actions we set in place to achieve it. The following table outlines the actions to be taken to achieve shared outcomes guided by Northland Regional Council's (NRC) Te Pae Tawhiti – Our Vision 2021 – 2031 and Te Taitokerau Māori and Council Committee (TTMAC) Strategic Intent Te Pae Tawhiti | Vision 2040 and Te Kaupapa | Mission Statement (see above). The Implementation Plan focuses specifically on actions to achieve desired goals for Capacity and Capability and Māori Representation.

This Implementation Plan has been prepared on behalf of NRC and TTMAC. Both parties acknowledge that there are other groups, agreements and relationships, such as with Te Kahu o Taonui (TKoT), Iwi and Local Government Chief Executives Forum (ILGACE), Mana Whakahono a Rohe agreements and Memorandum of Understandings, that NRC has that are separate to TTMAC. This Implementation Plan does not override those existing relationships and agreements.

Actions are listed for who is required to undertake it. This includes Northland Regional Council (NRC), Te Taitokerau Māori and Council Committee (TTMAC), Iwi, hapū and whanau, and any other agencies (e.g., including Northland Inc). NRC and TTMAC acknowledge iwi and hapū traditional rights within their rohe. This Implementation Plan does not seek to override these rights, and actions outlined in this document are intended to be complementary.

Actions include timeframes within which it is expected those actions will be progressed (starting from when the Implementation Plan is adopted):

- Underway – means that the action is actively being implemented, with further work required.
- Commence within 12 Months – means that the action has commenced within 12 months of adoption of the Implementation Plan (e.g., by 26 July, 2023 and there is a commitment to a completion date.
- Years 1 – 3 – means that the action has been completed within 3 years of adoption of the Implementation plan (e.g., by 30 June 2025).
- Years 3 – 10+.

Long Term Plan and Annual Plan Funding

Actions are listed in terms of whether budget is already allocated or not, or not required. This will help guide NRC to seek funding in the Annual Plan or Long-Term Plan to be able to implement these actions. It must be acknowledged that if unbudgeted actions do not receive future Annual Plan or Long-

Term Pan funding then they will need to be discussed further with TTMAC to understand why funding was not received and what further action may be taken.

The actions have been ranked by priority according to their ability to give effect to Te Kaupapa | Mission:

- 1 – the action(s) has the potential to have a significant impact and should be the top priority in terms of work and resourcing.
- 2 – the action(s) has the potential to have a moderate impact and should be progressed after High priority actions have commenced.
- 3 – the action(s) have comparably less impact and should be progressed after High and Medium priority actions have commenced.

***Note:** In the context of Tāiki e, Te Kaupapa | Mission refers to the rangatiratanga of iwi and hapū.

'Ina tere ngā kapua, he hau kei muri'

'Progress is built on applying shared values'

- *When the clouds advance across the sky, wind is the propellant. This is a metaphor emphasising that we will make much greater progress when we apply shared values such as trust and a shared commitment.*

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<p>1. Establish Te Tiriti o Waitangi Health Check and Review Framework by:</p> <ul style="list-style-type: none"> a. Carrying out an independent review of council's obligations and performance against Te Tiriti o Waitangi performance standards utilising the Te Arawhiti Framework in a Te Taitokerau context; b. Identify and implement priority areas for improvement based on of Te Tiriti o Waitangi Health Check; and c. Reporting to and seeking views and input of TTMAC and Councillors as part of the review. 	NRC in partnership with TTMAC	Underway	Budgeted: \$50,000 in 2021/22, and \$25,000 per annum following to carry out an independent 'health check' of council's Te Tiriti o Waitangi obligations, and \$100,000 a year from 2022/23 for implementation of any findings.	Partnership Te Tiriti o Waitangi	1
<p>2. Continue developing a Tāiki e (NRC Te Tiriti o Waitangi Strategy and Implementation Plan) that includes, as a minimum:</p> <ul style="list-style-type: none"> a. What it means for NRC to uphold its Te Tiriti o Waitangi principles and obligation (e.g., what will success look like) and how NRC will live them through decision-making and operations; b. NRC's overarching positions are clearly articulated on important matters such as transfer of powers under the RMA, payment for kaitiaki, recognition of 	NRC in partnership with TTMAC, supported with engagement with TKOT, Iwi and Hapu	Commence within 12 months	Unbudgeted	Te Tiriti o Waitangi Partnership	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
mātauranga Māori and tangata whenua participation in decision making; and c. Incorporate the findings and recommendations of Te Tiriti o Waitangi Health Check.					
3. Support and increase the uptake of the development of Iwi and Hapū Environmental Management Plan (IHEMP) by: a. allocating existing staff time towards assisting iwi and hapū with b and c below; b. developing a bespoke communication plan for increasing awareness and visibility of existing or future funding and support for IHEMPs, including targeting communications to iwi, hapū and whanau networks (including reaching out to specific iwi and hapū who may need extra support); and c. increasing the amount of funding and staff capacity in the 2024-2034 Long Term Plan to respond to the potential increase in uptake of financial assistance.	NRC in partnership with iwi and hapū	Underway	Budgeted: \$20,000 increase of \$10,000 to \$30,000 per year from 2022/23	Capability Capacity	1
		Years 1 – 3 for (a) to (c)	Target 2024-2034 Long Term Plan		

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Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<p>5. Support and increase the number of Māori RMA Hearing Commissioners by:</p> <ul style="list-style-type: none"> a. developing and implementing a consistent process and policy for: <ul style="list-style-type: none"> i. the identification of suitable candidates by Tangata Whenua to become certified resource management hearing commissioners; ii. establishing when Māori commissioners will be utilised in council RMA resource consent and plan change decisions and operations; iii. how iwi and hapū will be consulted on the appointment of hearings commissioners within their rohe; and b. provide a dedicated funding stream to support the formal certification of Māori Commissioners; c. identifying external funding sources (e.g., central government or territorial authorities) to maximise opportunities for Tangata Whenua; and 	NRC in partnership with TTMAC	Years 1 – 3	<p>Unbudgeted</p> <p>As noted in clause 8.4 Akoranga – Training in Mana Whakahono a Rohe.</p>	<p>Capacity</p> <p>Capability</p>	2

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
d. identifying cohorts of whanau, hapū and iwi to complete the training to encourage a supportive learning experience.					
6. Ensure the delivery of targeted educational noho on resource management processes by: a. developing and implementing a programme in particular areas of interest with TTMAC (e.g., Ngā Whainga of TTMAC Strategic Intent); and b. allocating existing or new staff time towards delivering the programme and providing targeted assistance to whanau, hapū and iwi through councils RMA processes.	NRC in partnership with TTMAC, and iwi, hapū and whanau	Commence within 12 months	Budgeted: RMA Noho \$20,000 per year.	Capacity Capability	2
7. Taking into account the existing tools and models available, develop and fund a culturally appropriate Council environmental monitoring programme that: a. addresses iwi and hapū interests and concerns in the monitoring of the environment; b. includes the incorporation of mātauranga Māori, tikanga Māori and recognition of the role of Tangata Whenua as kaitiaki;	NRC in partnership with TTMAC	Years 1 - 3	Budgeted: \$20,000 per year to support environmental monitoring by Tangata Whenua.	Partnership Capacity Capability	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<ul style="list-style-type: none"> c. recognises and provides for any cultural monitoring tools endorsed by iwi and hapū; d. is consistently implemented as a component of NRC environmental monitoring and reporting practices and processes; and e. is reviewed and updated every 3 years for its effectiveness and efficiency. 					
<p>8. Taking into account the existing tools and models available, develop and fund a culturally appropriate programme that enables and supports tangata whenua to undertake their own freshwater monitoring aspirations that:</p> <ul style="list-style-type: none"> a. addresses iwi and hapū interests and concerns in the monitoring of the environment; b. includes the incorporation of mātauranga Māori, tikanga Māori and recognition of the role of Tangata Whenua as kaitiaki; c. recognises and provides for any cultural monitoring tools endorsed by iwi and hapū; d. is consistently recognised and incorporated where appropriate as a 	NRC in partnership with iwi and hapū	Underway	Budgeted: \$250,000 22/23 ongoing (specific purpose and allocation yet to be confirmed)	Partnership Capacity Capability	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<p>component of NRC environmental monitoring and reporting practices and processes; and</p> <p>e. is reviewed and updated every 3 years for its effectiveness and efficiency.</p>					
<p>9. Review, update and embed how NRC delivers its regulatory services to ensure regulatory activities (e.g., resource consents and compliance monitoring) are undertaken in a culturally appropriate manner and seek to include iwi and hapū to the greatest extent possible, including by:</p> <p>a. Developing an efficient and consistent framework for notifying and involving iwi and hapū with resource consent applications;</p> <p>b. Providing suitable opportunities for iwi and hapū to provide feedback within statutory timeframes;</p> <p>c. Taking into account the following:</p> <p>i. The legislative constraints of the RMA;</p> <p>ii. Where legislative conflicts arise, advocate for change to central government in accordance with Action 12 of this Implementation Plan.</p>	NRC in partnership with TTMAC	<p>Commence within 12 months for (a) - (c); and</p> <p>Years 1 – 3 (d)</p>	Unbudgeted	<p>Capability</p> <p>Capacity</p> <p>Partnership</p> <p>Te Tiriti o Waitangi</p> <p>Resourcing</p>	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
d. Committing funding to consistently resource iwi and hapū for undertaking this work.					
10. Advocate to, and where appropriate, actively support, local and regional education providers, businesses and institutions to address existing skills shortages by: a. engaging with Tangata Whenua involved in existing projects to identify skills shortages in priority areas for NRC and TTMAC to focus on (e.g., planning, environmental monitoring) b. identifying programmes and opportunities that deliver education programmes in priority areas for NRC and TTMAC; and c. identifying opportunities to develop work programmes that fill skills shortages in priority areas for NRC and TTMAC.	NRC in partnership with iwi, hapū, TTMAC and supporting external education providers, businesses and institutions	Years 1 – 3	Unbudgeted	Capacity Capability Partnership Whai Rawa Whai Mana Whai Oranga	3
11. Ensure Tangata Whenua are consistently resourced to participate in governance, decision-making and operational activities by: a. reviewing different funding models used elsewhere in Aotearoa that could be applied, adapted and enhanced in Te Taitokerau;	NRC in partnership with TTMAC	Commence within 12 months for 10(a); and Years 1 – 3 for 10(b).	Unbudgeted	Capability Capacity Partnership Resourcing Decision-making	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
b. Taking into account the findings of (a), develop and implement an agreed methodology and policy regarding consistent resourcing of Tangata Whenua.					
12. Support iwi and hapū in their endeavours to obtain further funding and support through external sources (e.g., central government or territorial authorities). Specific actions could include: a. Allocating existing staff time and resources towards assisting iwi and hapū in applying for funding; and / or b. Creating a new role and employing someone dedicated to assisting iwi and hapū in applying for funding.	NRC	Years 1 – 3	Unbudgeted Limited current staff capacity.	Capability Capacity Partnership	2
13. Undertake joint advocacy to central government on agreed priorities and interests, including on new legislation and initiatives such as the Future of Local Government Reforms, by: a. Establishing the agreed priorities areas with TTMAC (e.g., water/ marine, climate crisis and economic development); b. Developing and implementing an agreed process with TTMAC to effectively and	NRC, TTMAC, Iwi and hapū, FNDC, WDC and KDC	Commence within 12 months	Within existing resources.	Partnership	1

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
efficiently respond and advocate on behalf of Te Taikerau on the agree priority areas identified in (a).					
14. Collaborate with, and advocate to other territorial authorities (such as Auckland Council and Whangārei, Kaipara and Far North District Councils) where there are cross-boundary overlaps and duplication for iwi and hapū to improve and streamline engagement processes and resourcing where possible. Note: For example Kaipara Moana Remediation	NRC, FNDC, WDC, KDC and AC	Years 1 – 3	Within existing resources.	Capacity Partnership Decision-Making Te Tiriti o Waitangi	3
15. Identify opportunities within legislation for Tangata Whenua members of TTMAC-to: a. join or participate in other Council governance structures; and b. where appropriate, have formal voting rights on sub-committees.	NRC in partnership with TTMAC	Commence within 12 months	Within existing resources. TTMAC budgeted for participation and attendance at meetings - \$84,899 per annum.	Partnership Decision-Making Te Tiriti o Waitangi	1
16. Deliver specific projects within agreed priority areas of interest (e.g. water / marine, climate crisis, economic development) to Tangata Whenua and NRC by:	NRC in partnership with TTMAC	Years 1 – 3	Unbudgeted	Partnership Resourcing Te Tiriti o Waitangi	2

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<ul style="list-style-type: none"> a. undertaking a stocktake of existing projects and work programmes being progressed with the agreed priority areas of interest; b. establishing and implementing a joint TTMAC and NRC work programme that identifies new opportunities for joint projects; and c. seeking resourcing through the 2024 – 2034 Long Term Planning cycle. 					
<p>17. Develop and embed a cultural awareness and competency framework for Councillors, staff and relevant consultants and contractors that includes, at a minimum:</p> <ul style="list-style-type: none"> a. Creating an induction process that explains the cultural context of Te Taitokerau, recognising that each hapū have their own tikanga; b. Presents the importance of Te Tiriti o Waitangi / and He Whakaputanga / The Declaration of Independence to NRC in all activities; and c. Provides an understanding of and empathy for tikanga Māori (e.g., mauri, kaitiakitanga and mātauranga). 	NRC in partnership with TTMAC	Underway; and Review within 12 months	Within existing resources	Partnership Te Tiriti o Waitangi	2

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<p>18. Invest in building Tangata Whenua capacity and capability, by:</p> <p>a. Reviewing Council's existing scholarship / internship programme to ensure that it supports the following outcomes:</p> <p>i. Tangata Whenua undertaking their role as kaitiaki; or</p> <p>ii. Increasing Tangata Whenua participation in jobs that are directly relevant to Council's activities; or</p> <p>iii. Includes governance training, such as associateships.</p> <p>b. Maintaining and increasing where appropriate in the 2024 – 2034 Long Term Plan, scholarship/ internship programmes for tangata whenua who whakapapa to Te Taitokerau iwi / hapū.</p>	NRC in partnership with TTMAC	Underway	Budgeted: 8 scholarships at \$4,000 per annum (4 specifically for Māori)	<p>Capability</p> <p>Capacity</p> <p>Partnership</p> <p>Te Tiriti o Waitangi</p>	2
19. Develop an engagement policy and framework that formalises engagement procedures with iwi and hapū on Annual Plan, Long Term Plans, Regional Planning, and Regional Policy Statements.	NRC in partnership with TTMAC	1 – 3 years	Unbudgeted	<p>Capability</p> <p>Capacity</p> <p>Partnership</p> <p>Te Tiriti o Waitangi</p>	2

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
<p>20. Develop and maintain a digital tangata whenua contacts database that spatially identifies indicative iwi and hapū rohe boundaries that can be utilised to guide engagement processes (e.g., resource consents), that:</p> <ul style="list-style-type: none"> a. Takes into account overlapping iwi and hapū boundaries; b. Recognises the sensitivity and accuracy of information; and c. Uses the best available information (e.g., within IHEMPS); and 	TTMAC, iwi and hapū with support and facilitation from NRC and Te Puni Kokiri and the Māori Land Court	Underway; and Completed within 12 months	Budgeted \$20,000	Partnership Te Tiriti o Waitangi	2
<p>21. Investigate and identify opportunities for the transfer or delegation of decision-making powers or operations (e.g., pursuant to section 33 of the Resource Management Act 1991) in areas of interest / concern to iwi and hapū, by:</p> <ul style="list-style-type: none"> a. Identifying actions needed by NRC to implement the transfer or delegation and how these will be implemented; and b. Providing assistance (e.g., staff assistance or funding support to engage an independent facilitator) to the iwi or hapū that are seeking the transfer or delegation. 	NRC in partnership with TTMAC	1 – 3 years	Unbudgeted	Capability Capacity Te Tiriti o Waitangi Resourcing	2

Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
22. Ensure the successful ongoing implementation of Māori Constituencies by: a. Promoting and raising awareness of Māori seats and encouraging Māori to stand for local government; and b. Engaging with iwi and hapū to undertake a review of Māori Constituencies within the first triennium following implementation to measure success and the representativeness of the Constituencies.	NRC in partnership with TTMAC, iwi and hapū	Already underway and completed within Years 1 -3	Budgeted: \$20,000 allocated in governance budget for 22(a)	Capability Capacity Te Tiriti o Waitangi Resourcing	1
23. Providing ongoing support to ensure an equitable and culturally safe working environment for Councillors.	NRC in partnership with TTMAC	Ongoing	Within existing resources	Capability Capacity Te Tiriti o Waitangi	1
24. Review Council procurement policies and processes to ensure fair and equal opportunities for Tangata Whenua consultants and contractors to obtain Council contracts.	NRC in partnership with TTMAC	1 – 3 years	Unbudgeted	Capability Capacity Te Tiriti o Waitangi Resourcing	3

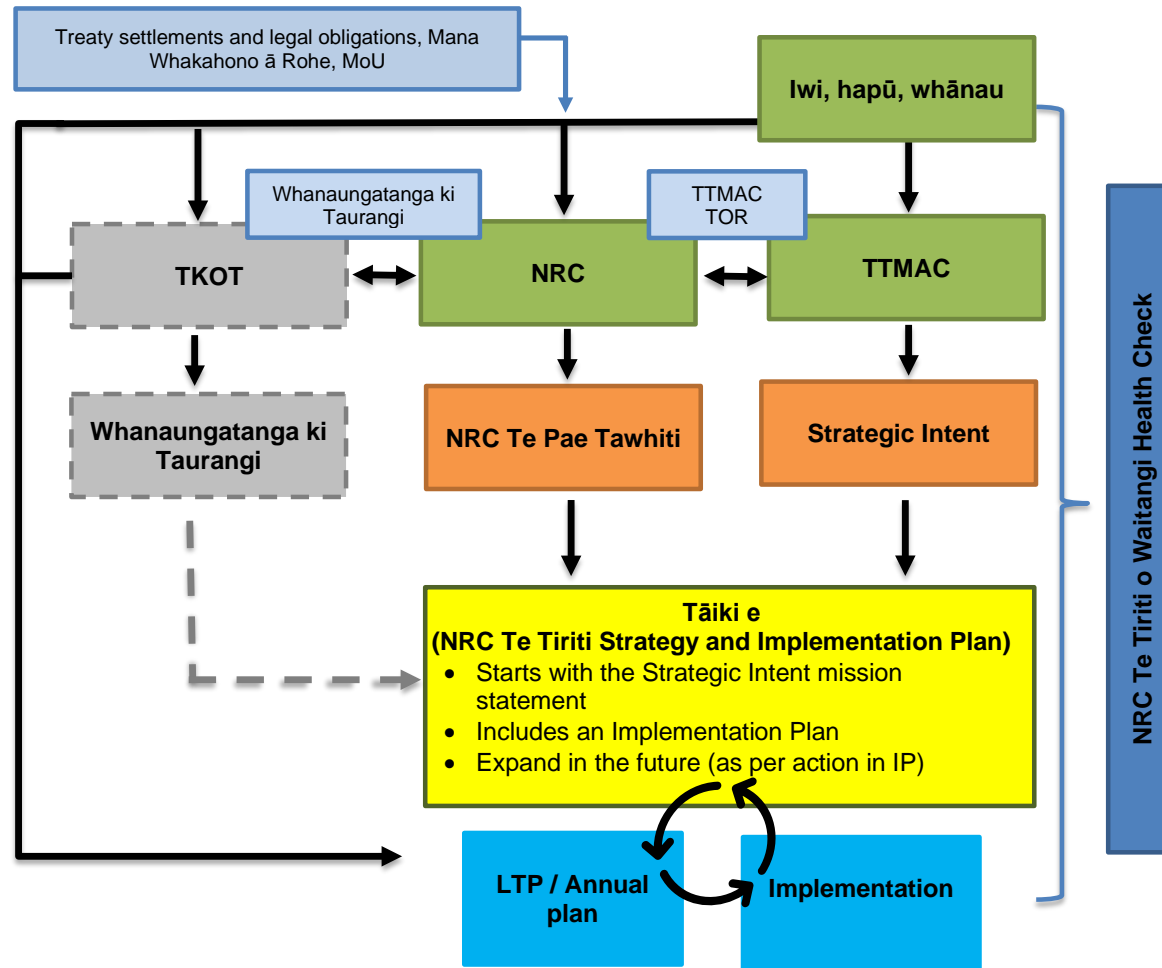
Action(s)	Who	Timeframe	Budgeted	Whainga Goal	Priority
25. Identify opportunities in Council activities for Tangata Whenua consultants and contractors to apply for Council contracts.	NRC	1 – 3 years	Within existing resources.	Capability Capacity Te Tiriti o Waitangi Resourcing	3
26. During each review of the Annual Plan or Long Term Plan, consider and implement appropriate financial and other support for specific actions outlined in this Implementation Plan.	NRC	1 – 3 years and ongoing.	Within existing resources.	Resourcing	1

Monitoring & Review

Tāiki e (NRC Te Tiriti Strategy and Implementation Plan) is designed to be iterative and will evolve over time in response to new challenges and opportunities. Tāiki e shall be reviewed:

- Every 3 years for efficiency and effectiveness of achieving the Te Taitokerau Māori and Council Committee (TTMAC) Strategic Intent Te Pae Tawhiti | Vision 2040 and Te Kaupapa | Mission Statement (see above) and Northland Regional Council's (NRC) Te Pae Tawhiti – Our Vision 2021 – 2031 and whether specific actions have been adequately implemented.
- Reviewed within 6 months of any Long Term Plan.
- At any time, following a special request from TTMAC or Full Council.

