

**Joint Regional Economic Development  
Committee  
Friday 29 July 2022 at 10.00am**

# **AGENDA**

## Joint Regional Economic Development Committee Agenda

Meeting to be held in the Council Chamber  
36 Water Street, Whangārei  
on Friday 29 July 2022, commencing at 10.00am

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

### MEMBERSHIP OF THE JOINT REGIONAL ECONOMIC DEVELOPMENT COMMITTEE

Chairperson, Councillor Justin Blaikie

Councillor Terry Archer

Councillor Anna Curnow

Councillor David Clendon

Councillor John Vujcich

Councillor Peter Wethey

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| <b>2.0 NGĀ WHAKAPAHĀ/APOLOGIES</b>                                 |             |
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## **Opening Karakia – Tukua Te Wairua**

Tukua te wairua kia rere ki ngā taumata

Hei ārahi i a tatou mahi

Me tā tatou whai

I ngā tikanga a rātou mā

Kia mau, Kia ita

Kia kore ai e ngaro

Kia pūpuri

Kia whakamaua kia tina!

TINA!

Haumie, huie

TAIKI E!

## **Closing Karakia (karakia whakamutunga)**

Unuhia, unuhia

Unuhia ki te uru tapu nui

Kia wātea, kia māmā, te ngākau,

te tinana, te wairua i te ara tangata

Koia rā e Rongo, whakairia ake ki runga

Kia tina! TINA! Hui e! TĀIKI E!



**TITLE:** Confirmation of Minutes - 29 April 2022

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

**Authorised by** Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on  
**Group Manager/s:** 25 July 2022

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### **Ngā mahi tūtohutia / Recommendation**

That the minutes of the Joint Regional Economic Development Committee meeting held on 29 April 2022 be confirmed as a true and correct record.

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### **Attachments/Ngā tapirihanga**

Attachment 1: Joint Regional Economic Development Committee Minutes 29 April 2022 [↓](#) 

Joint Regional Economic Development Committee  
29 April 2022

## Joint Regional Economic Development Committee Minutes

Meeting held remotely  
on Friday 29 April 2022, commencing at 10.00am

### **Tuhinga/Present:**

Chairperson, Councillor Justin Blaikie  
Councillor Anna Curnow (KDC) Deputy Chair  
Councillor Peter Wethey (KDC)  
Councillor David Clendon (FNDC)

### **I Tae Mai/In Attendance:**

**Full Meeting**  
Vaughan Cooper (NINC)  
Darryl Jones Economist (NRC)  
Emmanouela Galanou Economic Policy Advisor (NRC)  
Briar Macken (FNDC)  
Darren Edwards (FNDC)  
Meloney Tupou Administration (NRC)

The Chair declared the meeting open at 10.09am.

#### *Secretarial Note:*

- *Due to the current Covid-19 restrictions and the meeting being conducted fully remotely, proceedings were recorded due to technical issues with the NRC livestream.*

### **Confirmation of Minutes - 11 March 2022 (Item 4.1)**

**Report from Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist**

**Moved (Anna Curnow/Peter Wethey)**

**Ngā mahi tūtohutia / Recommendation**

That the minutes of the Joint Regional Economic Development Committee meeting held on 11 March 2022 be confirmed as a true and correct record.

**Carried**

### **Receipt of Action Sheet (Item 5.1)**

**Report from Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist**

**Moved (Justin Blaikie/Anna Curnow)**

**Nga mahi tutohutia / Recommendation**

That the action sheet be received.

**Carried**

Joint Regional Economic Development Committee  
29 April 2022

## **Northland Inc Limited Statement of Intent: Shareholder comment on draft SOI 2022-2025 (Item 6.1)**

**Report from Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist**

**Moved (Peter Wethey/Justin Blaikie)**

### **Recommendation(s)**

1. That the report 'Northland Inc Limited Statement of Intent: Shareholder comment on draft SOI 2022-2025' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 6 April 2022, be received.
2. That the shareholder comment on the draft Statement of Intent 2022-2025 as set out in **Attachment 1** be provided to Northland Inc Limited.
3. That the Chair be delegated authority to make minor amendments to the shareholder comment on Northland Inc Limited's Statement of Intent 2022-2025 in line with comments received on this report and provide the shareholder comment back to Northland Inc Limited by 30 April 2022.

