

AGENDA

Council
Tuesday 23 August 2022 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 23 August 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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<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.	
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<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 Council Minutes 26 July 2022 and Extraordinary Meeting Minutes 3 August 2022.


From: Meloney Tupou, Maori Governance and Engagement Support Admin

Authorised by Meloney Tupou, Maori Governance and Engagement Support Admin, on 18
Group Manager/s: August 2022

Ngā mahi tūtohutia / Recommendation

That the minutes of the council meeting held on 26 July 2022 and the extraordinary council meeting held on 3 August 2022 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Northland Regional Council Minutes 26 July 2022. [↓](#) 

Attachment 2: Extraordinary Council Meeting Minutes 3 August 2022. [↓](#) 

Council Meeting
26 July 2022

Northland Regional Council Minutes

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

Tuhinga/Present:

Chairperson, Penny Smart

Councillors:

Terry Archer *(via audio-visual link)*

Justin Blaikie *(left meeting at 12.24pm during business with the public excluded)*

Jack Craw

Colin Kitchen *(via audio-visual link)*

Marty Robinson

Rick Stolwerk

Joce Yeoman *(via audio-visual link)*

I Tae Mai/In Attendance:

Full Meeting

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

Pou Taumatua - GM Corporate Services *(via audio-visual link)*

Pou Tiaki Taiao - GM Environmental Services

Deputy Pou Whakaritenga – Deputy GM Regulatory Services

Regional Harbourmaster *(via audio-visual link)*

Governance Specialist

Part Meeting

Barker Associates Northland Director

Barker Associates Senior Planner

Tumuaki - Chief Executive Officer *(via audio-visual link)*

Pou Tiaki Hapori - GM Community Resilience

Pou Manawhakahaere – GM Governance & Engagement

Human Resources Manager

Resource Management – Strategic Policy Specialist

Corporate Planner

Economist

Secretarial Note: The Chair declared the meeting open at 10.30am and proceedings commenced with the Tauāki ā roto by full council.

Ngā whakapahā/Apologies (Item 1.0)

Moved (Craw/Robinson)

That the apologies from Councillor Macdonald for non-attendance be received.

Carried

Council Meeting
26 July 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 - 28 June 2022 (Item 5.1)

Report from Chris Taylor, Governance Specialist

Moved (Stolwerk/Blaikie)

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

Carried

Regional Software Holdings Limited's Transition (Item 6.1)

Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Moved (Robinson/Craw)

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 Chief Executive Officer.
4. That council delegates authority to the Chief Executive Officer to sign the Shareholders' Agreement and Shareholders' Resolution (*subject to minor amendments*) on behalf of the council.

Carried

Secretarial Note: Feedback from council (as per resolution 2) was that an aggregate tenure of 12 years for directors was too long and that nine years would be more appropriate. Furthermore, that consideration be given to including declarations of conflict of interest into sections 15.1 and 15.2 of the 'Constitution of Regional Software Holdings Limited'.

IRIS Next Gen Collaborative Project (Item 6.2)

Report from Carol Cottam, Information Services and Technology Manager

Moved (Stolwerk/Robinson)

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 Officer be delegated authority to sign the Partnership Agreement.

Carried

Council Meeting
26 July 2022

Regional Software Holdings Limited (RSHL) Board Appointments (Item 6.3)

Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Moved (Blaikie/Craw)

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.

Carried

Regional Software Holdings Limited's Statement of Intent (Item 6.4)

Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Moved (Blaikie/Kitchen)

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 pertaining to Item 6.4 of the 26 July 2022 council meeting agenda).

Carried

Adoption of the Draft Freshwater Framework (Item 6.5)

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Blaikie/Yeoman)

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.

Carried

Secretarial Note: Appreciation was extended to all involved in the development of the Draft Freshwater Framework.

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26 July 2022

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. (Item 6.6)

Report from Kyla Carlier, Corporate Strategy Manager

Moved (Robinson/Stolwerk)

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 (*included as Attachment 2 pertaining to Item 6.6 of the 26 July 2022 council agenda*), in accordance with section 82 of the Local Government Act 2002.
3. That council adopts the Statement of Proposal (*included as Attachment 1 pertaining to Item 6.6 of the 26 July 2022 council agenda*) 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.