It is anticipated that annual progress updates will be provided at TTMAC meetings by Council staff / CE to show continual progress towards achieving Tāiki e.

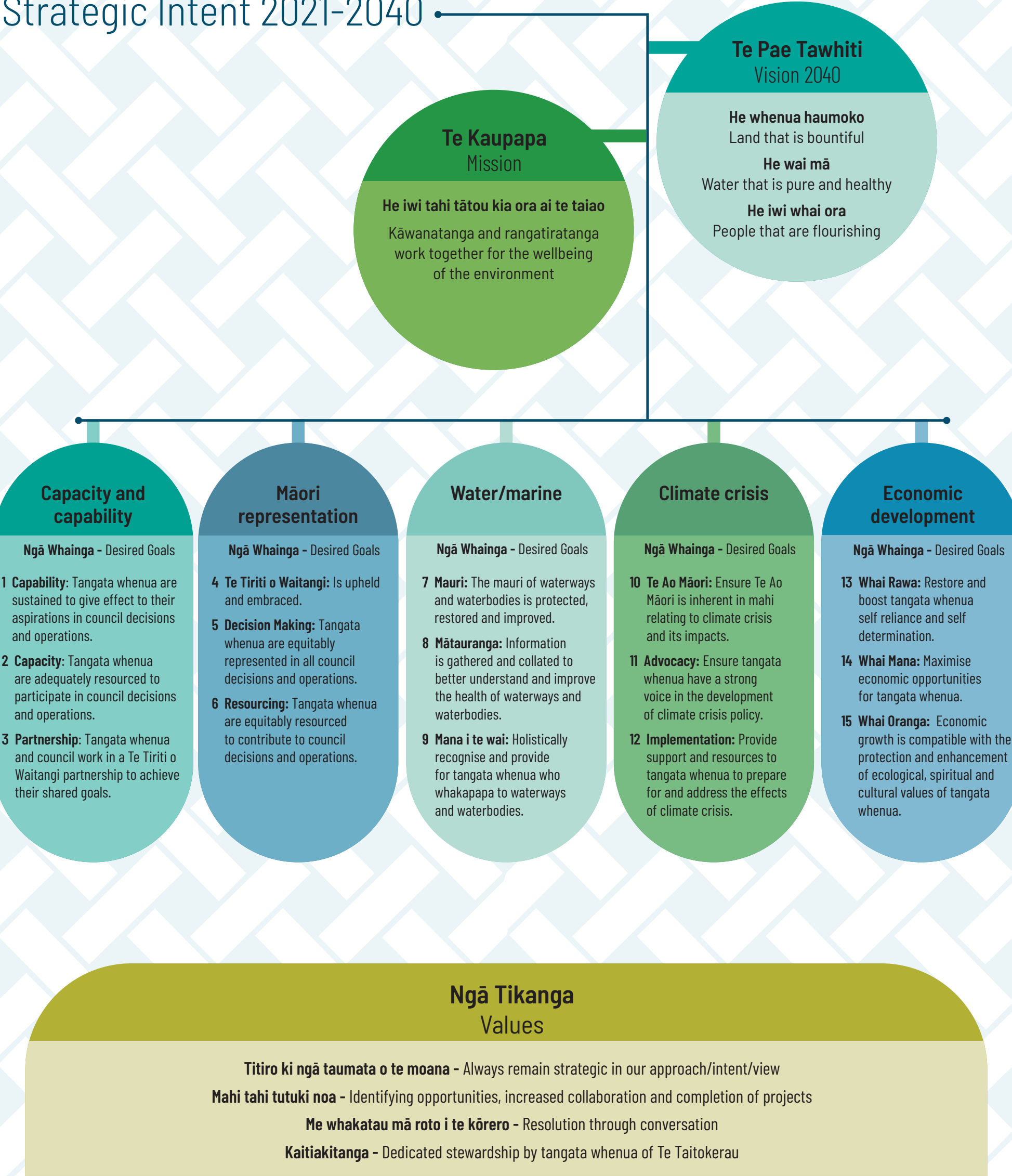


Within the context of developing a Tāiki e NRC Te Tiriti o Waitangi Strategy and Implementation Plan, the purpose of the above diagram is to try and illustrate:

1. The relationships and connections between NRC, TTMAC, and iwi, hapū and whanau (green boxes).
2. Identify key existing strategic documents that have influenced and guided the development of the broader Tāiki e NRC Te Tiriti o Waitangi Strategy and Implementation Plan (orange boxes).
3. Position the new Tāiki e NRC Te Tiriti o Waitangi Strategy and Implementation Plan (yellow box) and the cycle of its influence over NRC LTP/AP budgeting and implementation and the need for ongoing review based on council's implementation and an evolving Te Tiriti partnership (light blue boxes).
4. Recognise and acknowledge that the annual Te Tiriti Health Check will be reviewing and making recommendations for constant improvement for NRC and how it supports and upholds its Te Tiriti partnership (dark blue box).
5. Acknowledgement that Te Kahu o Taonui has not had an opportunity to be engaged and contribute to the development of the Tāiki e NRC Te Tiriti o Waitangi Strategy and Implementation Plan yet but that it is NRC's intention to engage with TKOT in the future to seek their input and guidance to broaden the NRC strategy following elections (grey box and dashed arrow).

Te Taitokerau Māori and council working party

Strategic Intent 2021-2040



NOTE In the context of He Whakaputanga me Te Tiriti o Waitangi: The significance and meaning of ‘He iwi tahi tātou’ (we are two people, one nation), as was used by Governor Hobson in 1840 at the signing of Te Tiriti o Waitangi. Tangata whenua = whanau, hapū and iwi

TITLE: **Appointment of replacement members to the Climate Change Working Party and Joint Climate Change Adaptation Committee**

From: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 18 July 2022

Executive summary/Whakarāpopototanga

This paper seeks council endorsement to fill vacancies for Te Taitokerau Māori and Council Working Party (TTMAC) representatives on the Climate Change Working Party (CCWP) and Joint Climate Change Adaptation Committee (JCCAC).

Due to circumstances such as work and hapū commitments, Nora Rameka (Ngāti Rehia) and Thomas Hohaia (Te Roroa) have confirmed that they will step down from the CCWP. Thomas Hohaia also has requested to step down as alternate TTMAC representative on the JCCAC, so it could be filled by a TTMAC representative on the CCWP. This will facilitate a conduit between the working parties and JCCAC. (Rihari Dargaville (Te Rūnanga o Te Rarawa) is the lead TTMAC representative on JCCAC.)

At TTMAC's 9 June meeting the following replacements were nominated by the non-elected Māori members of TTMAC to fill the positions:

- Lynette Wharerau (Te Whakaminenga o te Hikutu Hapū-Whanau) onto the CCWP
- Mira Norris (Te Parawhau Hapū Authority Charitable Trust) onto the CCWP
- Rowan Tautari (Te Whakapiko Hapū) as alternate TTMAC representative on JCCAC (and an existing TTMAC representative on the CCWP).

This working party represents the significant contribution of iwi and hapū to council and its decision-making processes around climate change and reflects council's commitment to building enduring relationships with tāngata whenua. Hence, replacement is sought for transparency and continuity of representation.

Recommendation(s)

1. That the report 'Appointment of replacement members to the Climate Change Working Party and Joint Climate Change Adaptation Committee' by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement and dated 18 July 2022, be received.
2. That Lynette Wharerau and Mira Norris are appointed onto council's Climate Change Working Party as a Taitokerau Māori and Council Working Party (TTMAC) non-elected (tāngata whenua) members to replace Nora Rameka and Thomas Hohaia.
3. That Rowan Tautari be appointed as the alternate TTMAC representative on the Joint Climate Change Adaptation Committee and attend meetings on behalf of the lead representative, Rihari Dargaville, should he be unable to attend.

Options

No.	Option	Advantages	Disadvantages
1	That council approves the appointment of Lynette Wharerau and Mira Norris as TTMAC representatives onto council's Climate Change Working Party, and Rowan Tautari as the alternate TTMAC representative on the Joint Climate Change Adaptation Committee.	<p>Membership is confirmed to effectively undertake the roles and functions of the working parties.</p> <p>Endorsed by TTMAC and respects the advice of TTMAC.</p> <p>Secures representation of Māori in matters that are significant to the region.</p>	Increase workload and expectation of TTMAC and nominated representation.
2	That council does not approve the appointment of Lynette Wharerau and Mira Norris as TTMAC representatives onto council's Climate Change Working Party, and Rowan Tautari as the alternate TTMAC representative on the Joint Climate Change Adaptation Committee.	Reduces financial costs and implications of time required for TTMAC members.	Reduced TTMAC representation on the Climate Change Working Party and Joint Climate Change Adaptation Committee to assist and inform council's decisions.

The staff's recommended option is Option 1: that council endorses the recommendations.

Considerations

1. Environmental Impact

Not applicable.

2. Community views

Community views have previously been canvassed on council's approach to engaging with Māori and supporting Māori participation in council processes, including the establishment of TTMAC through the Long Term Plan process. General support has been received for the establishment and continuance of TTMAC.

3. Māori impact statement

The Māori membership on council working parties is of public interest, in particular to TTMAC tāngata whenua members and, more broadly, Māori of Te Taitokerau. This decision is

consistent with feedback received from Māori and no further consultation is considered necessary before making this decision.

4. Financial implications

There are sufficient funds within the existing budget to accommodate a replacement member.

5. Implementation issues

There are no implementation issues as TTMAC appointment onto working parties is part of ongoing delivery of the Long Term Plan and staff have capability and capacity to support the implementation of these decisions.

6. Significance and engagement

This is purely an administrative matter and does not trigger council's Significance and Engagement Policy.

7. Policy, risk management and legislative compliance

This decision complies with the council's legislative requirements under the RMA 1991 (s 8) to take account of the principles of the Treaty of Waitangi and the LGA 2002 (s 4) to **maintain and improve opportunities** for Māori to contribute to local government decision-making processes.

Background/Tuhinga

Not applicable.

Attachments/Ngā tapirihanga

Nil

TITLE: **Health and safety report**

From: Beryl Steele, Human Resources Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 13
Group Manager/s: July 2022

Whakarāpopototanga / Executive summary

This report is to inform the council of the activity in Health and Safety for the period April-June 2022, including comments on the 2021–2022 financial year.

An overview/summary of the report includes:

- The health and safety reporting period is now quarterly, rather than monthly.
- Not having a Health and Safety Advisor has had a significant impact on the health and safety work programme.
- There has been an increase in the residual risk score for extended workload/stress in the Health and Safety Risk Register.
- The annual stress survey was completed, and the Executive Leadership Team have developed actions to address issues raised.
- Overall numbers of incidents/hazards or near misses reported are currently trending down however we appear to be consistently receiving a greater number of hazard related events than injury/incident related events.

Ngā mahi tūtohutia / Recommendation

That the report 'Health and safety report' by Beryl Steele, Human Resources Manager and dated 13 July 2022, be received.

Background/Tuhinga

1. Health and safety performance

A summary of the health and safety performance for the period July 2021 – June 2022 is shown in Table 1 below.

- The review of health and safety systems has been placed on hold until the Health and Safety Advisor role has been recruited.
- Reporting of contractor engagement/pre-engagement completed for the July 2021-June 2022 period shows low numbers of contractors who have successfully completed the contractor health and safety pre-engagement process. It was recognised that there was a risk that contractors were being engaged without the required health and safety information being completed or recorded correctly. Construct Health were therefore engaged to undertake an audit of the contractor health and safety systems in May 2022.

- The audit report made 12 recommendations and confirmed that there is a “significant risk to council with the number of existing contractors operating not pre-engaged and without adequately identifying and managing the hazards and risks associated to the activities.” It was recognised that missing documentation may be incorrectly filed in SharePoint, and work is being done in this area to ensure that all documentation is filed appropriately.
- An external audit of all Health and Safety processes and policies is being scoped. This is anticipated to occur once a Health and Safety Advisor has been appointed.
- The numbers of completed health and safety inductions for new staff are consistently below performance targets. This was impacted by the high number of new staff starting combined with staff working from home due to Covid19 protocols. An investigation also found an issue in the workflow process following staff changes in March, which has been addressed. As of 1 July, and moving forward, new staff inductions are expected to be achieved within two days from commencement.

Table 1: Health and safety performance lead and lag indicators July 2021 – June 2022

2021-2022 Financial Year	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY Total
% annual review of systems reviewed	0%	9%	6%	6%	15%	11%	12%	2%	0%	0%	0%	0%	61%
Audit corrective actions identified	0	0	0	0	0	0	0	0	0	0	12	0	0
Workplace inspections completed	6	0	1	1	1	0	2	1	1	0	0	3	13
Number of vehicle events	1	1	3	1	1	0	0	2	3	0	2	3	17
Number of contractor events	1	1	0	0	3	1	0	0	1	1	1	0	9
Contractors successfully pre-engaged	1	0	0	0	0	0	0	1	1	0	3	1	7
H&S trainings completed	19	1	0	16	1	1	10	17	30	0	36	0	95
New workers H&S inducted	88%	97%	84%	75%	75%	71%	67%	50%	57%	10%	33%	18%	60%
Health monitoring vaccine programmes completed													0*
Health monitoring programmes completed													16*
Incident Investigations										Current / underway	Completed in last 3 months	Completed in last 12 months	FY Total
										16	33	133	149

*Based on calendar year

2. Risk management

As of the end of June 2022, there are 90 risks listed in the NRC Health and Safety Risk Register. Table 2 below shows the top ten risks for the organisation, identified by their residual risk score. Residual risk scores are calculated after all controls have been put in place, and are between one and 25.

Risk Updates

- There have been no changes to the top ten risks over the three month period from April – June 2022.
- Extended workload/stress risk has been reviewed. It was identified that the controls/mitigation strategies are not working, and the the residual risk score has increased from nine to 12. There has been a change to how risks are identified over the July 2021 – June 2022 period. The top risks as of July 2021 included *Operating pumps* and *Sampling at Tangiteroria water quality site*. These are specific activities, and the appropriate health and safety risk for these are manual handling and working around water respectively.
- The risk register is still in the process of being transferred to Promapp.

- Dealing with aggressive people – psychological harm has been reviewed. The risk scores in the risk register are considered to be appropriate. It was noted that for teams where dealing with aggressive people is more common, there is a tendency to normalise occurrences.
- The annual stress survey was undertaken in November 2021, with the top three contributors to stress identified as excessive workload, lack of time and difficulty managing/meeting deadlines, and challenges working with NRC systems. Results were provided to the Executive Leadership Team (ELT), who have developed actions to address issues, particularly those relating to workload. These have been presented to council.

Table 2: Top ten Health and Safety risks as at 30 June 2022

Risk	Residual risk score
Working with Contractors	16
COVID-19 pandemic	16
Extended workload/stress	12
Dealing with aggressive people – psychological harm	10
Workplace bullying and harassment <i>Note: This due to potential risk, not high numbers</i>	9
Sedentary work - working at computers and laptops (including both in the office, and at home)	8
Working under the influence of drugs and/or alcohol	8
Slips, trips, and falls	8
Driving motor vehicles – accident related events causing injury or other trauma	8

3. Injuries, incidents, and hazards

149 events were reported in the July 2021 – June 2022 period. Figure 2 below shows the number of injury/incident related events, as compared to hazard related events, for each month. Table 3 below shows the risk profile for reported events, compared with previous financial years.

Overall numbers of incidents/hazards or near misses reported are trending down for both the period from April – June 2022 and for the year July 2021 – June 2022. There has been a decrease in ‘major’ and ‘moderate’ events reported, as well as a decrease in the number of ‘minor’ events reported.

Low numbers of reported events are likely due to staff not reporting the minor events, likely because they do not consider them to be significant. Staff continue to be encouraged to report minor events, as these help to build the picture of the type of work NRC engages in and help with correctly assigning the associated risks.



Figure 2: Number of hazard and injury/incident related events reported for the previous 12 months

Table 3: Reported events by risk profile

Period	Minor	Moderate	Major	Severe
2020	35	41	49	0
2021	28	58	47	0
2022	16	99	34	0

Events reported

Incidents, hazards and near misses that are reported are assigned a *Risk Description*. Figures 3 and 4 below show the event types (based on risk description) for the April – June 2022 quarter and the top ten event types for the July 2021 – June 2022 period.

The top event types for April – June 2022 were *vehicle accident/incident* and *slips trips or falls*, and this is indicative of the number of staff using vehicles and undertaking business as usual duties out in the field. These two event types were also in the top three for the July 2021 – June 2022 period.

The most common event reported for the July 2021 – June 2022 period is vehicle speeding. These include speed camera tickets issued, and E-road reports where vehicles were recorded travelling 20+ km over the speed limit (excluding areas where speed limits change). A review of the number of speeding events, how they are followed up and numbers of repeat offenders is being undertaken by the Health and Safety Committee.

The increase in the number of events involving aggressive customers was raised at a H&S Representative meeting, and the use of body cameras was advocated. This is now being discussed by the Health and Safety Committee.

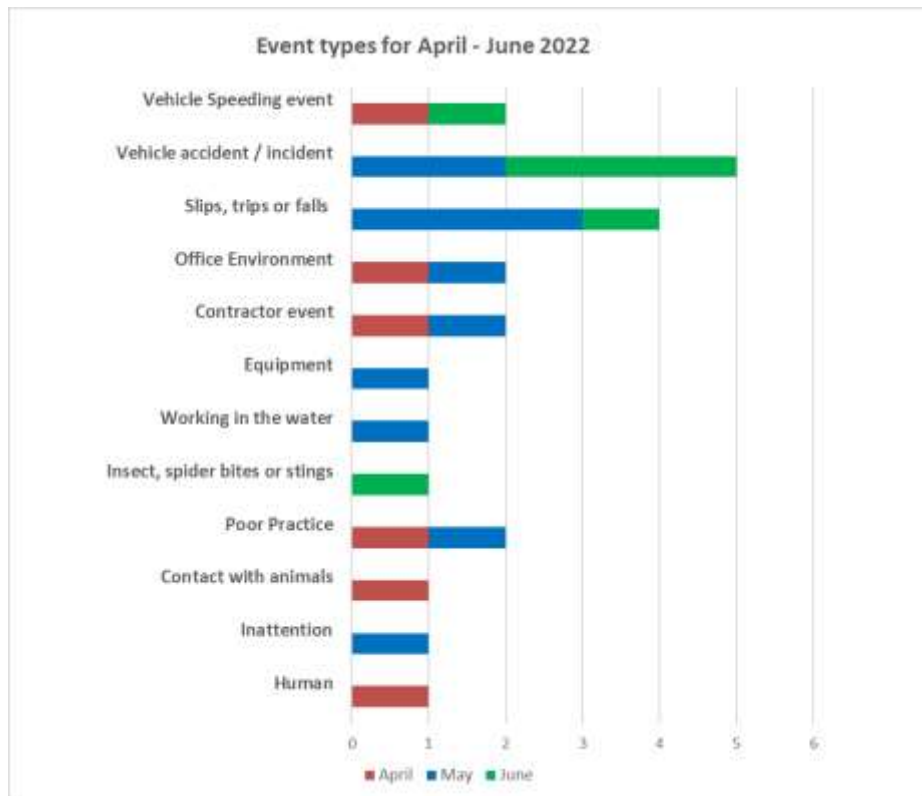


Figure 3: Event types reported for previous quarter

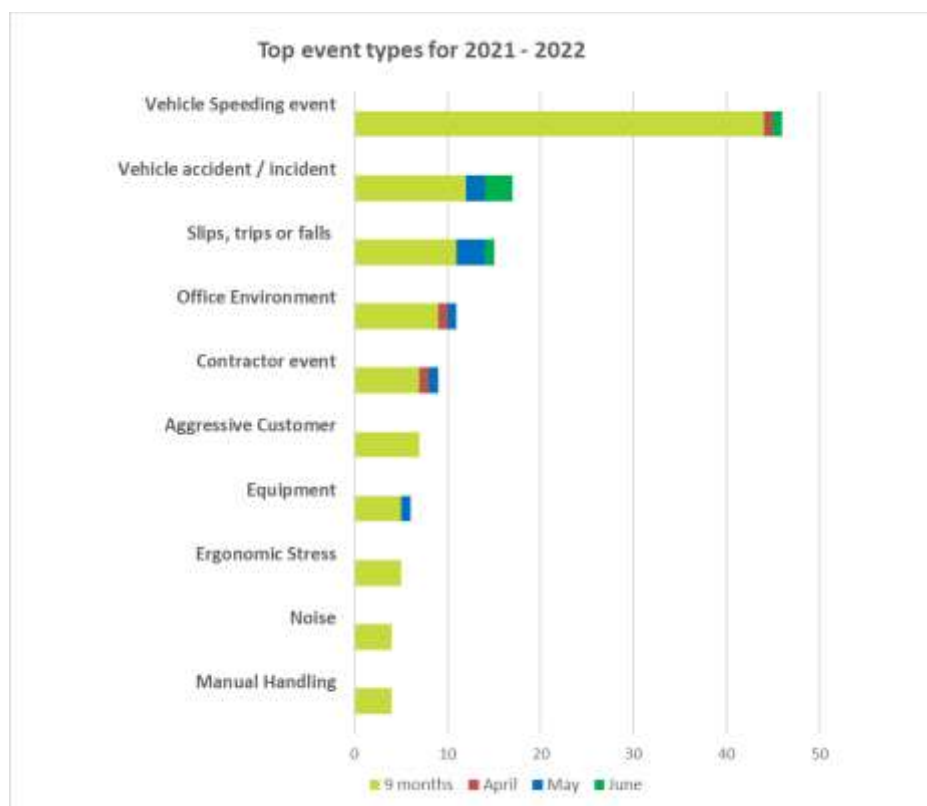


Figure 4: Top event types for previous 12 months

Events of interest

Note: the events of interest only detail high risk events, or events which affect large groups of people.