### **Carried**

*Secretarial Note: If a decision is made to increase directors' remuneration in item 6.2 of this meeting, that a note reflecting this decision be included in the shareholder comment to Northland Inc's SOI 2022-2025.*

## **Northland Inc Limited Directors: Review of Remuneration (Item 6.2)**

**Report from Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor**

**Moved (Anna Curnow/Peter Wethey)**

### **Recommendation(s)**

1. That the report 'Northland Inc Limited Directors: Review of Remuneration' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 5 April 2022, be received.
2. That the annual remuneration paid to the directors and Chair of Northland Inc increase to \$20,700 and \$31,050 respectively effective 1 July 2022.
3. That this increase in remuneration be met out of Northland Inc operational funding increase as proposed in the draft Statement of Intent 2022-2025.

### **Carried**

## **Kaupapa ā Roto/Business with Public Excluded (Item 7.0)**

**Moved (Justin Blaikie/David Clendon)**

### **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:

Joint Regional Economic Development Committee  
29 April 2022

| <b>Item No.</b> | <b>Item Issue</b>   | <b>Reasons/Grounds</b>  |
|-----------------|---|---|
| 7.1             | Investment and Growth Reserve:<br>Project Development funding<br>reallocation request by Northland Inc<br>Limited | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i). |

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

### **Whakamutunga (Conclusion)**

**The meeting concluded at 10.34am**

**TITLE:**                   **Receipt of Action Sheet**

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

**Authorised by**       Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on  
**Group Manager/s:**   25 July 2022

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### **Whakarāpopototanga / Executive summary**

The purpose of this report is to enable the meeting to receive the current action sheet.

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### **Nga mahi tutohutia / Recommendation**

That the action sheet be received.

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### **Attachments/Ngā tapirihanga**

Attachment 1: Action Sheet June 2022 [↓](#) 



Joint Regional Economic Development Committee - schedule of actions

| Meeting date | Item  | JREDC Action  | Responsible staff                                | Status      | Notes  |
|--------------|---|---|--|-------------|--|
| 30-Jul-21    | Investment and Growth Reserve: Funding available for 2021/22                                    | Future workshop discussion on how funding can be increased, including investigation to what other regions are doing in this space, i.e. loans, collaboration with banks, bonds etc. | Darryl Jones, Emmanouela Galanou                 | In progress | Item discussed at the JREDC workshop on 11 March. Further discussion will take place at July workshop.                     |
| 30-Sep-21    | Investment and Growth Reserve: Allocation of funding for Regional Economic Development Strategy | Prepare an information paper on the progress of the Economic Development Strategy to share with all council elected members twice a year.   | Darryl Jones, Vaughan Cooper, Emmanouela Galanou | In progress | Following the March meeting, the committee would like to receive an information paper so to circulate with their councils. |
| 11-Mar-22    | Economic Development Strategy   | Northland Inc to meet with KDC, FNDC and NRC councils to provide update on the strategy in May/June 2022.   | Northland Inc                                    | Completed   |  |
| 29-Apr-22    | Regional Reach  | Add regional reach item to JREDC annual work plan   | Emmanouela                                       | Completed   | Added in the September workshop session.   |
| 29-Apr-22    | Local elections   | Schedule time to plan for handover pack to new JREDC members.   | Darryl, Emmanouela, Justin                       | In progress | Timing to be determined at the July meeting as part of the "New Joint Committee Induction" workshop item.                  |
| 29-Apr-22    | JREDC Meeting venue   | September JREDC meeting to take place in Kaipara.   | Darryl, Emmanouela, Justin                       | In progress |  |
| 17-Jun-22    | Regional Economic Development Strategy  | Arrange for a JREDC online discussion to take place prior to the ED Strategy Steering Group's first meeting to feed the committee's input to the group through the Chair            | Darryl, Emmanouela, Justin                       | Completed   | Scheduled for Tuesday, 26 July.  |

**TITLE:** Northland Inc Limited: Statement of Intent 2022-25

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

**Authorised by** Auriole Ruka, Pou Manawhakaheere - GM Governance and Engagement, on  
**Group Manager/s:** 25 July 2022

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### Executive summary/Whakarāpopototanga

The purpose of this report is to present the Joint Regional Economic Development Committee (Joint Committee) with Northland Inc Limited's (Northland Inc) final Statement of Intent (SOI) for 2022-2025 (**Attachment One**). Along with the final SOI, Northland Inc provided a cover letter highlighting changes in the organisation's operational expenditure (**Attachment Two**). The forecast financial performance table shows an operational deficit due to the non-inclusion of unconfirmed tenant income associated with the Ngawha Innovation and Enterprise Hub. The Northland Inc board has chosen to incorporate almost all the suggestions by the Joint Committee in its shareholder comment.