Carried

Secretarial Note: Clarification was provided that Far North District Council's rating policies had not changed since it adopted its Long Term Plan and hence were not included in the report.

Navigation Safety Bylaw Review (Item 6.7)

Report from Jim Lyle, Regional Harbourmaster and Michael Payne, Policy Specialist

Moved (Stolwerk/Craw)

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 Local Government Act 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.

Council Meeting
26 July 2022

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.

Carried

Secretarial Note: An explanatory note to be added to the NRC website as to why the review of council's Navigation Safety Bylaw was being delayed.

Tangata whenua water advisory group membership (Item 6.8)

Report from Ben Lee, Planning and Policy Manager

Moved (Robinson/Yeoman)

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.

Carried

Tāiki ē NRC Te Tiriti Strategy and Implementation Plan (Item 6.9)

Report from Auriolē Ruka, Pou Manawhakahaere - GM Governance and Engagement

Moved (Robinson/Smart)

1. That the report 'Tāiki ē NRC Te Tiriti Strategy and Implementation Plan' by Auriolē 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).

Carried (with acclamation)

Secretarial Note: Appreciation was extended to all involved in the development of Tāiki ē which was described as 'a real taonga to take forward' and recognised the 'journey council has been on for the last decade'. The title 'acknowledges the partnership to give effect to Te Tiriti' and the collaborative spirit to 'deliver tangible outcomes'. It was a major achievement to be proud of.

Appointment of replacement members to the Climate Change Working Party and Joint Climate Change Adaptation Committee (Item 6.10)

Report from Auriolē Ruka, Pou Manawhakahaere - GM Governance and Engagement

Moved (Craw/Robinson)

1. That the report 'Appointment of replacement members to the Climate Change Working Party and Joint Climate Change Adaptation Committee' by Auriolē Ruka, Pou Manawhakahaere - GM Governance and Engagement and dated 18 July 2022, be received.

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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.

Carried

Health and safety report (Item 7.1)

Report from Beryl Steele, Human Resources Manager

Moved (Kitchen/Stolwerk)

That the report 'Health and safety report' by Beryl Steele, Human Resources Manager and dated 13 July 2022, be received.

Carried

Secretarial Note: Appreciation was extended to the Human Resources Manager for their work in this field given the changing and challenging times faced by council.

Chair's Report to Council (Item 7.2)

Report from Penny Smart, Chair

Moved (Smart/Stolwerk)

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 15 July 2022, be received.

Carried

Chief Executive's Report to Council (Item 7.3)

Report from Malcolm Nicolson, Tumuaki - Chief Executive Officer

Moved (Stolwerk/Craw)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 1 July 2022, be received.

Carried

Secretarial Note:

- The recently released national video regarding flood protection and 'resilient river communities' recognised NRC's work in true partnership with tangata whenua.
- EriksensGlobal's June 2022 report, which detailed the year end externally managed fund performance, was yet to be received.
- Appreciation was extended to staff and the other organisations involved in the completion of the National Kauri Protection Plan.
- A series of future councillor information sessions were being held to provide key information for anyone interested in standing in the local elections.

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Exceedance of Air Quality Standards (Item 7.4)

Report from Michael Payne, Policy Specialist

Moved (Stolwerk/Yeoman)

That the report 'Exceedance of Air Quality Standards' by Michael Payne, Policy Specialist and dated 6 July 2022, be received.

Carried

Secretarial Note: Confirmation to be provided whether air quality monitors were able to detect spray drift.

Receipt of Committee Minutes (Item 8.1)

Report from Chris Taylor, Governance Specialist

Moved (Stolwerk/Yeoman)

That the unconfirmed minutes of the:

- Audit and Risk Subcommittee Minutes – 29 June 2022.
 - Investment and Property Subcommittee Minutes – 29 June 2022.
 - Extraordinary Investment and Property Subcommittee Minutes – 6 July 2022.
- be received.