The following events are from the quarter April – June 2022.

- A contractor was undertaking a routine site visit for an environmental incident. The landowner threatened to set his dogs on them, and then run them down.
- A vehicle was not visible on the E-Road buddy system, meaning the assigned buddy was unable to check on the location of the relevant staff members. E-Road was checked to ensure that all vehicles are visible.
- A contractor engaged to undertake drone surveillance encountered two aircraft that disregarded the NOTAM that had been lodged and crossed over the operational zone.
- Staff member fell into a waterway while attempting to retrieve a piece of equipment. Investigation determined that not all safe working procedures were followed. The team was reminded that safety controls are there for a reason.
- There were five incidents involving vehicles. This is reflective of staff reporting incidents that occur while undertaking business as usual duties.

4. End of financial year review

Table 4, below, shows a breakdown of the numbers of reported injury/incident and hazard events, compared with previous financial years. Speeding events have been recorded for the first time and are clearly a significant event type.

Table 4: Injury/incident and hazard events reported by type.

Period	Injury/incident related									Hazard related			
	LTI	ACC W	DPI	MTI	FTI	INMT	INC	WS	Speeding	Near Miss	HAZ	SEC	PD
2018	8	4	28	0	2	0	19	0	-	7	45	2	0
2019	1	10	45	2	2	0	10	0	-	12	9	4	0
2020	2	8	7	0	14	3	29	0	-	29	23	3	4
2021	2	2	15	9	15	7	22	1	-	22	25	2	11
2022	1	1	6	6	8	1	23	1	45	19	28	0	10

LTI – Lost time injury

ACC W – ACC work related injury

DPI – Discomfort, pain or injury (ergonomic harm)

FTI – First aid treatment injury

INMT – Injury no medical treatment

INC – Incident

WS – Worksafe notifiable event

HAZ – Hazard

SEC – Security event

PD – Property damage

Figure 5 shows the relationship between hazard events and injury/incident events for the July 2021 – June 2022 period, as compared to previous years. The trend lines show an increase in hazard related events and a decrease in injury/incident related events. For the first time in five years, the number of hazard related events is greater than injury/incident related events. This means we have achieved the goal from last year's report.

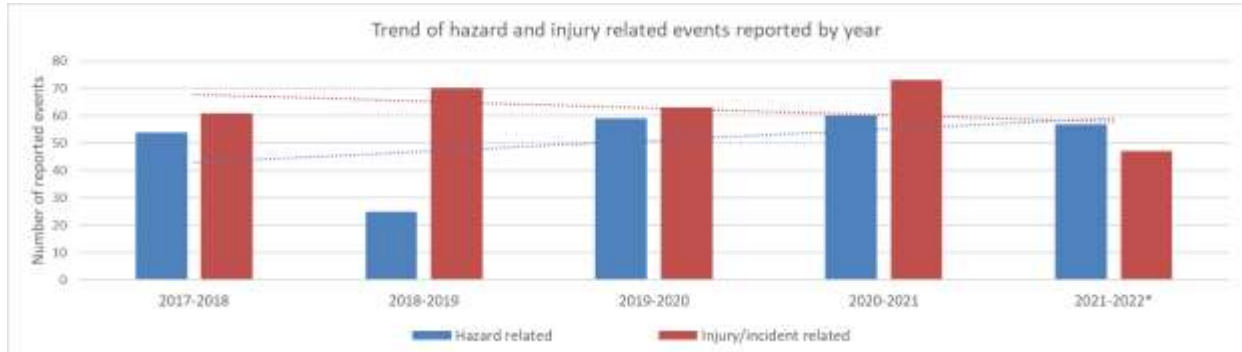


Figure 5: Number of hazard and injury/incident related events for previous 12 months

5. Health and safety strategy work programme

The Health and Safety Committee met in July 2021 to identify priority outcomes from the revised Health and Safety Strategy. From this, six outcomes were selected from the five pillars of the strategy.

- Annual health monitoring programme is undertaken (Hazards and risk)
- Near misses and incidents are triaged as soon as possible, but within 48 hours (Injury and Illness)
- Work related stress and mental health factors are identified and managed (Wellbeing)
- The organisations culture supports wellbeing (Wellbeing)
- Our leaders actively model and encourage H&S Excellence (Communication and engagement)
- All our people understand they are responsible for their own H&S (Communication and engagement)

A work programme for the priorities was developed, however progress and completion were severely hindered by the NRC Covid19 response, and the loss of the Health and Safety Advisor in February 2022.

See Attachment 1 for a summary of activity undertaken for each of the strategy pillars during the year July 2021 – June 2022.

6. Legislative changes

In September 2021, the Ministry for Business, Innovation, and Employment (MBIE) began consultation for reform of the Health and Safety at Work Act, 2015. Their focus is on hazardous substances, plant and structures, hazardous work, and young people in the workplace.

Attachments/Ngā tapirihanga

Attachment 1: Health and Safety Strategy priority outcomes [↓](#) 




Health and Safety Strategy priority outcomes

The health and safety committee have outlined the following five outcomes as key priorities to begin with. Each has an action plan established.

1. The organisation's culture supports wellbeing.
2. Our leaders actively model and encourage health and safety excellence. This has been combined with all our people understanding that they are responsible for their own health and safety.
3. Work related stress and mental health factors are identified and managed.
4. Near misses and incidents are triaged as soon as possible, but within 48 hours.
5. Annual health monitoring is undertaken.

Guide to strategy reporting

Traffic light colours (green, yellow, red) are used to indicate the status of an item. The meaning of each status is defined below.

Colour	Definition of Status
	Operating to plan. Targets mostly being achieved. Work tracking to agreed timeframes
	No consistent improvement, remedial actions needed. Issues managed but not overcome
	Issues/problems. Insufficient action and/or skills, resources. Timeframes not being met

Health and safety performance towards strategy

Strategy Pillar	Operating to plan	Remedial action needed	Issues/problems	Notes
Hazards and risks	<ul style="list-style-type: none"> Generic risk assessments are being completed/approved in field teams. Health and safety representatives (H&S Reps) were trained on how to induct new staff members and undertake low risk investigations. Numerous Health and Safety training courses were carried out. A list of which can be seen on page 4. The PPE Policy and PPE Catalogue were reviewed and updated. Floor inspections by H&S Reps were undertaken in March and June. Tsunami evacuation procedure was developed 	<ul style="list-style-type: none"> Not yet up to 100% of new people inducted Emergency procedures for regional offices need updating Mobile Take 5 forms have been developed but need streamlining and dashboard needs improving 	<ul style="list-style-type: none"> Risk treatments need to be completed in Promapp. Duplicate system for the risk register (spreadsheet and Promapp) creates potential misinformation. Annual health monitoring programme was not undertaken. 	<p>'Hazards and Risks' is a new pillar in the 2021-2022 strategy. There is a lot of work in this area to be done.</p> <p>Inductions are not at 100% completed having H&S reps catching up on people who had not been completed.</p>
Injury and illness	<ul style="list-style-type: none"> Most incidents are reported with 48 hours of occurrence. H&S Reps received training on how to undertake incident investigations. 	<ul style="list-style-type: none"> Speeding is being addressed through frequent reporting and monitoring. This is however still a work in progress. A process for H&S reps to assist in investigations was developed. Completion within a reasonable timeframe is still a work in progress. 	<ul style="list-style-type: none"> There are still incidences of workers speeding more than 20km/h over the limit. 	
Wellbeing	<ul style="list-style-type: none"> Wellbeing related trainings and activities have been carried out. The full list is on page 3. Wellbeing committees' activities are well received in the organisation. In-house resilience and stress training is being provided. A stress survey was carried out in November 2021 	<ul style="list-style-type: none"> The wellbeing group are writing a digital policy as it relates to our people's wellbeing – i.e., the need to 'switch off'. 	<ul style="list-style-type: none"> Workload and stress remain a challenge in some areas. 	

	<ul style="list-style-type: none"> Have reviewed areas where we can stop or delay work to help reduce workload issues. Encouraging staff to take advantage of our flexible working policy. 			
Communication and engagement	<ul style="list-style-type: none"> H&S Committee and Representative groups were updated after the restructure. Regular H&S spotlights and updates were posted to express (note: this stopped when the Health and Safety Advisor resigned). The Health, Safety and Wellbeing Policy was revised in August 2021 to include responsibilities for the Executive Leadership Team (ELT). The Health and Safety Committee was re-elected in November 2021 to reflect changes to the organisation's structure – nine members were elected, one from each of the five groups and three general roles. 	<ul style="list-style-type: none"> H&S is yet to be a standing item at all meetings. Leaders and new managers need upskilling in modelling H&S. The H&S Spotlight dropped off in the absence of a H&S Advisor. 	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> The H&S committee is working on how to better engage leaders and managers in H&S.
Learn and improve	<ul style="list-style-type: none"> The frequency of the Health and Safety Report has been reduced from monthly to quarterly. 	<ul style="list-style-type: none"> Incident and risk tracking (spreadsheets) cause delay in reporting and monitoring. After completing a contractor review with results highlighting areas for improvement it was decided to get an audit done for all H&S policies and processes. There are a few policies due for reviewing. This will be done once a new H&S Advisor is on board. 	<ul style="list-style-type: none"> Not all contractor documentation is being filed in appropriate places – this is based on the premise that it is filed elsewhere. 	<ul style="list-style-type: none"> An external audit is being scoped for August/September to gain insight into our systems.

Health and Safety training carried out:

- CERT Training (Situational Awareness and Tactical Communication)
- Four-wheel drive
- Outdoor first aid
- Health and safety contractor management
- Mental health 101
- Height safety awareness
- Kayak training
- Wader and water safety
- LUV training
- Emergency oxygen provider training
- Chemical handling and storage
- Fire warden
- Stage 1 H&S Rep

Wellbeing activities carried out:

- Providing soup in June: not only encourages healthy eating and a bit of winter warmth but also supports the “giving” pillar of wellbeing model
- Focus on prioritisation and planning of work for year ahead, including digital wellbeing, physical challenges for staff, wellbeing speaker series and wellbeing training for managers
- Supporting the redevelopment of the Water Street courtyard as a space where staff can meet, connect and socialise
- Supporting admin staff to experience time in the field – build relationships, connect, get outdoors and get a better sense of belonging in terms of how they fit with the focus areas of the organisation
- Promoting and coordinating mental health workshops
- Participation and promotion of a Winter Warmer Fitness Challenge (July 2021), the Steptember challenge (September 2021), the Love to Ride Aotearoa Bike Challenge (February 2022), the Active Workplaces – Wellbeing Challenge (March/April 2022)
- Providing fruit in the canteen
- Tautoko toolkit (wellbeing resources on express for staff) 2021
- Wellbeing kits for staff working over the Christmas/New Year break
- Office competition for Christmas decorations
- Creation of a wellbeing library
- Support of Daffodil Day and Mental Health Awareness Week
- Supporting Pink Shirt Day to raise awareness of bullying and support diversity and inclusion at work
- Mental health literacy webinar in Aug 2021
- Provision of journal packs for staff
- Coordination of a COVID volunteer army to support staff while they were isolating

TITLE: Chair's Report to Council

From: Penny Smart, Chair

**Authorised by
Group Manager/s:** Penny Smart, Chair, on

Purpose of Report

This report is to receive information from the Chair on meetings/events attended, and correspondence sent for the month of June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 15 July 2022, be received.

Meetings/events attended

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

- NRC/DOC MoU Signing
- Extension 350 Event
- Reforms update - Mayors, Chairs and Chief Executives
- LGNZ Unpacking resource management reform
- Meeting with Minister Kelvin Davis
- He Waka Eke noa webinar Dairy NZ
- Te Kawa Waiora Research Team Project

Correspondence

During June I sent out the following correspondence:

Date	Addressed To	Subject
02.06.2022	Director, Center for Biodiversity & Biosecurity, University of Auckland	Nga Ara Whetu Research Centre
02.06.2022	NRC Manager Community Engagement	Congratulations Letter for Emerging Leader of the Year Award
07.06.2022	Far North District Council	Congratulations Letter for 2022 LGFA Taituarā Local Government Excellence Awards

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

From: Malcolm Nicolson, Tumuaki - Chief Executive Officer

Authorised by Group Manager/s: Malcolm Nicolson, Tumuaki - Chief Executive Officer, on 19 July 2022

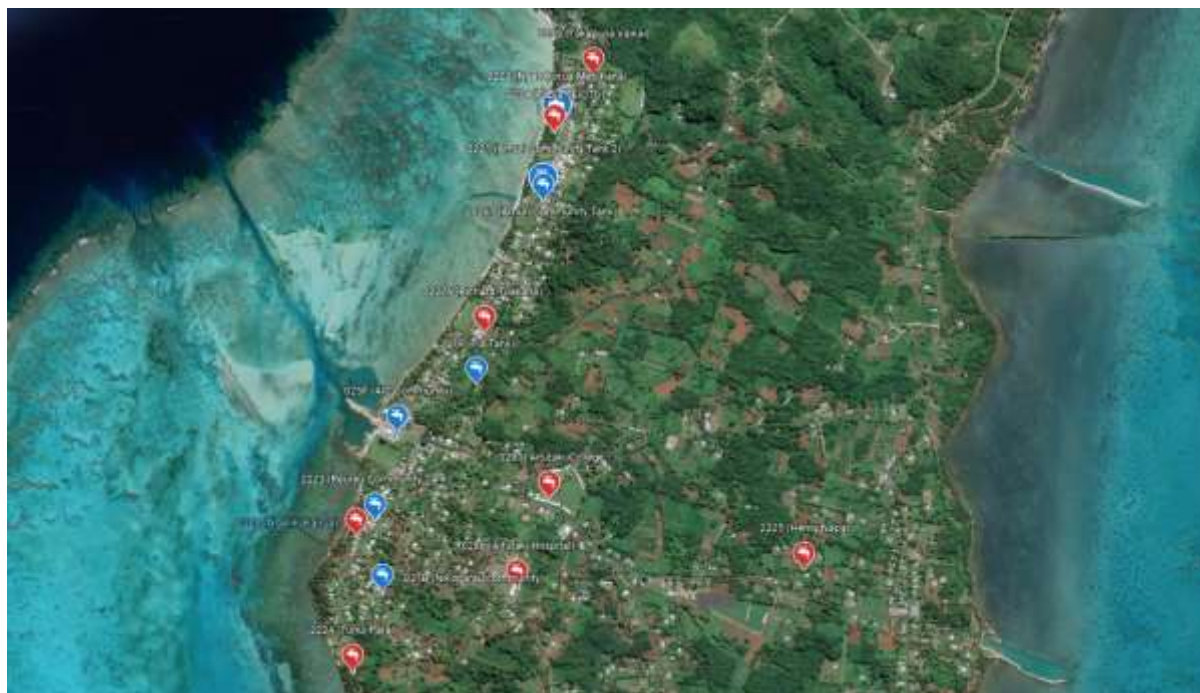
Ngā mahi tūtohutia / Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 1 July 2022, be received.

7.3.1 HIGHLIGHTS

Aitutaki Range Test

It is pleasing to see the trials to improve water resilience in remote communities undertaken by NRC now being implemented to support our Pacific neighbours. The first rollout in Aitutaki now underway. This trial was undertaken by Civil Defence and previously report to council



7.3.2 CEO'S OFFICE

Current Legal Proceedings

Department	Description	Status
Consent decision appeal	Two separate consent applications for replacement and new consents relating to a proposed expansion of, Doug's Opua Boat Yard in Walls Bay, Ōpua	The Court has advised that a hearing is required for these appeals. All evidence is to be presented to the Court by 19 August 2022. A hearing date is yet to be confirmed.

Department	Description	Status
Consent decision appeal	Irrigation of avocado orchards and horticulture crops	The Court adjourned the hearing on 30 June 2022 and has requested final submissions to be provided. The Court will then make an interim decision on the applications. The Judge has indicated that due to prior court commitments, it may be up to three months for an interim decision and at least six months before a substantive decision will be issued.

7.3.3 CORPORATE SERVICES

Enterprise System Update

	Status	Notes
Timeline		Tracking according to plan
Budget		Tracking according to plan
Quality		Tracking according to plan
Key:		
		Tracking according to plan
		There are challenges, but they can be addressed at project level
		There are issues that cannot be resolved at project level, need help from the project governance group

Finance

The Finance team are currently working towards completing the 2021/22 year-end draft accounts for audit review, hence there is no financial report included in the July 2022 council agenda. These draft annual accounts will be presented to the August council meeting. Deloitte will be onsite from 22 August until early September completing their review of the final accounts, which are set to be given audit clearance and be adopted by council at the council meeting on 27 September 2022.

An verbal update on the year end externally managed fund performance will be provided at the meeting based on the Eriksens Global June 2022 report.

Council Property Update

- Due diligence is being undertaken for the purchase of two property holdings in Whangarei's CBD.
- Staff from both councils are now operating out of the Kaipara Service Centre. The Property Team will continue to work on transition issues as the full staff contingent moves into the building. Expansion of the solar energy array at the KSC occurred in late May 2022 and it will now meet 30 to 45% of the building's weekday electricity demand, up from 15% in the original design.
- The NIWA Kingfish RAS head contractor, CB Civil are currently focused on completing the RAS treatment tanks, progressing the pipework and central suspended access way. The last of the specialist equipment is now in New Zealand and the 'material supply' risk to the project is decreased substantially. The completion timeframe currently looks achievable but very tight.

LGOIMA Process Review

Council's process under the Local Government Official Information Act (LGOIMA) has been undergoing review for the purpose of continuous improvement. This is concurrent with the transferral of LGOIMA process management from the governance team to the corporate strategy team.

The review has included a self-assessment of council's LGOIMA processes based on the Ombudsman's 'Key dimensions' indicators and development of an improvement plan based on this. Staff provided this plan, and the suite of councils own existing guidelines and tools, to the office of the Ombudsman for their review. This was followed by a meeting with the staff from the office of the Ombudsman on 17 June, where the materials, self-assessment, and roadmap were discussed. The office of the Ombudsman appreciated councils proactive approach and will provide written feedback on council's material as well as working with staff to arrange ongoing LGOIMA training as required.

Staff will continue to engage with the Ombudsman office as they proceed with the implementation of the improvement plan.

Regional Accessibility Strategy

In May 2019, the Chief Executive Forum raised the possibility of developing a region-wide disability (now accessibility) strategy for Northland. The purpose of the strategy would be to enable people with access needs to live, work, play, visit and participate across our communities, in a more inclusive and equitable way.

A cross-council working group, comprising staff representatives from the three district councils and NRC, have been working to advance development of an accessibility plan, which may be a strategy or other initiative. Work to date has included:

- Seeking feedback from the Disability Advisory Group on the process of strategy/plan development and subsequent action plans
- A survey to assess the needs of the community
- A survey to gain insight from staff across all four councils on accessibility

The next step in the project is to carry out a round of community engagement to gather more in-depth information from access needs communities. Guiding documentation and a consultation plan to properly support this process is almost complete, including a shared webpage to support the engagement and a social pinpoint page which facilitates feedback via several different platforms. All material produced for engagement must be suitably accessible, with required translations planned to be carried out over the coming weeks.