Under section 65(2) of the Local Government Act (LGA) 2002 the Joint Committee must agree to Northland Inc's SOI, or if it does not agree, takes steps to require the SOI to be modified. Staff recommend that the Joint Committee agree to the SOI 2022-2025 and send a letter specifically relating to Northland Inc's financial obligations and the Joint Committee's expectations regarding the operation of the Innovation Hub.

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### Recommendation(s)

1. That the report 'Northland Inc Limited: Statement of Intent 2022-25' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 15 July 2022, be received.
2. That the Joint Regional Economic Development Committee agree to Northland Inc Limited's Statement of Intent 2022-2025 as set out in **Attachment One** pertaining to item 6.1 of the 29 July 2022 Joint Committee agenda.
3. That the Joint Regional Economic Development Committee authorise its Chair to write to Northland Inc reminding them of their financial obligations under the underwrite agreement for the Ngawha Innovation and Enterprise Hub and its expectation that the Hub will be cost neutral.

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### Options

| No. | Option  | Advantages  | Disadvantages   |
|-----|---|---|---|
| 1   | Agree to Northland Inc's SIO 2022-2025 as set out in <b>Attachment One</b> .  | Allows Northland Inc to begin operating in 2022/23 without uncertainty.                   | Do not get all the changes requested by the Joint Committee incorporated into the SOI 2022-2025.                                |
| 2   | Not agree to Northland Inc's SOI 2022-2025 as set out in <b>Attachment One</b> and formally request additional modifications. | Get further changes requested by the Joint Committee incorporated into the SOI 2022-2025. | Creates unnecessary antagonism with Northland Inc given that the Joint Committee requests to date have either been incorporated |

|  |  |  |  |
|--|--|--|--|
|  |  |  | within the SOI 2022-2025 or answered separately. |
|--|--|--|--|

The staff's recommended option is Option 1, that the Joint Committee agree to the SOI 2022-2025 received from Northland Inc as set out in **Attachment One**. Northland Inc have chosen to incorporate almost all the Joint Committee's comments into the final SOI 2022-2025. While recommending that the Joint Committee agree to the SOI, staff also recommend that a letter be sent to Northland Inc reminding them of their financial obligations under the underwrite agreement for the Ngawha Innovation and Enterprise Hub, setting out the Joint Committee's expectation that the Hub will be cost neutral, and requesting a footnote be added to the financial information table regarding the non-inclusion of unconfirmed income (see Financial implications section for further explanation).

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## Considerations

### 1. Environmental Impact

This decision does not have any environmental risks or negative impacts. Northland Inc's final SOI 2022-2025 incorporates the organisational objective of environmental sustainability and includes references in the Activity and Key Performance Indicators sections. Northland Inc intend to continue assisting the region's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects.

### 2. Community views

The community have not been specifically consulted with regarding the development of the latest Northland Inc SOI. NRC's proposed Long Term Plan 2021-2031 consultation document outlined the policies, objectives and Key Performance Indicators for Northland Inc. NRC has received ongoing support for providing regional economic development services through Northland Inc. Both Far North and Kaipara district councils consulted on the joint delivery model proposal as part of their respective Long Term Plan 2021-2023 consultation process, including becoming joint owners of Northland Inc. Both FNDC and KDC received responses in favour and against the proposal, but both councils agreed in their deliberation to participate in the joint ownership of Northland Inc.

### 3. Māori impact statement

Northland Inc's SOI 2022-2025 continues to place a focus on strategic partnerships in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels. Within the latest SOI, Northland Inc continue to implement their "He Korowai Manawanui" pathway, a two-year programme working on their organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori. Northland Inc respect and implement the principals of the Te Tiriti O Waitangi, which support meaningful partnerships with Māori.

### 4. Financial implications

Through their SOI and cover letter, Northland Inc have presented a budget that reflects the current economic environment. Northland Inc have ensured an appropriate provision for inflation across the operational activities. The presentation of the financial table in section 13 of the SOI has been improved by separating out income and expenditure into three distinct sections: business as usual, strategic projects and the Innovation Hub at the Ngawha Innovation and Enterprise Park.

Northland Inc have also included **only** confirmed income in their budget as directed by the Joint Committee. In this regard, the unconfirmed tenant income associated with the Innovation Hub has now not been included (it was originally included in the draft received on 1 March 2022) while the planned costs of operating the Hub continue to be. The unconfirmed MBIE Regional Business Programme (RBP) included in the draft SOI has now been confirmed so is included in the final SOI. As a result, the total Northland Inc loss of \$70k in year one and \$140k in years two and three is due to the budgeted loss at the Innovation Hub. Northland Inc are confident that they will be able to secure the required income to operate the Innovation Hub without incurring a loss.