Carried

Secretarial Note: The Chair of each subcommittee provided a verbal update on key work programmes.

Working Party Updates and Chairpersons' Briefings (Item 8.2)

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

Moved (Robinson/Archer)

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

Carried

Kaupapa ā Roto/Business with Public Excluded (Item 9.0)

Moved (Smart/Blaikie)

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.

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26 July 2022

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 Advisor be permitted to stay during business with the public excluded.

Carried

Secretarial Note: The meeting adjourned at midday and reconvened at 12.08pm to address business with the public excluded.

Whakamutunga (Conclusion)

The meeting concluded at 12.50pm.

Emergency Council Meeting
3 August 2022

Northland Regional Council Minutes

Hybrid meeting held in the Council Chamber
36 Water Street, Whangārei and via audio-visual link
on Wednesday 3 August 2022, commencing at 9am

Tuhinga/Present:

Chairperson, Penny Smart

Councillors:

Terry Archer

Justin Blaikie (*from 9.07am*)

Jack Craw

Colin Kitchen

Amy Macdonald (*via audio-visual link*)

Marty Robinson

Rick Stolwerk

Joce Yeoman (*via audio-visual link*)

I Tae Mai/In Attendance:

Full Open Meeting

Marsden Maritime Holdings Chair

Marsden Maritime Holdings Chief Executive Officer

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

Tumuaki - Chief Executive Officer

Pou Taumatua - GM Corporate Services

Pou Tiaki Taiao - GM Environmental Services

Corporate Strategy Manager

Human Resources Manager

Economist

Governance Specialist

Secretarial Note: The Chair declared the meeting open at 9.06am and then adjourned proceedings while technical issues were resolved. The meeting reconvened at 9.14am and proceedings commenced with the Tauāki a roto by full council.

Ngā whakapahā/Apologies (Item 1.0)

There were no apologies.

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.

Emergency Council Meeting
3 August 2022

Kaupapa ā Roto/Business with Public Excluded (Item 5.0)

Moved (Smart/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
5.1	Regional Projects Reserve: Investment proposal for Marsden Maritime Holdings	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).

Carried

It was further moved (Smart/Robinson)

3. That the Independent Financial Advisor and the Marsden Maritime Holdings Chair and Chief Executive Officer be permitted to stay during business with the public excluded.

Carried

Whakamutunga (Conclusion)

The meeting concluded at 2.54pm.

TITLE: **Receipt of Action Sheet**

From: Chris Taylor, Governance Specialist

Authorised by Chris Taylor, Governance Specialist, on 18 August 2022
Group Manager/s:

Whakarāpopototanga / Executive summary

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

Nga mahi tutohutia / Recommendation

That the action sheet be received.

Attachments/Ngā tapirihanga

Attachment 1: Council Action Sheet - August 2022 [!\[\]\(6bb0e4f14c4133b37d2887cb37e67ddd_img.jpg\) !\[\]\(5677a36a9444aca55c9ef7a9b7d8dd5c_img.jpg\)](#)

Council Actions as at 10/08/2022

Id	Meeting	Target Date	Officer Responsible	Description	Request Details	Most Recent Comment
6517	Council 26/07/2022	9/08/22	Lyle, Jim	Navigation Safety Bylaw Review	An explanatory note to be added to the NRC website as to why the review of, council's Navigation Safety Bylaw was being delayed.	COMPLETE. Update added to the website.
6524	Council 26/07/2022	9/08/22	Khanal, Obi	Exceedance of Air Quality Standards	Confirmation to be provided whether air quality monitors were able to detect spray, drift.	In response. No NRC's current monitors do not pick agrichemicals. This does not mean it is not possible though. It is very difficult and expensive. Agrichemicals are mixed in water and sprayed as droplets from certain heights. Being heavier than air, droplets fall on the ground immediately. Only chemicals that are volatile in nature will escape from the ground into the air but they are extremely low in concentration in the air. That makes it difficult to detect by air

TITLE: Externally Managed Funds: 2021/22 Performance and Related Reserves

From: Simon Crabb, Finance Manager

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

Executive summary/Whakarāpopototanga

Councils Long Term and Short-Term Investment Funds experienced negative returns for 2021/22 as rising inflation and rising interest rates weakened investor confidence and created extreme volatility in local and global financial markets. Despite experiencing negative annual returns, the Opex reserve was not utilised in 2021/22 and the majority of the managed fund losses are unrealised to date.