Once the engagement has been carried out, feedback will be analysed and a plan, strategy, or other suitable initiative drafted in conjunction with a group of stakeholders from the access needs community.

Council approved funding in their 2021 Long Term Plan for implementation of a strategy, which is budgeted from 2023/24 onwards.

7.3.4 regulatory services

Consents in Process

During June 2022, a total of 113 Decisions were issued. These decisions comprised:

- | | |
|-----------------------------|----|
| • Moorings | 2 |
| • Coastal Permits | 7 |
| • Coastal Discharge Permits | 3 |
| • Land Discharge Permits | 20 |
| • Land Use Consents | 24 |
| • Water Permits | 45 |
| • Water Takes | 4 |

• Bore Consents

8

The processing timeframes for the June 2022 consents ranged from:

- 4427 to 0 calendar days, with the median time being 35 days;
- 2980 to 0 working days, with the median time being 21 days.

Thirty-five applications were received in June 2022.

Of the 168 applications in progress at the end of June 2022:

- 29 were received more than 12 months ago;
Reasons for being more than 12 months old:
 - Awaiting additional information (including CIAs) 12
 - Consultation with affected parties/stakeholders 4
 - On-hold pending new rules becoming operative 6
 - Other 7
- 25 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 114 less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in June 2022.

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

The current level of notified application processing activities at the end of June 2022 is (*by number*):

- Applications Publicly/Limited Notified During Previous Month 1
- Progress on Applications Previously Notified 5
- Hearings and Decisions 0
- Appeals/Objections 2

COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 30 June 2022 (and year-end figures) are summarised in the following table and discussed below.

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Air Discharge	38	33	3	0	0	2
Bore Consent	28	25	3	0	0	0
Coastal Discharge	30	19	8	2	0	1
Coastal Permit	68	49	6	0	1	12
Land Discharge	127	51	28	6	0	42
Land Use Consent	122	63	5	0	1	53
Water Discharge	64	39	9	7	3	6
Water Permit	161	53	4	1	0	103
Water Take	165	111	30	8	0	16
Total	803	443	96	24	5	235
Percentage		55.1%	12.0%	3.0%	0.6%	29.3%

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Year to date	7279	4928	912	451	82	906
Percentage		67.7%	12.5%	6.2%	1.1%	12.5%

Coastal Compliance Monitoring

Compliance monitoring letters for all marine farms have been completed. Follow-up enforcement action is underway.

Annual stormwater monitoring has been undertaken at Norsand Boatyard, Dockland 5 and Oceania Marina (Port Road, Whangarei). Initial stormwater monitoring visits have revealed that only 'primary' stormwater treatment is present on heavy industry sites, directly discharging to the Hatea River.

The Coastal and Land compliance team have also been giving ongoing support to the Consents team to improve monitoring conditions for the management and treatment of stormwater discharges in resource consent applications or renewals, including requesting a 10-year resource consent expiration for all stormwater discharges on heavy industrial (including boat yard) sites to maintain best practice.

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

- Contaminated Land Management*

Three incidents involving the discharge of hazardous substances and 18 enquiries regarding contaminated land were received and responded to. Five hundred and forty kilograms of hazardous waste was disposed of at the amnesty day, and 10 sites were added to the Selected Land-Use Register.

- Municipal Wastewater Treatment Plants – see table below.*

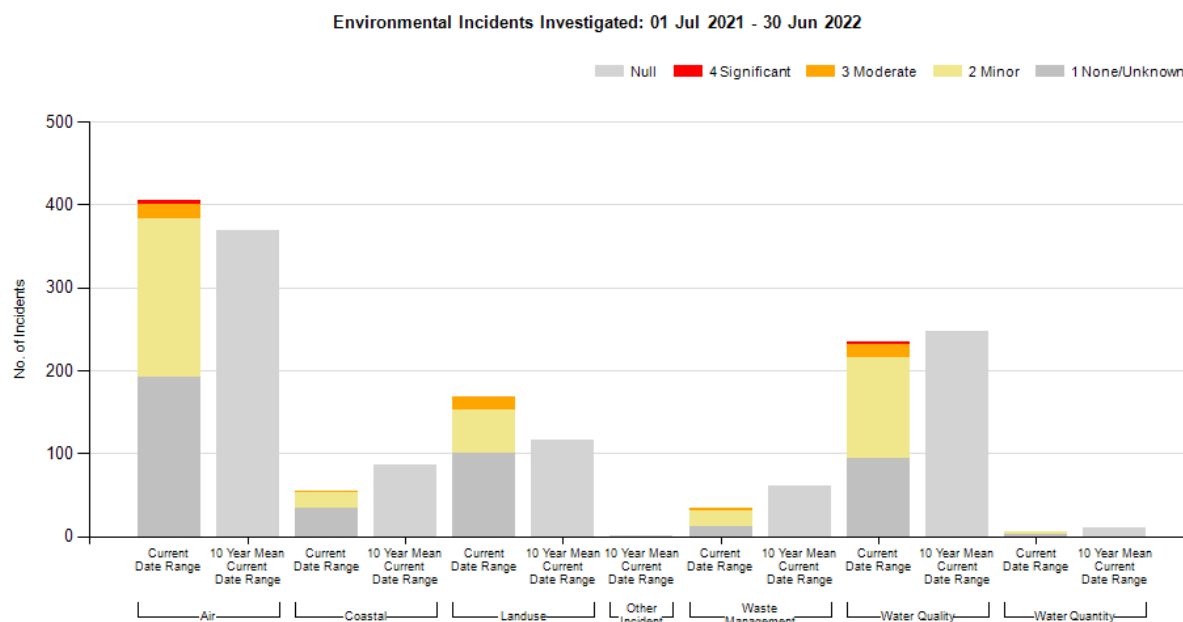
WWTP/Consent Status	Issues (July 2022)	Enforcement Action/Response
Far North District		
Ahipara Expires 2033	Ongoing non-compliance with bacteriological consent limits	<u>Under AN</u> FNDC investigating land disposal options
Hihi Expires 2022	No recent issues	None currently
Kaero Expires 2022	No recent issues	None currently
Kaikohe Expires 30 November 2021	Intermittent non-compliances with ADW flow, ammonia and bacteriological consent limits. System overdue for de-sludging	None currently Issues will be addressed in replacement consent
Kaitiāia Expires 30 November 2021	No recent issues	<u>Under AN</u> (reticulation overflows) Issues will be addressed in replacement consent
Kawakawa Expires 2036	No recent issues	None currently

Kerikeri Expires 2036	No obvious issues from new plant (commissioned in December 2020)	<u>Under AN</u> We are keeping the Kerikeri WWTP abatement notice in place until we were sure the new plant is operating within the consent conditions
Kohukohu Expired 2016 (replacement consent application on hold)	Occasional issues with bacteriological conditions of consent	None currently
Opononi and Omāpere Expired 2019	Non-compliances with bacteriological consent limits Desludging overdue	<u>Under AN</u> Issues will be addressed in replacement consent; desludging to be undertaken
Paihia Expires 2034	Plant upgraded 2019; alkalinity issues preventing optimal ammonia treatment	None currently Alkalinity improvement project still in progress
Rangiputa Expires 2032	No recent issues	None currently
Rāwene Expires 2023	System overdue for de-sludging	None currently
Russell Expires 2024	Occasional non-compliances with E. coli consent limit post UV	<u>Under AN</u> Infringement notices issued January 2022 and June 2022 Improvements underway
Taipā Expires 2029	No recent issues	None currently
Whatuwhiwhi Expires 2025	Elevated TSS levels (consent limit may be unnecessarily restrictive)	FNDC to seek consent variation to address TSS levels – however this is not a priority <u>Under AN</u> for odour from Tokerau Beach public toilet pump station
Whangarei District		
Hikurangi Expires 2025	Intermittent issues with plant performance	None currently Plant performance being reviewed to identify improvements
Ngunguru Expires 2035	No recent issues	None currently
Oakura Expires 2025	Occasional spikes in E. coli	None currently
Portland Expires 2024	No recent issues	None currently
Ruakaka Expires 2046	No recent issues	None currently
Tutukaka	No recent issues	None currently

Expires 2024		
Waiōtira Expires 2030	No recent issues	None currently
Waipū Expires 2030	No recent issues	None currently
Whāngārei City Expires 2022	No recent issues	<u>Under AN</u> for odour from plant
Kaipara District		
Dargaville Expires 2022	Non-compliances with WQ discharge volume consent limits	<u>Under AN</u>
Glinks Gully Expires 2024	No recent issues	None currently
Kaiwaka Expires 2022	No recent issues	None currently
Mangawhai Expires 2042	Odour complaints and occasional exceedances of TDS consent limit	<u>Under AN</u> Infringement notice issued December 2021
Maungaturoto Expires 2032	Intermittent non-compliances, generally due to high rainfall	<u>Under AN</u>
Te Kopuru Expires 2044	Intermittent minor non-compliances	Second aerator installed 2020

Environmental Incidents

Seventy-one incidents were closed during the period 1 June to 30 June 2022. For the year ending 30 June 2022, a total of 946 incidents were reported to the Environmental Hotline. Of these 410 (43%) were air quality incidents, followed by 245 water quality; 181 land use; 64 coastal; 40 waste management and six water quantity incidents. Site visits were made to 64% of all the incidents reported to council. Four hundred and thirty-three (46%) incidents were confirmed to be a breach of a rule, national regulations or a resource consent. The chart below compares the 2021/22 year with the average for the previous 10 years. As can be seen, the 2021/22 year saw more air and land use incidents but less of the other incident types. However, over all the numbers are fairly consistent for the last 10 years.



ENFORCEMENT

Abatement Notices, Infringement Notices and Formal Warnings

The following is a summary of the abatement and infringement notices issued:

Action Type	Number for June 2022	12 months to 30 June 2022
Abatement Notice	8	200
Infringement Notice	10	92

Other Enforcement

- Open burning on industrial/trade property – Whangārei**
 Charges were laid against an individual for open burning on industrial/trade premises; the burnt items included prohibited items. All witnesses gave evidence in front of Judge on 25 May 2022. Filing submissions have been filed as per timetable. The set date for decision was 4 July 2022. Registrar notified us on 29 June 2022 that Judge will not have the decision ready by 4 July. Registrar will notify parties when new date has been set.
- Breach of enforcement orders - Kaitia**
 An individual did not complete the work required by enforcement orders issued on 6 November 2020. The enforcement orders included remedial work on a contaminated land. On 28 June 2022, charging document has been filed to court for prosecution. The first appearance date allocated by the Court is 29 July 2022.
- Vessel occupying CMA and removal of asbestos from CMA – Town Basin, Whangārei**
 An enforcement order was applied for on 23 November 2021 against an individual for occupying the coastal marine area (CMA) with a boat without consent, and for reimbursement of costs associated with work to remove cladding material containing asbestos that had been

deposited within CMA. Following a joint memorandum, the individual has arranged a place to legally moor the boat. Settlement agreement was signed in early June 2022 settling the reimbursement of NRC costs for removal of cladding containing asbestos.

- *Earthworks and vegetation clearance within a wetland – Teal Bay*
Charges were laid in the Whangarei District Court on 7 December 2021 against four parties for offences relating to earthworks, vegetation clearance and discharge of sediment that occurred in December 2020. A joint memorandum was signed on 28 June 2022 to prove on one issue; whether wetland is a natural wetland or a constructed wetland. This issue is relevant for some of the charges. NRC expert evidence is to be filed by 15 July 2022 and the defendants' expert evidence is to be filed by 25 August 2022. If outcome of process is that wetland is a natural wetland, then the four defendants will enter guilty pleas to all charges.
- *Farm dairy effluent - Hikurangi*
On 28 June 2022, charges were laid in Whangarei District Court against four defendants for offences relating to the discharge of farm wastewater that occurred in November 2021. First appearance date is 17 August 2022.

7.3.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Sustainable Hill Country and Regional Priorities Milestones	Status
Poplar timber research	This research is progressing well with a range of poplar timber products being tested for durability and how well they take preservative treatment. In addition, a small building (10 m ²) will be constructed using standard industry construction methods to test poplar cladding, window joinery, decks and framing. The poplar timber is available as a result of our sawmilling and treatment research. We have prepared the timber and the building is under construction. We will report on the acceptability of our poplar timber as a construction material for constructing the building and will also compare and contrast poplar with existing materials in 2022. This research is highly innovative, and NRC are leading the way in respect to providing hard data for end-of-life use of poplar timber. This research is fully funded by MPI, with results to date published in the NZ Journal of Forestry.
Soil Conservation Strategy	Phase 1 of the strategy is underway with the first workshop held on 16 June covering: <ul style="list-style-type: none"> • Key issues the strategy needs to respond to (problem definition) • Clarify scope of literature review – what types of interventions and what parameters i.e., cost, effectiveness, impacts • Confirm approach to analysis of erosion sources (including what level of certainty is feasible / appropriate). The strategy will be delivered in December 2022.
Land treatments – Retirement fencing	By year end, 15 fencing projects with a combined length of 19km retired 149ha from pastoral production exceeding the 84ha target (177% completed).



Left: Poplar cabin under construction

Right: Thermally modified poplar timber front door



Environment fund progress

COVID-19 and other supply issues seem to have impacted farmers' ability to complete their fencing grants this year, causing a late rush for signoffs. The final reconciliation of the fund will be reported in July.

Whangārei urban awa project

Key updates for this project:

- An information brochure has been designed to go to those in the Otaika catchment (newly extended project area) and those in the original catchments who have not yet made contact.
- Two fencing projects were completed in Q4 totaling 275m and included one trough.
- Three sites have been sprayed out, ready for planting.
- The new Project Lead has started allowing for a full-time focus back on the project.

BIODIVERSITY

FIF Dune Lakes Project

Objective	Status
Aquatic weed and pest fish control	Staff arranged a site visit to the lakes with wetland vegetation damage with EPA compliance staff and consultant ecologist. EPA are awaiting the ecologist report and will then assess potential breaches of consent conditions and next steps. The EPA monitoring and annual report required under our permission to use Aquathol was prepared and sent this month. More Aquathol for Lake Karaka hornwort control was ordered.
Sediment and nutrient mitigation	Tender approved for wetland construction at Lakeland Station, between Black Lake and Lake Wairere, at Kai Iwi Lakes. Feasibility report will be prepared first.
Education Days	Around 50 students from 12 Far North schools attended a 'Get to know your dune lake' day at Lake Waiporohita on the Karikari Peninsula. This event was part of Te Aho Tu Roa's winter noho taiao. 2,000 plants went in around the lake, and students learnt about tuna, ika, eDNA and water quality.

Lakes Survey

An annual lakes ecological survey was postponed due to covid, but a contract was awarded in June and the survey takes place in July.

CoastCare

Contractors and volunteers have been busy with weed and pest control work, preparing for the planting season which started with planting at Mangawhai, Bream Bay and Bay of Islands in June.

At Oneroa Bay, Long Beach, a Matariki planting day was held with Russell Landcare Trust and Haratu Kororāreka Marae. The area planted was designated Wahi Tapu area as koiwi pre-Christian burials eroded out of this part of the Oneroa beach coastal reserve and there had been concern that more might be found. The area was temporarily fenced off and an excavation undertaken by Heritage NZ and the University of Auckland under the cultural guidance and direction of the Marae. No further remains were found and agreement was made to plant the area out and protect it from foot traffic. The planting day was well attended and 1000 plants, provided by NRC, were planted in just over an hour, followed by kai back at the marae.



Nearing end of archaeological excavation work, February 2022



Well attended planting day, June 2022



Planting complete, June 2022

Wetlands

A meeting was attended as part of the Kaimaumau Ecosystem Technical Advisory Group (TAG) advising a multi-agency Governance Group on recovery of the wetland after a major fire swept through the area over summer. The group is advising on actions required to restore water levels and best manage weeds and threatened species.

Terrestrial

The recent biodiversity assessment undertaken at Tāika forest highlighted the need to fence the forest and streams in the lower reaches of the block. During June a meeting with the neighboring landowner was had and a site visit was undertaken to look at fencing options. Almost 1km of fencing is expected to be installed this coming summer.

NATURAL RESOURCES

Coastal/Water Quality Operations

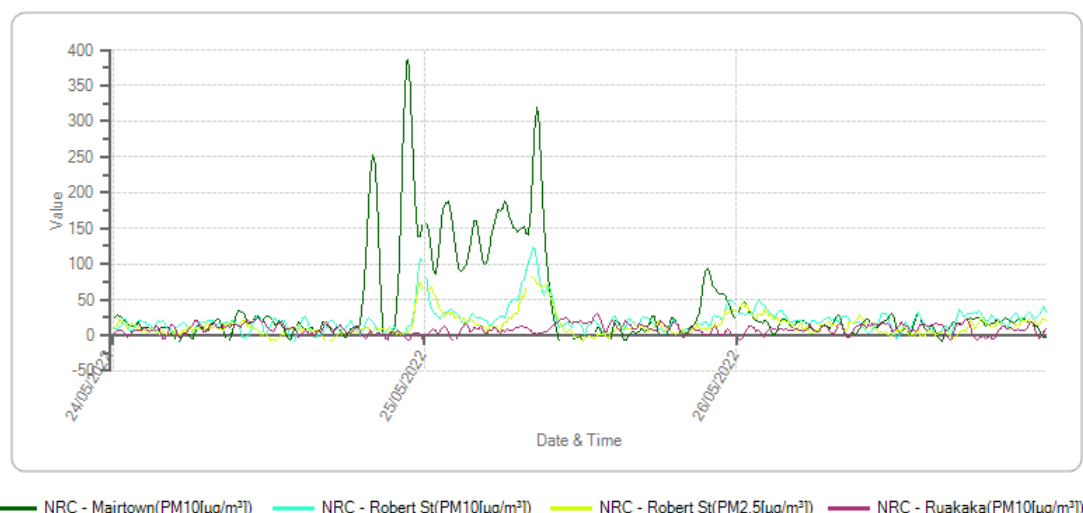
On 27 June 2022, Marine Biosecurity and Water Quality Field Operations team members held a Matariki hui with tamariki from Ngataki School at Houhora Heads. The kaupapa was based on the stars of Matariki, for example Pōhutukawa (loss/threats). Council demonstrated how the recent Kaimaumau wetland fires and marine pests affect Waitī (fresh water) and Waitā (salt water). Hiwa-i-te-rangi (actions/monitoring) was represented by the "Protect the karepō (seagrass)" sign erected early this year, annual shellfish surveys and an eDNA sample that was collected at Pukenui wharf. eDNA samples can identify thousands of species of plants, animals, fungi, bacteria, by isolating DNA shed by organisms in the wider environment. The results will improve understanding of what life is present in the waitī and waitā. An eDNA sampling kit was also gifted to the school to use at a later time.

Natural Resources Science

Air quality and carbon emission

No breach of National Environmental Standard for air quality (NESAQ) occurred in May 2022 for PM₁₀ at Robert Street in Whangārei and Ruakākā at Marsden Point airsheds. However, PM₁₀ concentrations at the Mairtown monitoring station exceeded the NESAQ on 25 May 2022 and 19 June 2022. The first exceedance on 25 May 2022 was attributed to a large vegetation fire at Paranui Valley Road between 24 and 26 May 2022. Robert Street monitors also showed elevated PM₁₀ and PM_{2.5} concentrations during this period but the Ruakākā station did not pick the elevated concentrations. Ten-minute PM₁₀ and PM_{2.5} concentrations for 24, 25 and 26 May 2022 are presented in the graph below. The graph shows the high concentrations of particulate matter while the fire was burning at the above location.

Please refer to the specific agenda item on this topic for further details including implications and next steps.



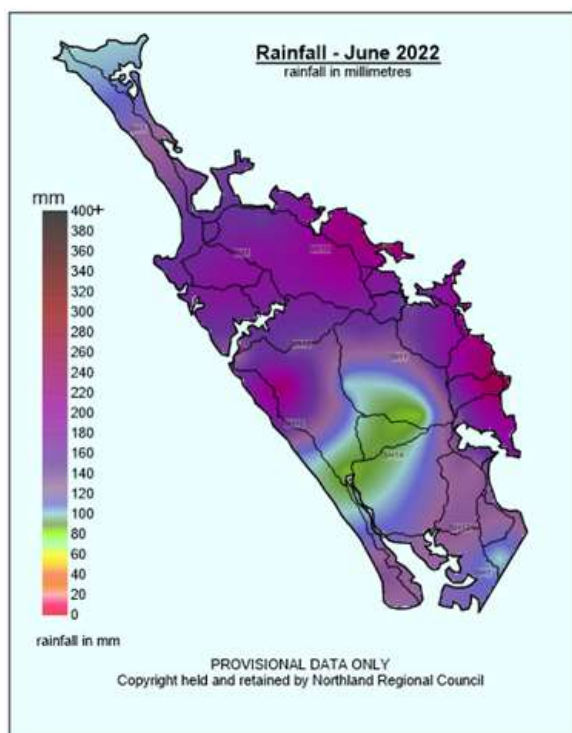
Freshwater quality

- NIWA has been selected as a preferred service provider for a study on identifying potential drivers (water chemistry and biophysical characteristics) of benthic macroinvertebrate community pattern in Northland rivers. The contract is yet to be finalised. The final report is due by March 2023.
- Science Freshwater has reviewed the final draft of NEMS (National Environmental and Monitoring Standards) protocol for planktonic cyanobacteria. This NEMS protocol will mainly focus on lakes to assist in implementing the NPS-FM cyanobacteria attributes.