The exclusion of unconfirmed tenant income clearly shows the financial risks associated with the development of the Innovation Hub. In recognition of this risk, an underwrite commitment agreement between Northland Regional Council and Northland Inc was signed in April 2021. This agreement provides for the use of the annual Project Development funding category of the Investment and Growth Reserve to cover any operational loss associated with the Innovation Hub. To ensure there is enough funding in the Project Development category to cover any operational shortfall at the Innovation Hub, there are quarter limits put in place on the amount of Project Development funding that can be allocated by Northland Inc.

A letter should be written to Northland Inc reminding them of these limits and other obligations in the agreement including the need to provide quarterly financial reporting on the operation of the Innovation Hub to the Joint Committee. The letter should also include an expectation from the Joint Committee that the Innovation Hub will, in the long term, be self-sustaining and not propped up by council funding from the IGR through the Project Development category. While recommending that the Joint Committee agree to the SOI, staff also consider that the letter should include a further request that a footnote be added to the financial table along the lines that "Only confirmed funding has been included". This was the only request made in the shareholders comment on the draft that had not been incorporated.

## **5. Implementation issues**

Northland Inc is responsible for implementing its SOI. The Joint Committee does not provide any direction to Northland Inc on how its operational funding is spent across the work programmes. It is up to the board of Northland Inc to prioritise the allocation of its operation funding across the work programmes. The Joint Committee receives a report each quarter from Northland Inc on progress made in achieving the performance measure targets.

## **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 Northland Regional Council's Significance and Engagement Policy because it is provided for in councils' Long Term Plans 2021-2031 and previous decisions of council to set up Northland Inc Limited as a joint council controlled organisation. This does not mean that this matter is not of significance to tangata whenau and/or individual communities, but that the Joint Committee can 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, and no significant corporate risks are identified under Northland Regional Council's Risk Management Policy. Under section 65(2) of the Local Government Act (LGA) 2002 the Joint Committee must agree to Northland Inc's SOI, or if it does not agree, takes steps to require the SOI to be modified.

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## Background/Tuhinga

In March 2022, Northland Inc provided a draft SOI for the three-year period 2022-2025 for the Joint Committee's consideration based on the committee's letter of expectations sent on 14 December 2021 (**Attachment Three**). Northland Inc's draft SOI 2022-2025 was received within the time requirement set out in Schedule 8 of the Local Government Act 2002 (LGA 2002), i.e., on or before 1 March. The draft SOI 2022-2025 was formally received at the Joint Committee meeting on 11 March 2022, with the shareholders comments on the draft SOI agreed at the Joint Committee meeting on 29 April. The Joint Committee's shareholder comment was sent to Northland Inc on 29 April 2022 (**Attachment Four**).

The Joint Committee received a Northland Inc board approved final version of the SOI 2022-2025 on 29 June 2020 along with a cover letter (**Attachment Two**), within the deadline required by clause 3 of Schedule 8 of the Local Government Act 2002, i.e., before 1 July 2021.

Staff have reviewed the SOI and confirm that it complies with the requirements of Schedule 8 of the LGA 2002. Staff have also reviewed the final SOI against the shareholder comments provided by the Joint Committee. Almost all the changes and additions suggested by the committee have either been taken on board and incorporated into the final SOI. An overview of Northland Inc's response to the shareholder comments is included in **Attachment Five**.


If the Joint Committee does not agree to Northland Inc's final SOI 2022-2025, it is then required to take practicable steps to make a modification to the SOI. Clause 6 of Schedule 8 sets out the process that the shareholders must follow to make modification. This includes consultation with the board regarding the proposed modification before being passed by resolution of the shareholders.

Northland Inc representatives will attend the Joint Committee meeting.

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## Attachments/Ngā tapirihanga

Attachment 1: Northland Inc's Statement of Intent 2022-2025 [↓](#) 

Attachment 2: Cover Letter accompanying Northland Inc's final SOI - 29 June 2022 [↓](#) 

Attachment 3: Letter of Expectations to Northland Inc - 14 December 2021 [↓](#) 

Attachment 4: Shareholder Comment to Northland Inc - 29 April 2022 [↓](#) 

Attachment 5: Overview of Northland Inc's response to shareholder comments [↓](#) 

**NorthlandInc**

**Growing Northland's Economy**

Kia tupu ai te ōhanga o Te Tai Tokerau

**Tauākī Whāinga**  
**Statement of Intent**

2022/23 - 2024/25



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