Further detail on the performance of both Investment Funds and the individual fund manager performances are provided in the EriksensGlobal report presented in **Attachment 1**.

Table One presents the portfolio losses encountered in 2021/22 alongside the accumulated gains and accumulated capital reinvestments that have been generated over the past 3 and 5 years inclusive of the 2021/22 year.

- Total portfolio Losses encountered in 2021/22 was (\$2,791,511)
- Including the 2021/22 losses, the portfolio has generated gains of \$8,615,087 over the past 3 years
- Including the 2021/22 losses, \$2,856,038 has been added to portfolio balance over the past 3 years
- Including the 2021/22 losses, \$5,755,012 has been added to portfolio balance over the past 5 years
- The Working Capital portion of the 2021/22 losses is recognised as an expense in the 2021/22 Surplus.

Table One

		Gains (Losses)			Reinvestment / (Loss)	
		2021/22	3 Year Accum Total <i>inclusive of 21/22</i>	5 Year Accum Total <i>inclusive of 21/22</i>	3 Year Accum Total <i>inclusive of 21/22</i>	5 Year Accum Total <i>inclusive of 21/22</i>
LTF	Economic Development / CIF portion	-\$428,435	\$3,262,781	\$5,309,130	\$2,267,412	\$4,279,761
LTF & STF	PRF portion	-\$1,365,213	\$1,869,365	\$4,894,630	\$938,541	\$1,552,341
LTF	Regional Projects / IIF portion *	-\$339,910	\$3,268,635	\$5,075,070	-\$298,724	-\$25,898
LTF	Debt Repayments and Depreciation portion**	-\$91,794	-\$91,794	-\$91,794	-\$91,794	-\$91,794
STF	Working Capital Portion	-\$564,821	\$265,497	\$764,541	<i>Included in the Net Surplus</i>	
STF	IGR portion	-\$1,339	\$40,603	\$40,603	\$40,603	\$40,603
TOTAL PORTFOLIO (STF & LTF)		-\$2,791,511	\$8,615,087	\$15,992,180	\$2,856,038	\$5,755,012

* In 2020/21 \$648,915 of surplus LTF gains attributable to the Regional Project Reserve was transferred to the Equalisation reserve to fund future councillor identified projects.

** Established in 2021/22

During the 2021/22 year \$1,439,389 of Targeted River Rates earmarked to repay debt was collected, and \$212,911 of depreciation earmarked to fund river scheme capex renewals was also collected. It is proposed

both of these amounts are transferred into the Long-Term Fund in line with an investment recommendation from EriksensGlobal.

Recommendation(s)

1. That the report 'Externally Managed Funds: 2021/22 Performance and Related Reserves' by Simon Crabb, Finance Manager and dated 1 August 2022, be received.
2. That \$1,439,389 of targeted river scheme rates collected in 2021/22 for future debt repayment, and \$212,911 of depreciation funding collected in 2021/22 are withdrawn from the Short-term investment fund and invested into the Long-Term Investment Fund in line with a EriksensGlobal recommendation.

Options

No.	Option	Advantages	Disadvantages
1	Transfer surplus river scheme rates and depreciation to the Long-term investment fund to maximise returns over the long term until loan repayments fall due or depreciation funding is required to pay for renewal capital expenditure.	<p>Maximise returns over the long term until loan repayments fall due or depreciation funding is required to pay for renewal capital expenditure.</p> <p>Separate funding earmarked for a specific purpose (e.g., repaying debt) from the general nature of the Working Capital portion of the Short-Term Fund.</p>	The Long-term fund has a higher level of exposure to risk with a negative return in any year set at 1 in 7. (However, it should be noted that the next tranche of debt is due for repayment in 2032)
2	Do not transfer the surplus river scheme rates and depreciation into the Long-Term fund, but instead hold them in the Short-Term Fund or term deposits.	<p>Lower risk as NZ Bank Term deposits are almost risk free, and the risk tolerance of the STF is set as the chance of a negative return occurring being 1 year in 20.</p>	<p>Lower returns</p> <p>Any depreciation funding held for an extended period of time in Term deposits or the STF may be at risk of becoming eroded by inflation as the returns (and recapitalised value) do not keep up with the rising costs of construction.</p> <p>Not in line with the purpose of the Short-term investment fund - that is to hold the known funding requirement for the next 12 months.</p>