Groundwater

GNS has a MBIE funded project to assess nitrate levels in rural drinking water supply bores with a pilot study in Northland (with the intent to roll it out nationally). NRC supports the project as it will provide an improved understanding of nitrate levels across Northland at higher spatial resolution than our current SoE network. GNS has been in contact with groundwater users in Northland and will be distributing self-test kits to maraes, schools and primary sector groups and is hoping to get good coverage of rural groundwater bores across the north. Samples can be collected over the next six months and the bore owners will be directly notified of the nitrate results and any further action required. The GNS communication has been reviewed by NRC.

Hydrology

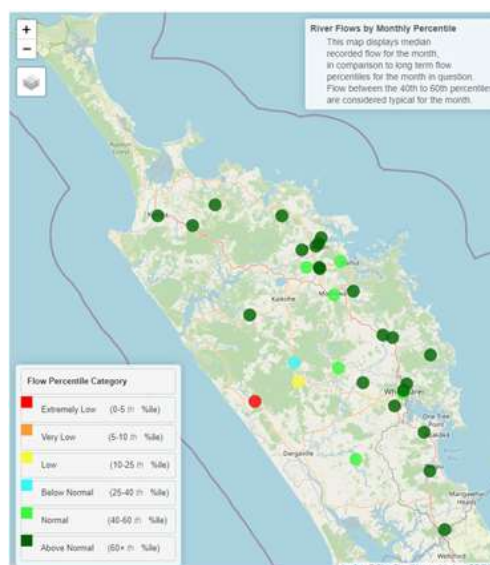


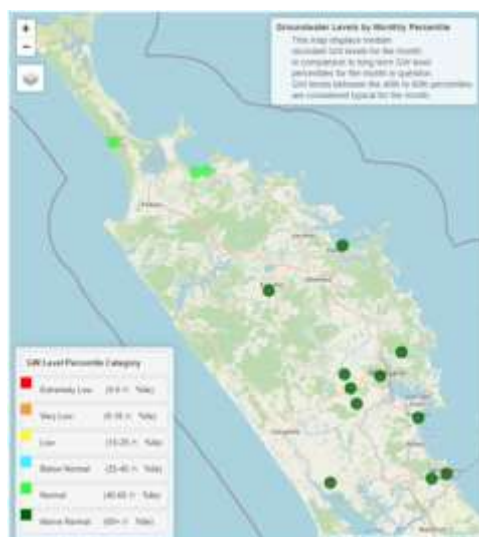
Rainfall

- The regional average rainfall for June 2022 was 150mm, which is about 95% of expected rainfall.
- The highest monthly rainfall total was recorded in the upper Ngunguru catchment with 251mm, which is 142% of expected. High rainfall totals were also recorded in Kaeo/Whangaroa and the Purerua Peninsular, all recording over 200mm. Waimamaku in the South Hokianga recorded 244mm, which is 90% of expected rainfall.
- The driest areas in Northland were from the interior around Twin Bridges (59% of expected rainfall) South-West out to the West Coast. Dargaville recorded the lowest rainfall total with 86.5mm.

Rivers

- Most Northland rivers had above normal to normal flow for June.
- The lowest flows were in the Mangakāhia, Opouteke, and Kaihū rivers which ranged from below normal to extremely low. This pattern is reflected in the monthly rainfall distribution.





Groundwater

- Recorded groundwater levels were above normal in most Northland aquifers.
- Groundwater levels in the Aupōuri Peninsula and in Doubtless Bay were normal.

POLICY AND PLANNING

Freshwater Plan Change

The results of the NIWA CLUES scenario modelling and associated costs was presented to the Primary Sector liaison Group meeting (PSLG) on 21 June 2022. A contract has been signed with NIWA to run a further 4 scenarios, the report is due end of August 2023. A presentation was given to a group on Dairy NZ farmers on 20 June on the NRC's freshwater plan change process and the opportunities for engagement.

The first phase of communications will kick off in July. This includes update of the website, social media campaign and media release. The focus is on raising awareness about the plan change and letting people know how they can get involved.

Notified Subdivision application - Kapiro Road

A hearing was held by Far North District Council on the 29 & 30 June to determine a large-scale subdivision proposal in Kerikeri. Staff had lodged a submission requesting appropriate provision for water supply and consideration of the NES-F. Staff attended part of the hearing in support of the submission on water supply requirements and the applicants subsequently confirmed that they would provide the requested amount of water storage should the proposal be approved.

Review of the Regional Policy Statement

Barker and Associates have been contracted to support MTAG in providing input on the 5 yearly review of the RPS from a tangata whenua perspective. An initial meeting has been held with staff and a Barkers representative will attend the MTAG meeting on 7 July for an introduction and discussion on a process for working together on the review.

Proposed Regional Plan Appeals

In recent weeks the Environment Court has released several decisions on the Proposed Regional Plan. A brief summary of the decisions is available below and the decisions are available in full on [Councils website](#).

- **Topic 15 Mangrove Removal** - This is an interim decision on the provisions controlling mangrove removal. Overall, the Court has largely agreed with the provisions put forward by the Council however there are instances where the Court was persuaded by evidence put forward by other parties meaning that some provisions become more enabling or more restrictive. One example being restrictions on bird breeding season of 1 August and 31 March and that motorised hand-held tools must not be used. Staff are working on final wording which will be submitted to the court in due course.
- **Topic 16 Livestock exclusion** – This final decision resolves appeals relating to livestock exclusion, and the definition of inanga spawning site. The Court found in favor of Council, the Minister of

Conservation and Forest and Bird. Livestock must be effectively excluded from inanga spawning sites.

- **Topic 7 Discharges to land and Topic 9 land use activities** - This is a final decision on permitted activities for land preparation (C.8.2.1), Earthworks (C.8.3.1) and vegetation clearance and coastal dune restoration (C.8.4.1).

Staff continue to work towards resolving the remaining appeals on a range of topics. Key points arising since the last report are:

- **Topic 1** (coastal activities) council staff circulated a suite of 22 rules, six policies, one objective, six definitions and maps to the appellants and Section 274 parties. We expect to file signed consent documents with the Environment Court imminently. The provisions relate to the management of coastal structures and how vessels use Northlands coastal marine area.
- **Topic 1A** (Aquaculture) has been resolved and consent documents have been filed with the Court.
- **Topic 1B** – Staff have circulated a revised rule for the parties consideration. Subject to agreement from the parties mediation on this matter will be set in late July. If significant progress is not made at mediation, we will request the Court schedule a hearing.
- A workshop with council was held on 21 June to consider the next steps on mapping of Outstanding Natural Landscapes in the Coastal Marine Area. Following this, discussions have been held with the Department of Conservation as an appeal party to consider further options.

7.3.6 BIOSECURITY

TOWARDS A REGIONAL BIOSECURITY COLLECTIVE

Biosecurity New Zealand convened a two day wānanga hosted by the hapū of Patukeha and Ngāti Kuta in Waitangi. The wānanga focussed on Mahi Tahi – how to collaborate and create partnerships (particularly with Māori) to work together and protect Te Taitokerau. It is hoped to form a regional collective of biosecurity stakeholders similar to Tauranga Moana <https://www.tmbiosecurity.co.nz/>. The Chief Executive Officer, councillors Craw and Robinson, selected Biosecurity staff and managers attended along with Ngā hapū representatives, the Department of Conservation, Kiwi Coast, Northland ports, marinas, and other small businesses. Speakers shared current initiatives and aspirations and there was general support for better collaboration and the value that this would bring in the event of new organisms arriving in Northland. Tauranga Moana representatives also shared how a collective has worked in Tauranga to lift awareness and preparedness. Hapū were invited to consider the opportunities and feedback to the Ministry for Primary Industries as to their willingness to be part of the alliance.

NEW ZEALAND BIOSECURITY INSTITUTE CONFERENCE 2023

Biosecurity staff are involved in the planning for next year's New Zealand Biosecurity Institute which will be held in Northland. The national conference will be an excellent opportunity to promote biosecurity in the region and will bring several hundred visitors to Northland. The venue for the conference will be confirmed shortly.

WILD ANIMAL CONTROL

Deer farm escape

There was a mass escape from a deer farm in Kaiwaka on 14 June after a tree came down on a boundary fence allowing animals to escape. The landowner thought all deer had been recovered that night, however Biosecurity staff checking the location located an adult stag and hind outside the deer fence and near bush. The farmer was contacted, and he advised that he would be unable to recover the animals. It was agreed to destroy the animals before they relocated into nearby bush areas, and this was done in a combined council and Department of Conservation operation.

The farm has been involved in numerous escapes and the Department of Conservation has since met with the farmer to discuss how farming practices could be improved, or the possibility of destocking.

Feral deer

Three fallow deer were shot in the Kaitaia area by council contractors over two night (10 June and 25 June). These animals trace back to a report made of fallow deer in the area in 2020. Further surveillance will be conducted in the area to assess how many feral deer remain.

Feral pigs

Three new collapsible pig traps with a new door design have been purchased with a fourth purchased by a local contractor who has tested the trap. The trial trap has already caught five pigs over two days demonstrating its effectiveness.

Traps have been deployed near Kerikeri where there is a major pig issue. This area has the backdrop of the Kerikeri Inlet and Waitangi Forest which has historically high kiwi populations. The presence of feral pigs raises the concern of pig hunters entering the area and further endangering the kiwi population.

KAURI PROTECTION

Waitangi Treaty Grounds engagement material

The kauri protection team have printed 50,000 kauri protection visitor fliers customised for the Waitangi Treaty Grounds. They will be made available to visitors.

The customised kauri protection information flier printed for the Waitangi Treaty Grounds will be made available for visitors.



Kauri Protection National Plan

A significant milestone for kauri protection has been reached with the gazettal of the National Kauri Protection Plan. The plan has been published on the legislation website [here](#) and comes into effect on 2 August 2022. The northern regions of Northland, Auckland, Bay of Plenty and Waikato, the Ministry for Primary Industries, Department of Conservation and tangata whenua are collaborating on the implementation of the national plan. Staff have a full programme of work for the coming year involving soil sampling, fencing, wild animal control and raising kauri protection awareness.

PARTNERSHIPS

Northland Regional Council – Kiwi Coast partnership

- *Partnership agreement re-signing:* The Kiwi Coast Trust and Northland Regional Council have re-signed the successful partnership for a further five years.

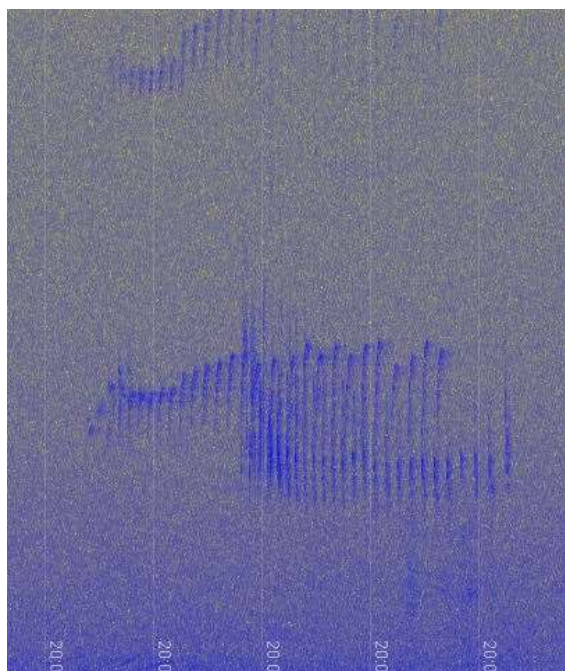
Council Chief Executive Malcolm Nicolson (left) and Kiwi Coast Chair Mike Camm at the partnership signing on 16 June 2022.



- *Northland Kiwi Call Count Survey:* Kiwi Coast are supporting Northland community projects, iwi and hapū to carry out their annual kiwi monitoring as part of the Northland Kiwi Call Count Survey. This annual outcome monitoring is one of the ways Northland projects know if all their hard work and pest control is achieving the desired result – either the return of kiwi to their area, or an increase in their local kiwi population.
- *Kiwi Coast Listening App:* An upgrade of the Kiwi Coast Listening App has been released with a key new feature that enables people to map their kiwi on their phones as they call. Over 200 people are now registered for the app. Kiwi Coast has also provided dedicated support to kiwi listeners to answer queries and assist listeners, which has been in heavy demand.

Kiwi Link High Value Area

- *Trap catch data:* Analysis of trap catch data to date shows that the Kiwi Link High Value Area has removed 9,509 animal pests over the last year, taking the grand tally since the project began to 36,958.
- *Kiwi Call Count Monitoring:* The annual Kiwi Call Count Survey has been conducted with a mix of human listening stations and kiwi listening devices. Kiwi have been discovered at new sites this year (eg. Manulife Whānui Project).
- *Trapping workshop:* A successful Ross Road Landcare Trapping Workshop was run by Kiwi Coast to help a local community increase their trapping skills. The workshop covered both the biodiversity we are trying to protect as well as the pest species we are controlling.



Kiwi duet from Waikaraka track at Mt Tiger.



Ross Road Landcare Trapping Workshop.

Whangārei Heads High Value Area

- *Kiwi Call Count Monitoring:* Kiwi call counts are nearly completed for this year.
- *Weed control:* Cotoneaster is the Whangārei Heads High Value Area “weed of the month” in an attempt to raise the plants profile in the community and to tackle areas where cotoneaster has taken a stronghold.

Weed of the month Cotoneaster.



Tutukaka High Value Area

- *Predator control:* A new Trap line added to the Sandy Bay Kiwi Project using the Predator Free funded traps. Neighbouring farm owners will be contacted to make this line into a loop. A KiwiSaver operation has involved the installation of 222 bait stations in preparation for July / August / September toxin operations.
- *Biodiversity:* The 2022 Annual Kiwi Call Count survey and winter counts of other species are underway. Kākā are being both heard and sighted regularly at Tutukaka.
- *Weed control:* Specialist Weed Action Team (S.W.A.T) volunteers carried out two-day work on a pilot site in Shoebridge Reserve.

Piroa Brynderwyn High Value Area

- *Northland Regional Council environmental award finalists:* Wairahi Charitable Trust (“Wairahi Trackies”) were finalists in council’s Environmental Awards *Environmental Action in the Community* category in recognition of their mahi at Langs Beach Scenic Reserve. The trust was awarded the Highly Commended prize at the Awards dinner, on 27 June with the Chair of the Trust accepting the prize on behalf of the many volunteers that work tirelessly on restoring the reserve. Read more at: <https://www.wairahitracks.nz>.



The Wairahi Trackies with their Highly Commended prize at the Environmental Awards.

Enviroschools Project Pest Control

The Far North Project Pest Control skills course at Lonsdale Park was conducted on 27-28 June. Some 68 students from three schools were taught skills in pest trapping, possum skinning, and possum machine plucking by Biosecurity officers from the Partnerships team.

A Biosecurity officer demonstrates trap setting techniques at the Project Pest Control course at Lonsdale Park.



Biofund

A council biofund has been featured in the June edition of *Northern Farming Lifestyles*. The article titled “Protecting the Future” (part one of a two part feature) profiles one families possum control system on their Pīpīwai farm. The system has been extremely successful removing an estimated 850 possums since inception on 25 March. Part two of the feature will appear in the July issue of the magazine. Read more here: [Northern Farming Lifestyles, June 2022 by Integrity Community Media - Issuu](#)



The “Protecting our Future” feature in the Northern Farming Lifestyles magazine.

PREDATOR FREE

Predator Free Whangārei

- *Working Block 1:* Progress on the ground at Whangārei Heads has been steady with reseriving of bait stations and traps in Working Block 1 and surrounding areas. Since going live in April,

the team have been on weekly rotation of servicing 148 active kill traps and a fortnightly rotation of servicing 180 stocked bait stations.

- **Council engagement:** The Predator Free Whangārei team have hosted three visits from council and staff. These visits included with the Chief Executive and councillors visiting on the 3 June, the Executive Leadership Team visiting on the 30 June, and the wider Biosecurity team visiting on the 1 July. In addition to providing education to council and staff about Predator Free Whangārei, the team were able to implement and practice tikanga, welcoming newcomers with a whakataukī each time.



Council Chief Executive Officer Malcolm Nicholson attending the Whangārei Heads depot presentation.

MARINE BIOSECURITY

Hull surveillance

Contracted divers completed nine days of diving in June and surveyed 269 vessels to bring the 2021-2022 hull surveillance season to a close (2,061 hulls in the season). Most vessels surveyed were based at berths in either Marsden Cove Marina or Ōpua Marina. There was 16 incidents of *Sabella spallanzanii* (Mediterranean fanworm), one incident of *Styela clava* (clubbed tunicate), six incidents of *Eudistoma elongatum* (Australian droplet tunicate) and three incidents of *Clavelina lepadiformes* (lightbulb ascidian) found on vessel hulls. The incidents of the lightbulb ascidian were all located at Marsden Cove Marina where there is a known population present.

This season was heavily impacted by Covid-19, especially for contracted divers that required a one month stand down period from diving after testing positive for virus (as set by WorkSafe NZ). Council marine biosecurity staff were encouraged with the overall standard of the fleet surveyed with 52.6% of vessels compliant (if moving between designated areas) with the rules as stated in the Regional Pest Management Plan, this represents a cleaner fleet than last season where 44.6% of vessels were compliant.

The most prominent pest species found on vessels was the Australian droplet tunicate (*Eudistoma elongatum*) followed by the Mediterranean fanworm (*Sabella spallanzanii*). A full analysis report of this season will be completed by council staff to disseminate to stakeholders and to council.

Table 1: Hull Surveillance Programme Results to 30 June 2022

Hull Surveillance Programme Results	Total this period	Total YTD
Pathways Plan Compliance if Moving*		
Number of vessels surveyed this period	279	2061
% Pathways Plan Compliance if Moving (all vessels) *	57.3	52.6
Vessels found with Marine Pests		
<i>Sabella spallanzanii</i> (fanworm)	16	62
<i>Styela clava</i> (clubbed tunicate)	1	50
<i>Undaria pinnatifida</i> (Japanese kelp)	0	0
<i>Eudistoma elongatum</i> (Australian droplet tunicate)	6	125
<i>Pyura doppelgangera</i> (sea squirt)	0	0

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

eDNA and empowering communities

eDNA (environmental DNA) is a relatively new scientific tool that can quickly scan the environment to provide information on local biodiversity. It can also be utilised for early detection of marine invasive species. The technology is practical for community use as it does not require people to get in the water and sampling techniques are relatively simple. Council marine biosecurity staff have supported school groups and hapū throughout Northland, empowering groups to monitor their local moana while simultaneously contributing to council's marine biosecurity surveillance program. Samples have been collected at Houhora, Ōpua/Paihia (Bay of Islands College Papa Tāiao), Marsden Cove (Whangarei Girls High School) and Ngunguru (Te Waiariki hapū) this month. There are also plans to start a regular monitoring project in Kerikeri next month (Ngāti Torehina ki Matakā).



A Whangarei Girls High School collects eDNA samples from Marsden Cove Marina.

NRC marine biosecurity staff were also acknowledged in a recent scientific publication which helped to validate molecular sampling protocols for application by non-scientist users to detect Mediterranean fanworm (*Sabella spallanzanii*).

LOF Workshop training in Auckland

Marine biosecurity staff attended a workshop hosted by the Cawthron Institute to discuss and review outputs from the Level of Fouling project funded by a Ministry of Business, Innovation and Employment large advice grant supported and submitted by council. The aims of the project were to create a software application, electronic guidance manual, and a training and validation workshop to train and assist regional and unitary councils to apply the Level of Fouling ranking scale. The successful outcomes of this project will enhance how regional councils assess the biofouling risk associated with their fleet. Tools delivered will remove diver bias and subjectivity provide a greater level of confidence to both staff and the boating community that assessments are made with a high degree of accuracy.

The workshop was attended by commercial divers, consultants, and central and local government (including representatives spanning from Whangārei to Invercargill). Discussions revolved around discrepancies between individuals which allowed for those more experienced to share their knowledge.

Mangonui mediterranean fanworm incursion response

Divers were contracted by council and the Ministry for Primary Industries to conduct surveillance in the Mangonui Harbour for *Sabella spallanzanii* (Mediterranean fanworm) as a follow up in response to an incursion of Mediterranean fanworm in the harbour after a vessel was found with over fifty mature fanworm in 2020. No Mediterranean fanworm were located during the survey.

Matariki Ngātaki School hui

Council marine biosecurity staff attended a hui at Houhora heads with Ngātaki School to acknowledge Matariki through environmental monitoring. Students learned about ecosystem stability, being kaitiaki, and participated in a modified shellfish sampling exercise. Students were also introduced to marine biosecurity with discussions about the Mediterranean fanworm (*Sabella spallanzanii*) as there had been a recent detection and response in the harbour after council divers detected this species on a vessel.



Ngātaki School students learning about Mediterranean fanworm (*Sabella spallanzanii*) at Houhora Heads.

Invite to French Polynesia

The Marine Biosecurity Specialist Alessandra Smith has been invited to speak at events in Tahiti and Moorea, French Polynesia this September. The event aims to promote marine biosecurity and detection tools for non-indigenous marine species to research institutions, government agencies, and the communities. Working together will help nations in the South Pacific advance research, exchange knowledge and strengthen collaborations. This is an excellent opportunity for council to highlight our work in marine biosecurity on an international stage and support international marine biosecurity efforts.

PEST PLANTS

Pest plant seed germination trials

Biosecurity staff have been conducting trials on the seed viability for eradication pest mickey mouse plant (*Ochna serrulata*). Work to date has shown that both green and black berries will germinate when they are fresh (although green seed has lower germination rates), but seed viability drops significantly after the first month. This promising data has implications for the success of the eradication of this plant.



Mickey mouse plant seed planted at 3 monthly intervals but only fresh seed (far left) has germinated.

Similar trials with National Pest Plant Accord species *Araujia hortorum* (moth plant) pods has found viable seeds even in quite small pods (~5cm long) where they have been dried on cut off vines. This work empathises the importance of removing and disposing of all moth plant pods to prevent reinfestation.



Size doesn't matter...
Moth plant seed germinating
from pods both large and small.

7.3.7 GOVERNANCE AND ENGAGEMENT

MĀORI ENGAGEMENT

Recently we were fortunate to have Tohunga Rereata Makiha celebrate with 30 staff and whanau at a Matariki Puanga event at the Hihiaua Cultural Centre and we were privileged to hear Rereata Makiha's kōrero on Puanga-Matariki and his stories of traditional practice and the Maramataka. He was joined by Dallas King and Te Kaurinui Parata to present the "Korero Tuku Iho" initiatives and projects they are rolling out across Aotearoa. Also an inaugural performance from the NRC staff kapa haka roopu being led out by Stella Kake-Schmid to bring values of whanaungatanga and kōtahitanga to life within NRC kaimahi.



Te Tiriti Health Check Update

Te Taitokerau Māori and Council Working Party (TTMAC) recommended, based on their experience in the areas of Treaty audits and similar reviews across councils in NZ, that Paul Beverley, Buddle Findlay and Tai Ahu, Whāia Legal be contracted as the independent evaluators of NRC's performance against the Te Arawhiti Māori Crown Relations Framework as per the benchmarking and setting of expectations as below.

Confirmation of independent evaluators

After the March 2022 TTMAC meeting, approval was sought and received from the NRC Chief Executive to engage the services of Buddle Findlay (Paul Beverly) and Whāia Legal (Tai Ahu) to assist in the delivery of council's Long Term Plan (LTP) Independent Treaty Health Check. The budget for the health check is \$50,000 for Year 1, subsequent years \$25,000 per annum for review. There is also \$100,000 per annum allocated for implementation of recommendations.

The programme of works is now being confirmed by council, TTMAC and NRC's Executive Leadership Team, and Treaty Health Check collation of data has commenced by Paul Beverly and Tai Ahu. TTMAC tangata whenua members will guide and lead a comprehensive check of council's performance.

Te Whāriki Māori Responsiveness Framework

Level 2 Workshop Delivery

Vicky Morrison-Shaw (Ngāpuhi, Ngāti Pākehā) attended and presented at the most recent Te Whāriki workshop. Vicky's experience spans environmental, local government, resource management, public and Māori law issues. The presentation covered the idea of integrating Mātauranga Māori into environmental decision making and she was able to share a few examples of the importance of this approach across the country. At this workshop we also engaged the services of David Tapene (Ngāti Hau, Ngāpuhi). David is well known across Te Taitokerau for his contribution and commitment to building knowledge and competency in regard to Maori performing arts internationally.

Approximately 30 staff attended from across the organization and the feedback given regarding the one-day training is provided from some of the attendees below:

Question: Has your understanding of how to work with Māori improved after completing this workshop?

- *Yes, better understanding of key concepts*
- *I learned more about the difference between The Treaty and Te Tiriti*
- *Better understanding of Te Tiriti and challenging traditional European approaches to how we do things*
- *Has cemented a few things and I have been working in Te Taitokerau for a long time*
- *We need to do this more regularly to keep building our knowledge and embedding Tikanga into our community engagement actions*



Staff attending Level 2 Workshop at Kaka Porowini marae

Economic development: Examples from the Ngāwhā Innovation and Enterprise Park

Manga Wihongi and Alistair Clarke (Ngāti Rangī) provided a presentation on the production of mānuka/kānuka oil at Waiwhariki Pharmaceuticals Ltd based at Ngāwhā Innovation and Enterprise Park, followed by Wayne Rogers who presented on the ethos, concept and development of Ngāwhā Innovation and Enterprise Park near Kaikohe. Members appreciated the presentations and the Q&A afterwards. This included points on the unique properties of manuka grown in a thermal area, mātauranga Māori and western science walking together, the whakapapa of the seeds used, intellectual property, the critical role played by Provincial Growth Fund in providing capital, effects of climate change, ownership and governance process for the Park, and training collaboration with NorthTec.

Northern Waters – Te Wai Ora Mai Tāmaki ki Te Rerenga Wairua

GM Regulatory Services (NRC) and Terry Smith (Auckland Council) presented an overview of Northern Waters, an operational group established by Auckland Council and the four Northland councils to inform and prepare for the establishment of “Entity A” under the government’s Three Waters Reform Programme. They sought guidance on what engagement with Taitokerau hapū and iwi might look like regarding the establishment of Entity A.

Key feedback included the lack of meaningful consultation on 3 Waters to date, the importance of hapū/kaitiakitanga engagement, how to resource hapū to engage, what Northern Waters terms of reference (kaupapa) is, how Te Mana o Te Wai is being expressed through all the current legislative reforms, what role TTMAC should play in 3 Waters engagement, inadequacy of engagement timelines, where the Department of Internal Affairs sits in informing governance, what opportunities exist for hapū/kaitiaki and iwi.

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
REL	Repayment proposal agreed by all parties.	Monitor repayments

Other Work Undertaken

- **Joint Regional Economic Development Committee (JREDC)** – Organised JREDC visit to the Ngāwhā Innovation and Enterprise Park on 17 June. The visit included a tour of the Kaikohe Berryfruit LP developments and Matawii reservoir. The quarterly workshop with Northland Inc was held at Te Kona in Kaikohe.
- **Water storage** – Council workshops held to present investment options of the Kaipara and Mid-North water storage schemes being developed by Te Tai Tokerau Water Trust.
- **Te Taitokerau Māori and Council Working Party (TTMAC)** – Organised an economic development update at the TTMAC meeting on 9 June. Ngati Rangi presented on their manuka oil distillery and Northland Inc on the skills development and workforce management work being undertaken at the Ngāwhā Innovation and Enterprise Park.
- **Land Use Geospatial Layer Project** – Managed the evaluation of the tenders received on the RFP published on GETS.
- **CLUES scenarios and costings** – The scenario costings report results were presented to the Primary Sector Liaison Group on 21 June.
- **Northland Economic Quarterly (NEQ)** – June issue prepared, distributed and available online at <https://www.nrc.govt.nz/media/jvnf45rx/economic-quarterly-issue-34-june-2022.pdf>. The annual section reports on agricultural data for the year ended June 2021 while the spotlight section examines some of the impacts of the latest Covid-19 restrictions on Northland’s economy. The NEQ is available through council’s eNewsletter service, sign-up at: www.nrc.govt.nz/enewsletters

ONLINE CHANNELS

Most popular content on Facebook: Facebook post on our media release about “Total Mobility comes to the Far North” (10 June 2022). Reaching 4,082 customers and with engagement of 143.

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

Key Performance Indicators	Feb-22	Mar-22	Apl-22	May-22	Jun-22
WEB					

Key Performance Indicators	Feb-22	Mar-22	Apl-22	May-22	Jun-22
# Visits to the NRC website	34,400	35,900	37,900	31,600	26,946
E-payments made	16	14	7	11	14
# subscription customers (cumulative)	1,385	1,378	1,368	1,366	1,365
SOCIAL MEDIA (cumulative)					
# Twitter followers	1,566	1,564	1,570	1,580	1,590
# NRC Facebook followers	10,600	10,600	10,600	10,700	10,682
# NRC Overall Facebook Reach	207,200	189,900	62,700	44,000	102,991
# NRC Engaged Daily Users	4,807	8,442	3,838	3,507	5,011
# CDEM Facebook fans	26,200	26,300	26,300	26,300	26,305
# CDEM Overall Facebook Reach	171,100	103,300	111,100	37,000	6,569
# CDEM Engaged Daily Users	19,500	5,564	7,168	1,895	147
# Instagram followers	1,506	1,520	1,526	1,540	1,547

ENVIROSCHOOLS / EDUCATION

Kete Aronui - Taking climate action

During June, 30 Kete Aronui - taking climate action kits - were delivered begun to Enviroschools. This - and a Google drive of resources - was our hybrid response to being unable to hold the Enviroschools Encounter events. The kete contains materials and korero for primary schools to measure rainfall and soil moisture (climate action: conserving water), set up a Bokashi waste management system (processing waste on site), make seed bombs (improving biodiversity), grow microgreens and vegies and make your own kai (grow your own food and reduce food miles), experiment with a solar kit (use renewable energy sources) and create a water catchment (find out about NRC large scale climate action - flood protection works).

Two dune lakes education days held

On 1 and 14 June, dune lakes education days were held at Rotokawau (Pouto) and Waiporohita (Karikari), respectively. The later formed part of a Noho Taiao event. The Biodiversity and Enviroschools teams led the organisation and action stations focused on water quality, pest and native fish, kākahi and tuna.

Youth Engagement at the governance level

On 8 June, members of the Community Engagement team ran a workshop with Whangarei District Council's Whangarei Youth Advisory Group. The Interactive workshop gained insight into what worked well and what could be improved for the group. It also provided information on what a diverse, authentic and region-wide youth voice might look like at Northland Regional Council.

Enviroschools Silver celebration

On 9 June, Cr Rick Stolwerk joined Portland Kindergarten on becoming a Silver Enviroschool. Having implemented Green Walks, a firepit and intergenerational knowledge sharing, the Kindergarten intends to initiate Pest Free Portland, introduce beehives and a pātaka kai

Matariki celebrations

Throughout Matariki, over 20 planting days were held by Enviroschools throughout the region. Other celebrations included kai sharing, artworks and community events.

Project Pest Control held in the Far North

From 28 – 30 June, 60 senior secondary students from five secondary schools – Kaitaia Abundant Life, Kaitaia College, Northland College, Okaihau College and Taipa Area Schools – took part in the Far North Project Pest Control skills course at Lonsdale Park, near Kaeo. The Biosecurity and Enviroschools teams were joined by the NDHB, Can Train NZ and DOC Livestock in running the event.

Enviroschools communities facilitated

During June Enviroschools Facilitators held specific interactions with 52 school and early childhood communities.

COMMUNITY ENGAGEMENT

Communications

Four media releases went out in June on the following topics:

- Heads-up of nominations opening for future councillors
- Total mobility scheme coming to Far North
- Kiwi Coast partnership renewed
- Adoption of annual plan

Local elections

Our first future councillor information session took place at Hihiaua Cultural Centre on 22 June in conjunction with WDC. Around 45 people attended the first session, which included a panel session and feedback was positive. Further sessions are planned throughout July across the region including a virtual session.

Our cross council-campaign is now live under the call to action of “it’s Time: Kua tae te wā” The [local elections website can be viewed here](#) and we have ads running across multiple channels including radio, social, print and bus-backs. The initial focus is on encouraging potential candidates to stand for nomination. In a few weeks’ time, this will switch to “vote” messaging.



Otiria-Moerewa and Panguru flood protection videos

2 videos have been finalised showcasing the work NRC has done alongside the community to address the flooding in the area. The videos highlight our social procurement policy in action. These videos were released on social media prior to the pre-election period, and we have encouraged the community themselves to share them as well.

[Watch the Panguru video](#)

[Watch the Otiria video](#)

New car branding

We have a number of new fleet vehicles which have been wrapped with NRC branding and imagery. These vehicles are a great visual way of raising awareness of NRC and what we do, as they travel across Te Taitokerau.



Northland Ballance Farm Environment Awards

The Northland Ballance Farm Environment Awards were held in Whangarei in mid-June. NRC sponsors an award for Water Quality Enhancement. This year's winners were Julian McPike and Trevor & Joy Smyth of Oneriri Station. We will be looking at PR opportunities to highlight their work and how it aligns with NRC.

LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Total LGOIMAs	May 2020 to June 2021	May 2021 to June 2022
	16	17
Number of LGOIMAs not responded to within 20 working days		1

REQ.612486 was not responded to within 20 days as the information needed to be retrieved from external archives. The requestor was happy with this, and impressed by our ability to retrieve the records.

CUSTOMER SERVICES

Telephone inbound call statistics and enquiries

	April 2022	May 2022	June 2022
Call volume via Customer Services	2254	2072	1558
Average wait time	7.6 secs	5.4 secs	9 secs

Telephone call volume over the last three years

	1 July 2019 – 30 June 2020	1 July 2020 – 30 June 2021	1 July 2021 – 30 June 2022
Call volume via Customer Services	20812	30566	23669

Mailroom email processing performance

	April 2022	May 2022	June 2022
Mail processed	716	913	677

Satisfaction monitoring

Nine complaints were received for the month of June.

Feedback cards, compliments, and complaints

Compliments received	Total
Feedback cards	0
Total compliments recorded	0

Complaints received	Total
<ul style="list-style-type: none"> City Link Customer Service Land Management 	7 1 1
Total complaints recorded	9

7.3.8 COMMUNITY RESILIENCE

TRANSPORT

REGIONAL TRANSPORT PLANNING

Draft Regional Land Transport Plan for Northland 2021/2027 – Three Year Review

Section 18CA of the Land Transport Management Act 2003 directs that: -

18CA Review of regional land transport plans

- (1) *A regional transport committee must complete a review of the regional land transport plan during the 6-month period immediately before the expiry of the third year of the plan.*
- (2) *In carrying out the review, the regional transport committee must have regard to the views of representative groups of land transport users and providers.*

It is important to note at this time, is that the above will depend on the Strategic Objectives and Priorities contained in the yet to be released Government Policy Statement on Land Transport 2024/2027 (GPS).

Should the GPS contain significant changes that will affect the delivery of the Regional Land Transport Plan for Northland 2021/2027, this could potentially trigger a complete rewrite of the plan. This rewrite will take approximately 24 months to complete.

Should the GPS remain unchanged or contain minor changes that do not affect the Regional Land Transport Plan for Northland 2021/2027, then there is the option to either review the plan or continue with no changes.

A briefing paper on the above will be tabled at the 2 August 2022 Regional Transport Committee meeting.

PASSENGER TRANSPORT ADMINISTRATION

Bus Link stats for June 2022 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted	Variance
CityLink Passengers	28,109	26,429	1,680	283,364	317,496	-34,132
CityLink Revenue	\$35,058	\$34,093	\$965	\$358,491	\$409,569	-\$51,078
Mid North Link Passengers	243	108	135	1,841	1,680	161
Mid North Link Revenue	\$789	\$540	\$249	\$6,576	\$8,400	-\$1,824
Hokianga Link Passengers	84	54	30	912	834	78
Hokianga Link Revenue	\$330	\$376	-\$46	\$4,740	\$5,801	-\$1,061
Far North Link Passengers	322	396	-74	2,998	4,623	-1,625
Far North Link Revenue	\$639	\$1,001	-\$362	\$6,767	\$11,696	-\$4,929
Bream Bay Link Passengers	65	30	35	568	312	256
Bream Bay Link Revenue	\$230	\$108	\$122	\$3,217	\$1,123	\$2,094
Hikurangi Link Passengers	14	30	-16	218	300	-82
Hikurangi Link Revenue	\$36	\$78	-\$42	\$503	\$814	-\$311

* = 50% Farebox + 50% Waka Kotahi

*The fares collected are recorded at 50% actual fares taken + the 50% funded by Waka Kotahi (to be claimed)

Whangārei CityLink Bus Service – Antisocial Behavior

Damage to the contracted CityLink buses continues with several incidents relating to graffitiing, burning and cutting of seats reported during the month under review.

In an effort to stop this damage, staff make use of the following to try and identify the perpetrators:

-

- Driver incident reports.
- On bus video footage.
- Reports from the public.
- Security at Rose Street Bus Terminus.
- Whangārei District Council and CitySafe.
- New Zealand Police.
- Ritchies.

Unfortunately, the above is not always successful, and whilst the operator makes every effort to make the relevant repairs as soon as is practicable, some vehicles will be released into service with

repairs pending. This does not provide a good image of a service that staff have spent so much time trying to grow and promote.

Due to verbal abuse and threats previously experienced, staff and drivers have been asked if they witness such behavior, not to confront the perpetrators but to report to the relevant authority. Staff continue to meet with Ritchies, New Zealand Police, Whangarei District Council staff and elected members through the Joint WDC NRC Public Transport Working Party in regards the above.

National Bus Driver Shortage

This national issue continues to worsen, with the Whangārei CityLink services being impacted on Monday 27 June 2022 resulting in 9 trips having to be dropped. Notices were placed on the CityLink website, Facebook and TrackaBus advising the public of the disruptions.

Staff continue to monitor the situation and work with the contracted companies to identify and implement remedial action where possible. This situation will continue for the foreseeable future.

Half Price Fares

Half price fares will continue until 31 August 2022. From 1 September 2022, half price fares will only be applicable to those persons holding a Community Services Card. The variance in actual fare to discounted fare will be covered by the government.

Rose Street Bus Terminus Upgrade

The Rose Street Bus Terminus on road upgrade is scheduled to be completed mid-July with an opening ceremony planned for 18th July 2022.

Total Mobility (TM)

*Total Mobility Scheme figures are reported one month in arrears, due to the required information being unavailable at the time of the agenda deadline.

	Total Clients	Monthly Actual Expend	Monthly Budgeted Expend	Monthly Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Annual Variance
May 2022	1258	\$27,905	\$25,000	+\$2,905	\$221,134	\$275,000	-\$53,866

Total Mobility half price fares

From Friday 1 April 2022 until Wednesday 31 August 2022, Total Mobility journeys will have an additional discount applied to the already subsidised fare. This has been made available as part of the Government's 50% public transport Initiative. These fares are 100% claimable from Waka Kotahi.

For the month of May, the fares forgone were \$13,640, making the sum of Total Mobility figures - \$41,544.

This government initiative will cease at the end of 31 August 2022.

Total Mobility Scheme – Far North

The Far North Total Mobility Scheme is on track to go live Friday 1 July 2022.

The service will be starting out in the Kerikeri area. The approved Transport Operator – Driving Miss Daisy (DMD), based in Kerikeri, has had the equipment installed to take the Total Mobility electronic

swipe cards that are linked to the system “Ridewise”. Northland Transport Alliance staff are working with the operator to finalise health and safety documents and driving training.

ROAD SAFETY UPDATE

Road Trauma Update

Road Fatalities Statistics for the period **1 January 2021 – 4 July 2021**

Fatalities Jan – June 2021	Far North	Whangārei	Kaipara	Northland	National
Local roads	2	2	2	6	80
State highways	5	3	6	14	67
TOTAL	7	5	8	20	147

Road Fatalities Statistics for the period **1 January 2022 – 4 July 2022**

Fatalities Jan – June 2022	Far North	Whangārei	Kaipara	Northland	National
Local roads	3	3	0	6	100
State highways	6	3	2	11	87
TOTAL	9	6	2	17	187

Motorcycle Safety - Ride Forever (R4E) Rider Training Update 2021/2022 Year End (Another Covid affected year)

- R4E – 2020/2021 – 186 riders completed the three courses
- R4E – 2021/2022 – 182 riders have completed courses to date:
 - Bronze Course – 78
 - Silver Course – 50
 - Gold Course – 54

Motorcycle safety continues to be a high priority area of interest and focus. There have now been five motorcyclists killed on Northland roads since the beginning of this year. These crashes will be further investigated by the Police and the Coroner.

Work continues on development of the draft Northland Motorcycle Safety Strategy.

ACC continues to lead the Ride Forever Programme and together with Waka Kotahi NZ Transport Agency are placing safety messaging on high risk and travelled motorcycle routes around Northland.



Waka Kotahi & NZ Police Road Safety Promotion/Media themes for June 2022

Alcohol & Distractions.

Northland continues to promote the importance of wearing seatbelts.



EMERGENCY MANAGEMENT

NATIONAL

Work continues with the Trifecta programme - NEMA's Regulatory Framework Review. Timeframes for the delivery of the bill have been extended, and a new timeline has yet to be released or confirmed.

As part of NEMA's response to the 2018 TAG Report, work to stand up a 24/7 'awake' capability to replace the current 'on call' Duty System has been completed. The Monitoring, Alerting and Reporting (MAR) Centre will be focussed on gathering and sharing information during the early stages of an event (including sending National Warning System messages or Emergency Mobile Alerts) or until the National Coordination Centre (NCC)/National Crisis Management Centre (NCMC) is activated.

NEMA has launched and is developing several national public education campaigns. Flooding is the number one hazard in Aotearoa in frequency and cost but has historically not been a primary focus for hazard public education. During floods, there are reports, images and videos in the media of people at serious risk in flood waters. Print, social media, video, and radio adverts are being developed for use during readiness and response. The campaign will be delivered in two parts:

- **Get the Flood Out** - The Get The Flood Out advertising is intended to be delivered in readiness. In order to grab the attention of those who may be more likely to place themselves at risk. The campaign uses bold graphics and a play on words telling people to GTFO (get the flood out).
- **Flood Waters are Deep Trouble** - The Flood Waters are Deep Trouble campaign will be deployed when severe weather likely to result in flooding is forecast (particularly if a red weather warning is in place) or when flooding is already occurring.

Tsunami evacuation zone campaign (and Long or Strong, Get Gone)

A tsunami evacuation zone advertising campaign is being rolled out in support of the launch of the online Aotearoa Tsunami Evacuation Map. The "Own Your Zone" campaign is focused on people taking responsibility for knowing whether they live, work, or go to school in a tsunami evacuation zone.

REGIONAL

The Welfare Coordination Group held a meeting on 3 June 2022, the Northland CDEM Group Meeting and Northland Coordinating Executive Group Meeting meet on 14 June 2022. Work programmes that make up the Service Level Agreements for the three councils have been developed and are now with each of the respective councils for feedback and sign off.

Work continues to progress on the Northland Tsunami Siren Network Upgrade. A representative from HSS, the contractor building the siren units visited Northland in June. The next priority for the project is to develop the tender for the next stages of the project including engineering, Geotech and installation.

The feasibility study and concept design for the Multi Agency Coordination Centre (MACC) have been completed and discussions have also commenced between the contributing stakeholders on the ownership model.

Tutukaka Marina Management Trust hosted a meeting with the Northland Regional Council Harbourmaster and four members of the Northland CDEM team on Thursday 23 June 2022 at the Tutukaka Marina. Discussion was had around the impacts, outcomes and learnings resulting from the tsunami surge event that impacted the marina on 15 January 2022.

National Partnership Charter

Over the past 15 months NEMA and the CDEM Group Managers have collaborated on the development of a Partnership Charter that sets out how NEMA and CDEM Group offices will collaboratively work together. This is a new initiative, having been developed by NEMA officials and the 16 CDEM group managers. The purpose of the *Partnership Charter* is to outline a shared vision for an effective and enduring strategic partnership at the regional and national level, which will provide a strong back-bone that supports the broader emergency management sector and stakeholders, and the roadmap to achieving this. It includes:

- A shared Kaupapa (vision)
- How our functions align and support each other
- How NEMA and Groups work together
- Partnership aspirations
- What actions to take to support the achievement of our partnership aspirations.

MARITIME

There were 17 maritime incidents logged in June, including two vessels sinking on their moorings, and another running aground.

The Matariki public holiday was a busy weekend, in the Far North a vessel ran aground at Kuririki Bay east of Tapuaetahi Bay, Purerua Peninsula. The vessel was purchased by a new owner on Thursday afternoon and wrecked after it hit rocks later that night. All fuel and oil were removed by the maritime team, and a contractor organised to remove the vessel. An environmental assessment was undertaken after removal. The team liaised with local Iwi throughout who assisted with local advice and thanked the team for prompt action taken.

The same weekend a vessel sunk on a mooring in Whangaruru Harbour with 600lt of diesel on board; oil spill booms were deployed to contain spillage and a dive team mobilised to refloat the vessel. A further vessel that sunk of Onerahi was refloated the following week. Costs will be recovered where possible.

Recruitment was successfully carried out to fill a vacancy as a Maritime Officer starting later in July.

The harbourmaster participated in a national exercise organised by LINZ, testing the use of data available from different agencies and assisted running an oil spill training/assessment course in Auckland. Also, attending with CDEM, a meeting in Tutukaka reviewing the tsunami impacts earlier in the year and reviewing options to modify the harbour to mitigate future tsunami effects.

Modelling has been carried out by various experts and it's considered a modification and move of the southern breakwater would improve the safety of the marina.

The deputy harbourmaster organised a joint oil spill exercise at Marsden point and assisted Marine Pollution Response Service (MPRS) in training staff based at Marsden Point from Northport, Channel Infrastructure Ltd and North Tugz Ltd over a further two days.

RIVERS AND NATURAL HAZARDS

RIVERS

Awanui	<p>Favourable Autumn weather conditions and 3 contracts currently in progress (1 completed).</p> <p>Contract 21/05 - Northern Stopbanks. Approx. 70% complete. Satisfactory progress with stopbanks and benching earthworks with minimal issues. Reinstatement of first few sites now complete and prep for over-wintering of remaining sites in hand.</p> <p>Contract 21/09 - Switzer Bench. Earthworks are now 90% complete and rock revetment at rear of Bell's Produce well underway (25%) and will progress into winter (materials supply & river levels permitting).</p> <p>Contract 21/10 - Rugby Club. Earthworks 80% complete. Rock revetment is phased to continue into winter (materials & river levels permitting) and has the advantage that we have rock storage on hard stand, so less risk from wet weather.</p> <p>Primary School bench now 100% complete and community incredibly happy with reinstatement of Showgrounds areas. FNDC cycle path ties in very nicely with NRC reinstatement.</p> <p>Planting planned for several completed areas and local (Māori-owned) contractors being lined up for this work.</p>
Otiria/Moerewa	<p>Stage 1 is nearing completion. Stage 2 Bridge tender on GETS (Government Electronic Tenders Service) closed 23 June. An outcome from the Māori Land Court hearing should be known mid-July to guide progression of stage 2.</p>
Kerikeri	<p>Waipapa Industrial Estate Flood Mitigation is approximate 85% completed. Because of the wet weather the site has been winterise for completion next year.</p>

NATURAL HAZARDS

Work Streams	Status	Comments
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Whangārei (CBD) River Catchment Flood Model	78% complete	<p>Upgrade of the hydraulic model catchment(s) including new structures, updated LiDAR (Light Detection and Ranging) and sea level rise values and recalibration. Specific river/stream structures inspections have been completed over the last month.</p> <p>Following discussions with WDC (Whangārei District Council), Ewaters (consultants on the project) will now also be engaged to include the CBD stormwater network as part of the same package (variation).</p> <p>WDC will be funding the additional costs, approximately \$90,000, related to the additional tasks. Our aim was to complete the project, including the additional tasks, but has been <u>delayed until the end of 2022 due to resources issues by the consultant.</u></p>
Website Natural Hazards Portal	95% complete	<p>Morphum Environmental has been engaged to develop the portal with support and input from colleagues across various departments.</p> <p>The third phase of the development of the portal is ongoing, e.g., landing page, flooding and Te Ao Māori aspects, story maps, property viewer and sea level rise viewer.</p> <p>It is our vision to 'go public' has been <u>delayed until the beginning August 2022 due to internal GIS (Geographic Information System) resourcing.</u> Prior to that we will be presenting this to our Councilors, and other appropriate platforms, for feedback. Simultaneously it is our intention to share this with our District Council colleagues before going live.</p>

<p>Raupo Drainage Scheme – Coastal Flood Hazard Analysis & Mitigation Options</p>	<p>92% complete</p>	<p>Water Technology (WT) have been engaged to do detailed hydraulic modelling from all perspectives, i.e., catchment, river and most importantly coastal. The objective is to establish a detailed base model and to develop flood hazard mitigation options, particularly from a coastal perspective, and adaptation planning.</p> <p>The project team consists of NRC and KDC staff, Chair of the Drainage Committee, and Consultants. NRC are taking the modelling analysis lead on this project, i.e., contract management (NRC Budget). KDC are collating the assets data covered under their budgets.</p> <p>Surveys, data collection, assets inspection and ‘building’ of the hydraulic model have been completed. First draft ‘results’ have been reviewed by the project team. Further analysis and ‘flood event scenarios’ are underway with results expected at the end of April whilst a peer review is taking place. <u>The project has been slightly delayed and is now expected to be completed no later than the end of August 2022.</u></p> <p>This project will support the pilot project under the Te Taitokerau Climate Adaptation Strategy (TTCAS) in which scoping, and planning process is underway; support is being provided to KDC on all aspects of the engagement process, first public engagement was held from the 16-19 June which was extremely well organised and attended.</p>
<p>Natural Hazards technical and planning support to District Councils on Plan Changes and Rules</p>	<p>Ongoing</p>	<p>Following the publication of our coastal hazard maps and the regionwide flood maps, complimentary to the priority rivers flood maps, further technical, consultative, and planning support / guidance is provided to the DCs. This follows our commitment to DCs prior to the publication of the coastal hazard maps. In relation to the above we are supporting WDC with their up-and-coming Plan Change and Rules for “Natural Hazards, Hazardous Substances and Esplanade Areas”. A public feedback period was held, 22,000 letter drop, before going to full public engagement expected to be by the end of 2022. Support was provided in planning and policy as well as in relation to the hazard maps. Similar support will be provided for KDC, Plan Changes Engagement expected end of July, and FNDC whose Plan Changes Engagement is expected end of 2022.</p>

Te Taitokerau Climate Adaptation Strategy (TTCAS): Professional Services Panel	Ongoing	<p>NRC, in collaboration with and on behalf of Kaipara District Council, Whangarei District Council and Far North District Council will be going out for Request(s) for Proposal (RfPs), 6th May 2022, to establish a regional Panel of Professional Services to support the implementation of the TTCAS actions, e.g., district's pilot projects and beyond. This will provide all four Councils with informed and preselected providers, being able to have shared services, cost, and time effective. Subsequent contracts will be directly with the respective Council as per respective procurement procedures.</p> <p>A total of <u>42 high quality submissions</u> were received; assessment completion and agreement with preferred respondents has been <u>delayed to the 15th of July 2022 due to the high volume of respondents</u>.</p> <p>The assessment will be conducted by representatives from all four councils.</p>
Natural Hazards Work Programme 2022-23	Ongoing	<p>Our current tentative programme, though not exclusive and in addition to the 'business-as-usual' tasks, are:</p> <ul style="list-style-type: none"> • Developing the next generation of our Priority Rivers hydraulic models / flood maps commencing with: Waima & Punakitere Catchment (consultant has been engaged) and Kaihu Catchment (in collaboration with KDC) • Regional beach profiles, including dunes, and coastal shorelines: this data and coastal erosion data has been analysed and reported upon by Auckland University (GIS spatial) and collected by NRC over many years though not for the whole coastline. We will be developing a 'tool,' which is based on our current data and coastal erosion hazard data (T&T), which informs us on our coastal erosion strategy, work programme, implementation and accessible to the public. This will be in collaboration with our science colleagues and DCs. • Completion of our flood warning system for Awanui (DHI has been engaged for this) with input and co-lead from our hydrology and science colleagues and CDEM (Civil Defence Emergency Management). • Completion of our hydraulic modelling guidelines for our region. Beca has been engaged for this project and is a collaborative approach amongst all our regional councils and will be peer reviewed by Auckland Council. • Scoping out and phased implementation of drought, landslide / geotechnical instability mapping for the region in collaboration with our science colleagues and DCs. Nationally, in relation to the foresaid, we are members of the following steering / reference

		<p>groups to support (and vice versa) our strategic approach:</p> <ul style="list-style-type: none"> a. Risk and Resilience Portal - Local Government Reference Group (EQC), b. Soils Conservation Strategy Group (Regional), c. Te Uru Kahika Hub (Regional and Unitary Councils Aotearoa) Hazard Risk Management Group (SIG Portal), d. Te Uru Kahika (Regional and Unitary Councils Aotearoa) response to drought engagement, e. Hazard Risk Management SIG – Landslides, f. NIWA Drought Forecasting Group, g. Flood Warning Steering Group
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NORTHLAND WIDE LIDAR SURVEY

Work Streams	Status	Comments
Regional LiDAR Survey	In progress	Payment for final delivery initiated and dataset expected within 1 st Quarter.

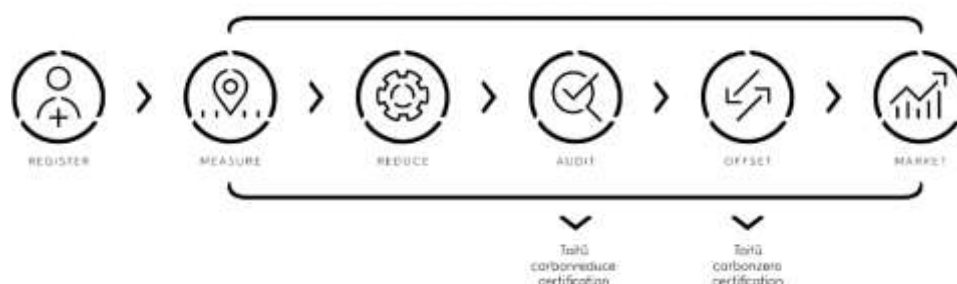
CLIMATE CHANGE RESPONSE

The council Climate Change Strategy “*Ngā Taumata o te Moana*” and Implementation Plan touches every aspect of Council business, so progress is on-going. In undertaking a ‘stocktake’ of current actions, staff are meeting with teams across Council to build relationships, identify current climate-related actions and areas where more could be done. This stocktake will form a baseline for work to set up a monitoring, evaluation, review, and reporting system to track our progress.

Climate change considerations have been included in council’s draft procurement framework, the New Initiative planning process and work is underway to update Council report templates. This will prompt staff to ensure climate change is explicitly factored into and considered in key decision-making. These are not insignificant changes, and it is envisaged it will lead to a step-change in climate impact awareness within the organisation that will lead to better outcome for Te Taitokerau.

Toitū are engaged in activities to baseline our Greenhouse Gas (GHG) emissions, certify our accounting and provide advice on where further reductions could occur. It is expected to take up to 5 months to get to certification stage (see below sequence). Over the next 2-3 months' work will include:

- ✓ Prepare a plan and project team
- ✓ Setting the base year and reporting period
- ✓ Setting organisational boundaries
- ✓ Set operational boundaries, identify emissions sources and set scopes
- ✓ Collect and enter emissions source data into the calculation software
- ✓ Generate emission results from the calculation software



Te Taitokerau Climate Adaptation Strategy (TTCAS) - Programme Implementation

All four Northland councils that form part of the Joint Climate Change Adaptation Committee have formally adopted the Te Tai Tokerau Climate Adaptation Strategy.

- Far North District Council – adopted 22 March 2022
- Northland Regional Council – adopted 26 April 2022
- Kaipara District Council – adopted 27 April 2022
- Whangarei District Council – adopted 28 April 2022

There are 46 'priority actions' listed in the Joint Strategy. Coordinating and reporting on these actions will happen through the JCCAC (Joint Climate Change Adaptation Committee).

Implementation on many actions is ongoing. See www.catt.org.nz.

In June, Council formally endorsed the submission sent into the draft National Adaptation Plan by the Joint Climate Change Adaptation Committee. Staff also presented about the Strategy process at the Taituarā Climate Change conference in June (online).

Stakeholder engagement has occurred with the Northland District Health Board, Collaboration Taitokerau (primary industry/rural sector collective), Climate Action Te Taitokerau (Peter Bruce-Iri), Northland Inc, Auckland University and other researchers with staff also attending the Carbon and Energy Professionals conference in Rotorua.

Staff continue to support KDC's adaptation pilot project at Raupo/Ruawai. Open days were held over 4 days at the Ruawai Memorial Hall in June with staff from across NRC supporting Kaipara District's team. – see <https://www.kaipara.govt.nz/news/post/350-Ruawai-Flats-Our-Stories-Our-Future>

Whangārei District Council, on behalf of the Northern Councils is investigating the development of a Te Ao Māori Decision-Making Framework for local government (the Framework). It is intended to respond directly to the way decisions are currently being made by local authorities. It is intended that the Framework is considered when making decisions at all stages on projects, policy or plans that may impact on the cultural values of Iwi and hapū. The project also seeks to understand what 'Climate Change' means from a Te Ao Māori perspective in Te Tai Tokerau. The Framework is Priority Action # 2 within the Te Tai Tokerau Climate Change Adaptation Strategy.

Following on from discussions at the last Climate Change Working Party, staff from across the four councils have met to discuss a potential new climate governance framework. This includes discussions about the ongoing roles and responsibilities of the Joint Climate Change Adaptation Committee, the ongoing role of NRC's Climate Change Working Party and how these could be streamlined and improved to better support climate change adaptation and mitigation activities across the region. Staff from each Council are now researching and ideating potential climate

governance arrangements, with the intention to come back together in July to agree on a potential way forward. This will result in a proposal that could be delivered post-election.

7.3.9 KAIPARA MOANA REMEDIATION

KMR has made ongoing progress in scaling up sediment reduction mitigation projects in the Kaipara catchment. Our (unaudited) Year 2 programme returns against our KPIs is shown in the infographic below, with demonstrated strong delivery from a low base over the 7 months since the Kaipara Maurikura was formed. KMR delivery against the KPIs in the Year 2 Annual Work Plan are as follows:

- 225 Sediment Reduction Plans completed or in progress at year end (this compares to a KPI target of 248 Plans; and 61 Plans completed in Year 1)
- 73,000 Hectares of land covered by a Sediment Reduction Plan* (KPI target of 50,000 Ha; 11,413 Ha in Year 1)
- 205km of fencing completed or committed (KPI target of 168 km; 93.57 km in Year 1)
- 400,000 plants completed (planted) or committed (agreed in Plan) (KPI target of 650,000; 156,606 Ha in Year 1).



*When KMR's digital tools suite is available, we will also be able to report on the area of project works.

KMR's growing focus on 'growing people while we grow trees' has meant ongoing delivery in our Workforce Development programme, which spans training, mentoring, accreditation and building future career pathways (with partner support). KMR has trained 51 people since November 2021, since the programme began. Approximately 20% are now contracted as KMR Field Advisors. Last week, we ran a 4th KMR Field Advisor **training course** in Auckland. The statistics below are testament to KMR's commitments to working with Kaipara Uri partners and bringing an equity lens to all aspects of our programme:

- 13 trainees, 7 of whom were women
- 11 trainees were of tangata whenua affiliation, including Te Roroa, Ngā Maunga Whakahī o Kaipara kaitiaki

Attachments/Ngā tapirihanga

Nil

TITLE: Exceedance of Air Quality Standards

From: Michael Payne, Policy Specialist

Authorised by Jonathan Gibbard, Pou Tiaki Taiao – Group Manager Environmental
Group Manager/s: Services, on 12 July 2022

Whakarāpopototanga | Executive Summary

This paper has been prepared to advise council that ambient air quality standards specified in the National Environmental Standards for Air Quality (NES-AQ) were exceeded on two occasions this calendar year - on 25 May and 19 June 2022.

The first exceedance on 25 May was attributed to a large vegetation fire at Paranui Valley Road. The incident was investigated, and the offender was served an abatement notice and infringement notice. Staff are seeking that this exceedance be struck out by the Minister for the Environment.

The exceedance on 19 June occurred during a period of cool weather with calm winds. There were no incidents reported during this time. The exceedance is most likely a local air quality issue caused by emissions from home heating. Similar air quality issues were not recorded at the Robert Street or Ruakākā monitoring sites.

The public have been notified of these exceedances by way of a public notice printed in the Whangārei Leader and on council's website, as required by the NES-AQ.

Ngā mahi tūtohutia | Recommendation

That the report 'Exceedance of Air Quality Standards' by Michael Payne, Policy Specialist and dated 6 July 2022, be received.

Tuhinga | Background

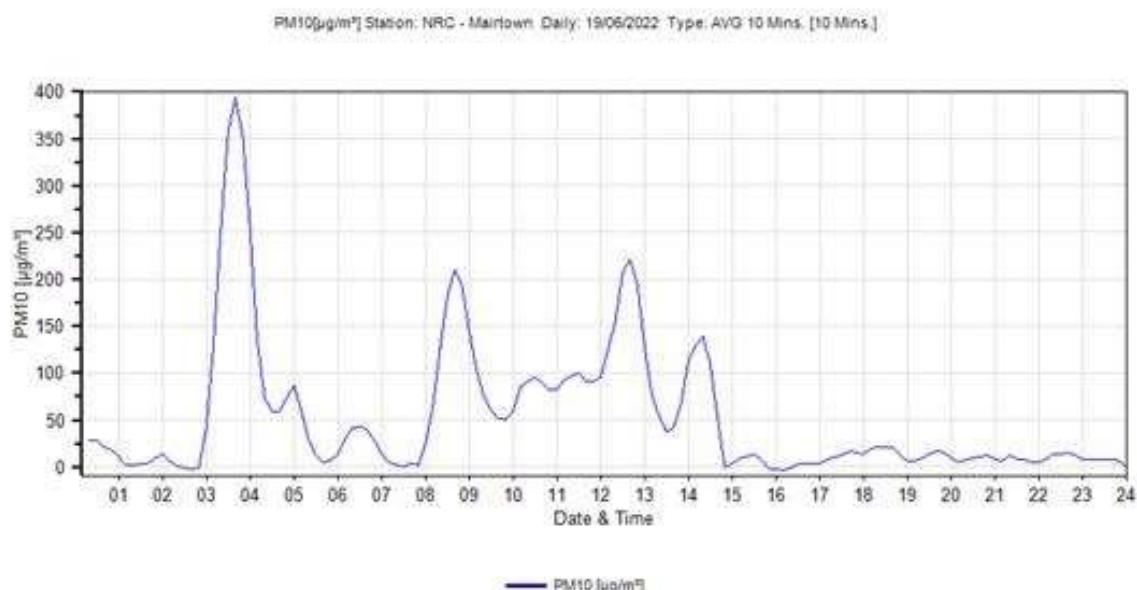
The National Environmental Standards for Air Quality (NES-AQ) are regulations made under the Resource Management Act 1991, which aim to set a guaranteed minimum level of health protection for all New Zealanders. The NES-AQ includes 14 separate but interlinked standards, including ambient air quality standards.

On 25 May and 19 June council's Mairtown monitoring station recorded exceedances of the NES-AQ's ambient air quality standards. As per the NES-AQ, one exceedance is permitted per calendar year.

The first exceedance on 25 May was attributed to a large vegetation fire at Paranui Valley Road. The incident was investigated, and the offender was served an abatement notice and infringement notice.

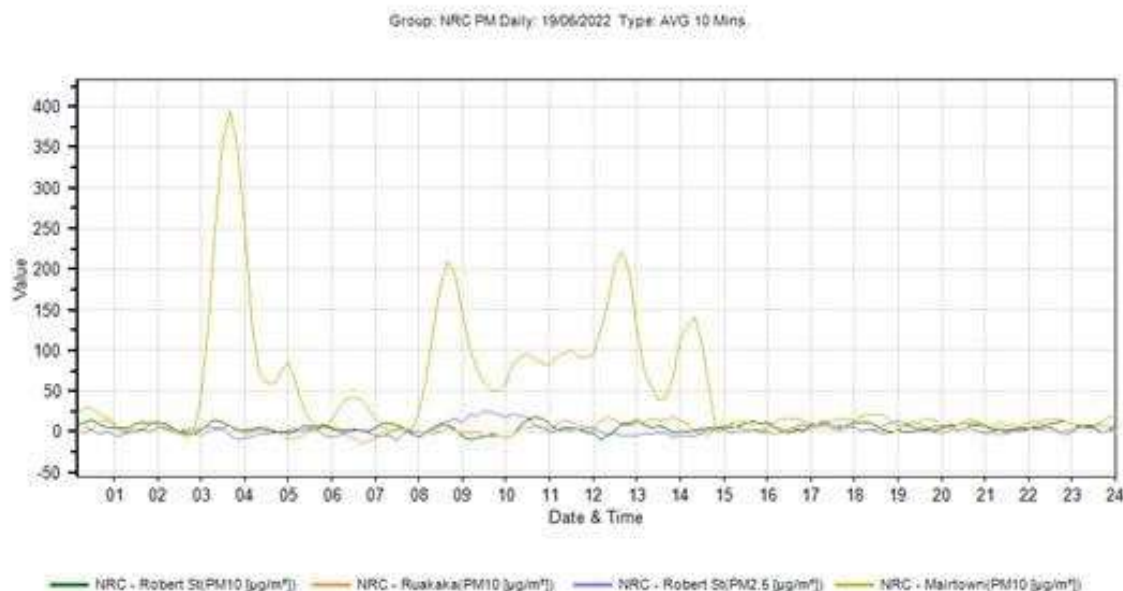
The fire was lit on 24 May and PM₁₀¹ concentration started to peak that evening resulting in an exceedance (81 ug/m³ 24-hour average). NES for PM₁₀ is 50 ug/m³ 24-hour average. The Robert Street monitor recorded elevated concentrations, but was within the NES.

¹ PM₁₀ means particulate matter that is less than 10 micrometres in aerodynamic diameter



The exceedance on 19 June was 53 $\mu\text{g}/\text{m}^3$ for 24-hour average. The exceedance occurred during a period of cool weather with calm winds. High concentrations were recorded between 0300 and 0430 hours and again between 0800 and 1500 hours.

There were no incidents reported during this time. The exceedance is most likely a local air quality issue caused by emissions from home heating. Similar air quality issues were not recorded at either the Robert Street or Ruakākā monitoring sites.



The first exceedance on 25 May was attributed to a large vegetation fire at Paranui Valley Road. The incident was investigated, and the offender was served an abatement notice and infringement notice.

The NES-AQ provides Ministerial discretion to waive exceedances of the ambient air quality standards where the exceedance is caused by exceptional circumstances. Staff believe the 25 May incident falls within the parameters of exceptional circumstances and have written to the Minister seeking an exemption.

If the exemption is not granted, or if there are further exceedances of the guidelines this calendar year, the Whangārei air shed will be considered a “polluted airshed”.

Polluted airsheds are subject to additional monitoring and consenting requirements, including the need to decline certain Resource Consent applications².

We started monitoring PM₁₀ at Mairtown in August 2020 using NRC’s mobile monitor. The purpose of this monitor is to compare results with the Robert Street site as part of our monitoring network review. We are planning to move the Robert Street monitor to the Mairtown area permanently following the outcome of our network review.

Staff will provide a further update to council once we have been notified of the Ministers decision on our application for an exceedance waiver.

Attachments/Ngā tapirihanga

Nil

² Section 17 National Environmental Standards for Air Quality 2004

TITLE: **Receipt of Committee Minutes**

From: Chris Taylor, Governance Specialist

Authorised by: Chris Taylor, Governance Specialist, on 19 July 2022

Ngā mahi tūtohutia / Recommendation

That the unconfirmed minutes of the:


- Audit and Risk Subcommittee Minutes – 29 June 2022.
- Investment and Property Minutes – 29 June 2022.
- Extraordinary Investment and Property Subcommittee Minutes – 6 July 2022.

be received.

Attachments/Ngā tapirihanga

Attachment 1: Audit and Risk Subcommittee Minutes [↓](#) 

Attachment 2: Investment and Property Subcommittee Minutes [↓](#) 

Attachment 3: Extraordinary Investment and Property Subcommittee Minutes [↓](#) 

Audit and Risk Subcommittee
29 June 2022

Audit and Risk Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei and via audio visual link
on Wednesday 29 June 2022, commencing at 10.00am

Tuhinga/Present:

Chairperson, Colin Kitchen
Councillor Amy Macdonald
Councillor Rick Stolwerk
Ex-Officio Penny Smart
Independent Advisor Stuart Henderson

I Tae Mai/In Attendance:

Full Meeting

Tumuaki – Chief Executive Officer (*via audio visual link*)
Pou Taumatua - GM Corporate Services (*via audio visual link*)
Pou Tiaki Taiao - Group Manager Environmental Services
PA/Team Admin Governance and Engagement

Part Meeting

Human Resources Manager
Corporate Strategy Manager
Corporate Systems Champion
Financial Accountant

The Chair declared the meeting open at 10.01 with a Karakia by Councillor Stolwerk

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Moved (Stolwerk/Kitchen)

That the apologies from Councillor Yeoman for non-attendance be received.

Carried

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Audit and Risk Subcommittee
29 June 2022

Confirmation of Minutes - 30 March 2022 (Item 4.1)

Report from Judith Graham, Corporate Services P/A

Moved (Stolwerk/Macdonald)

That the minutes of the Audit and Risk Subcommittee meeting held on 30 March 2022, be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.1)

Report from Judith Graham, Corporate Services P/A

Moved (Stolwerk/Macdonald)

That the action sheet be received.

Carried

The Pou Taumatua - GM Corporate Services provided an overview of the action sheet. It was agreed to remove 6485 and revisit it in the new triennium, when a replacement Independent Audit and Risk Advisor for Danny Tuato'o will have been appointed. His immediate replacement is not essential and active recruitment can wait until after the 2022 local elections in October.

Actions

- Remove 6485 and revisit it in the new triennium.

Internal Audit Schedule (Item 6.1)

Report from Judith Graham, Corporate Services P/A

Moved (Stolwerk/Macdonald)

That the report 'Internal Audit Schedule' by Judith Graham, Corporate Services P/A and dated 16 June 2022, be received.

Carried

Key discussion points:

- There is enough resource for existing internal audits through staff capacity and use of consultants, however, budget is an issue. Although if council accepts all the recommendation in Item 6.3 Internal Audit Maturity Assessment – Update, then at least extra one FTE would be needed
- The Independent Financial Advisor advised that:
 - external auditors in the coming year will be focusing on fraud and re-evaluations, in particular fraud in relation to rates and fees assessments
 - help will be needed to prioritise internal audits.

Actions

- Staff to consider addressing the following in the Internal Audit Schedule:
 - maturity risk assessment on health and safety processes

Audit and Risk Subcommittee
29 June 2022

Audit Plan FY22 (Item 6.2)

Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Moved (Stolwerk/Macdonald)

That the report 'Audit Plan FY22' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 11 April 2022, be received.

Carried

Key discussion points:

- The audit is consistent with previous years, except for the additional new area of focus – investment in subsidiaries and associates – which reflects the change in ownership of Northland Inc
- There is no additional budget needed for the new area as NRC had already agreed to an uplift in the fee to Deloitte.

Actions

- GM Corporate Services to discuss with Deloitte expanding the audit scope to include:
 - RHSL which will be a complex space as it converts its focus on software to becoming a shared service
 - Kaipara Moana Remediation (Deloitte currently review and report on KMR)
 - Additional checks on Crown contracts given their number and value (noting that some of the large Ministry for the Environment funded projects require annual reporting)
- GM Corporate Services to discuss with Deloitte about how to execute confirmation letters earlier than what is in the audit programme before the Chief Executive Officer's (CEO) retirement, so the incoming CEO is not expected to sign things he is not aware about.

Internal Audit Maturity Assessment - Update (Item 6.3)

Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Moved (Stolwerk/Macdonald)

That the report 'Internal Audit Maturity Assessment - Update' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 12 May 2022, be received.

Carried

The Corporate Strategy Manager presented a review of the Deloitte internal audit maturity review and a proposed improvement plan.

Key discussion points:

- Considering the broader maturity, NRC is aiming to move from a 2 to a 3 – 4 rating of internal audit function and capability, rather than a gold star 5 rating
- The organisation's risk profile is growing because the organisation's size is growing. No one has end to end visibility, so NRC needs to keep strengthening systems. It's a commitment over time, not overnight and the challenge is to manage risk in the meantime until all the threads – ISO standards, RMA requirements etc – are integrated into one programme of work. If the ball is dropped, NRC risks reputational damage
- Ideally the organisation would have an internal audit champion with no self-review and a direct channel to the CEO and Chair of Audit and Risk Committee, or have the role outsourced (noting there is currently a shortage of auditors which creates a resourcing issue)

Audit and Risk Subcommittee
29 June 2022

- The focus of the Deloitte report was on the Executive Leadership Team (ELT) taking ownership, with any issues escalated to this committee and then to council in terms of governance
- Credit was given to the Corporate Strategy team and the Continuous Improvement Steering Group for their work on the report and proposed action plan in response to the Deloitte assessment.

Actions

- Staff to consider how the connection between audit and governance might be strengthened
- ELT to consider and advise how the improvement plan work might be resourced and bring it back to the committee in due course.

Risk Management Activity Update (Item 6.4)

**Report from Kym Ace, Corporate Systems Champion and Kyla Carlier, Corporate Strategy Manager
Moved (Stolwerk/Macdonald)**

That the report 'Risk Management Activity Update' by Kym Ace, Corporate Systems Champion and Kyla Carlier, Corporate Strategy Manager and dated 7 June 2022, be received.

Carried

Key discussion points:

- Members discussed concerns and mitigations around non-compliance with Health and Safety at Work Act 2015, recruitment and retention of expertise, and whether ratings for legislative change and future local government reform were accurate for the incoming council.

Risk Deep Dives (Item 6.5)

**Report from Kym Ace, Corporate Systems Champion and Kyla Carlier, Corporate Strategy Manager
Moved (Stolwerk/Kitchen)**

That the report 'Risk Deep Dives' by Kym Ace, Corporate Systems Champion and Kyla Carlier, Corporate Strategy Manager and dated 14 June 2022, be received.

Carried

Key discussion points:

- The Resource Management Act reforms are more significant than 3 Waters and will significantly impact NRC's ability to resource business as usual which has focused on delivering field work
- Without a rates increase, frontline services will need to be reduced and the money reallocated to build regulatory, policy and corporate services capacity.

Kaupapa ā Roto/Business with Public Excluded (Item 7.0)

Ngā mahi tūtohutia / Recommendations

Audit and Risk Subcommittee
29 June 2022

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
7.1	Confirmation of Confidential Minutes - 30 March 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.

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

Whakamutunga (Conclusion)

The meeting concluded at 11.25am.

Investment and Property Subcommittee
29 June 2022

Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 29 June 2022, commencing at 1.00pm

Tuhinga/Present:

Chairperson, NRC Councillor, Rick Stolwerk
Ex-Officio Penny Smart
Councillor Colin Kitchen
Councillor Jack Crow
Councillor Terry Archer
Independent Consultant Jonathan Eriksen
Independent Advisor Stuart Henderson

I Tae Mai/In Attendance:

Full Meeting
Pou Taumatua - GM Corporate Services
Tumuaki – Chief Executive Officer
Pou Tiaki Taiao – GM Environmental Services
Strategic Projects and Facilities Manager
Financial Accountant
Accounting Assistant
EriksensGlobal – Janibek Issagulov
Administration Support

The Chair declared the meeting open at 1.00pm with a Karakia by Councillor Stolwerk

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Moved (Rick Stolwerk /Terry Archer)

That the apologies from Councillor Justine Blaikie for non-attendance be received.

Carried

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Investment and Property Subcommittee
29 June 2022

Confirmation of Minutes - 30 March 2022 (Item 4.1)

Report from Judith Graham, Corporate Services P/A

Moved (Rick Stolwerk/Jack Crow)

That the minutes of the Investment and Property Subcommittee meeting held on 30 March 2022 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.1)

Report from Judith Graham, Corporate Services P/A

Secretarial Note: Item 5.1 Apologies it was not on the Agenda. GM Corporate Services addressed this.

Performance of Councils Externally Managed Funds to 31 May 2022 (Item 6.1)

Report from Vincent McColl, Financial Accountant

Moved Rick Stolwerk/Colin Kitchen

That the report 'Performance of Councils Externally Managed Funds to 31 May 2022 ' by Vincent McColl, Financial Accountant and dated 20 June 2022, be received.

Carried

Secretarial Note: The breach of SIPO limits for both the STF and the LTF were noted to be for reasonable financial reasons given market volatility and there are plans in place to get the specific investments back within the SIPO limits

Northland Regional Council Environmental, Social, and Governance Targets (Item 6.2)

Report from Judith Graham, Corporate Services P/A

Moved: Rick Stolwerk/Jack Crow

EriksenGlobe report was discussed . There was consensus we are on track with our environmental, social, and governance targets.

Moved

Kaupapa ā Roto/Business with Public Excluded (Item 7.0)

Moved (Rick Stolwerk /Jack Crow)

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

Investment and Property Subcommittee
29 June 2022

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
7.1	Confirmation of Confidential Minutes - 30 March 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
7.2	Investment and withdrawal between fund managers	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
7.3	Update on Council's Current Redevelopments and Other Property Matters	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii), the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

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

Carried

Whakamutunga (Conclusion)

The meeting concluded at 2.42pm led by a Karakia by Councillor Stolwerk

Extraordinary Investment and Property Subcommittee
6 July 2022

Extraordinary Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 6 July 2022, commencing at 1.00pm

Tuhinga/Present:

Chairperson, NRC Councillor, Rick Stolwerk
Ex-Officio Penny Smart (via audio visual)
Councillor Justin Blaikie (via audio visual)
Councillor Colin Kitchen (via audio visual)
Councillor Jack Craw (via audio visual)
Councillor Terry Archer (via audio visual)
Independent Advisor Stuart Henderson

I Tae Mai/In Attendance:

Full Meeting

Pou Taumatua - GM Corporate Services
Tumuaki – Chief Executive Officer (via audio visual)
Pou Tiaki Taiao – GM Environmental Services
Economist
Economic Policy Advisor
PA – Corporate Services

Part Meeting

Te Tai Tokerau Water Trust – Murray McCully
Te Tai Tokerau Water Trust – John Proctor

The Chair declared the meeting open at 1.03pm with a Karakia by Pou Tiaki Taiao – GM Environmental Services

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Secretarial Note: The Chair advised that Councillor Terry Archer would be late attending the meeting.

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Kaupapa ā Roto/Business with Public Excluded (Item 4.0)

Moved (Stolwerk/Kitchen)

Extraordinary Investment and Property Subcommittee
6 July 2022

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
4.1	Regional Projects Reserve: Investment proposal for Mid North Water Scheme	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
4.2	Oruku Landing Conference and Events Centre	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(iii) and the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

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

Carried

Whakamutunga (Conclusion)

The meeting concluded at 3.21pm.

TITLE: Working Party Updates and Chairpersons' Briefings

From: Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: date 19 July 2022

Ngā mahi tūtohutia / Recommendation

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

Te Taitokerau Māori and Council Working Party (Co-Chairs: Cr Robinson and Pita Tipene)

The Te Taitokerau Māori and Council Working Party (TTMAC) met on 9 June 2022. The topics for discussion included:

- Northern Waters - Te Wai Ora Mai Tāmaki ki Te Rerenga Wairua
- Draft Freshwater Framework
- Tangata Whenua Water Advisory Group update and report
- Economic development: Examples from the Ngāwhā Innovation and Enterprise Park
- Te Tiriti Health Check
- Māori Representation – Climate Crisis
- Te Ao Māori Decision Making Framework Update
- Joint regional submission on the draft National Adaptation Plan Submission
- Te Taitokerau Māori and Council Working Party: Communications Review

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

- That the Department of Internal Affairs (DIA) be invited to present to one of the next TTMAC meetings to confirm the process for involvement and resourcing of hapū through the establishment of Entity A and the broader 3 Waters Reform
- That Northern Waters provide a copy of their Terms of Reference to TTMAC members
- That TTMAC endorse the Draft Freshwater Framework being taken to council for adoption
- That the Māori Technical Advisory Group (MTAG) are endorsed to continue to provide leadership and guidance on the development of the detailed Te Tiriti Health Check assessment process and work programme
- That TTMAC supports changes to TTMAC representation on the Climate Change Working Party and Joint Climate Change Adaptation Committee
- That the draft Te Ao Māori Decision-Making Framework be presented to a future TTMAC meeting
- That a communications plan be created with an accompanying policy document that is presented to TTMAC for their feedback, and that TTMAC Strategic Intent be reflected in the Communications Plan and in all communications conducted by TTMAC.

Joint WDC-NRC Whangarei Public Transport Working Party (Deputy-Chair: Cr Rick Stolwerk)

The Joint WDC-NRC Whangarei Public Transport Working Party (WPTWP) met on 7 June 2022. The topics for discussion included:

- CityLink Bus Service - update

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

- Councillors Craw and Cutforth are to approach Whangārei Boys High School to discuss students behaviour on public buses and what can be done.

TITLE: Business with the Public Excluded

Whakarāpopototanga / 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.

Ngā mahi tūtohutia / Recommendations

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

Item No.	Item Issue	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 28 June 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.3	Human Resources Report - June 2022	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.4	Requests for Property Reinvestment Funding	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii), the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
9.5	Regional Projects Reserve: Investment proposal for Mid North Water Scheme	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
9.6	Director Remuneration	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out,

		without prejudice or disadvantage, commercial activities s7(2)(h).
9.7	Introduction of a New Fund Manager into the Long-Term Fund Investment Fund	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

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