The staff's recommended option is 1 due to the long-term nature of the funds collected.

Considerations

1. Environmental Impact

Being a purely administrative matter, any decisions arising from this report will not have any environmental impact or environmental implications.

2. Financial implications

The majority of the managed fund losses are unrealised to date and except for the loss associated with the Working capital portion of the Short-term fund are excluded (byway of a transfer from the corresponding reserve) from the year end operating result reported to council.

3. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities and is in accordance with the approved Treasury Management Policy.

4. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with council's Treasury Management Policy, and the 2021–31 Long Term Plan, both of which were approved in accordance with council's decision-making requirements of sections 76–82 of the Local Government Act 2002. At 30 June 2022 the LTF global equity asset class was lower than its target range but considered prudent due to the continuing volatility of the financial markets.

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

Background/Tuhinga

1. Externally Managed Investment Funds

Council's managed fund portfolio incurred losses totalling (\$2.792M) in 2021/22. The corresponding budget for the year was \$4.206M of gains, of which \$2.233M was required as general funding.

Although the general funding element was not available, there were sufficient annual operational savings to avoid having to withdraw cash from the Opex reserved funds.

Table Two

30 June 2022	Annual Return % pa	Annual Target % pa	Annual Losses \$,000	Budgeted Annual Gain \$,000	Budgeted Gen Funding \$,000	3 Year Return % pa	5 Year Return % pa
Long Term Fund	- (2.0)	+ 8.1%	(\$1,934)	\$3,711	\$1,987	+7.2%	+7.3%
Short Term Fund	- (4.6)	+ 3.8%	(\$858)	\$495	\$246	+3.2%	+5.2%
Total Portfolio	- (2.5)	+ 7.2%	(\$2,792)	\$4,206	\$2,233	+ 6.5%	+ 6.9%

2. Economic Development Reserve

The purpose of the Economic Development Reserve is to represent funds set aside in the Long-Term Fund (LTF) to support economic development activity including investment in community infrastructure.

The closing balance of the Economic Development Reserve on 30 June 2022 was \$16.836M as presented in Table Three over the page:

Table Tree ECONOMIC DEVELOPMENT RESERVE (EDR)	2021-22	
	Actual	Revised Budget
Opening Reserve Balance	\$17,264,025	\$17,030,413
LTF Gains/(Losses) & TD interest earned of EDR fund balance	-\$428,435	\$1,073,038
Gains to Investment and Growth Reserve	\$0	-\$651,155
Gains to fund Investment advisor fees	\$0	-\$19,347
Total Gains/ (Losses) reinvested In Reserve	-\$428,435	\$402,536
ECONOMIC DEVELOPMENT RESERVE CLOSING BALANCE	\$16,835,590	\$17,432,949
Reconciled to EriksensGlobal Investment Fund		
LTF Balance 30 June 2022	\$16,767,775	\$17,432,949
plus adjustments due to occur after balance date		
Reinvestment of Nanuk distribution (in July 2022)	67,815	-
ECONOMIC DEVELOPMENT RESERVE REPRESENTED IN LTF	\$16,835,590	\$17,432,949

3. Property Reinvestment Reserve

The purpose of the Property Reinvestment Reserve is to represent funds set aside in the LTF and Short-Term Fund (STF) that are to be invested in income producing assets, pending the identification of approved property investments.

The closing balance of the Property Reinvestment Reserve on 30 June 2022 was \$31.318M as presented in Table Four:

Table Four PROPERTY REINVESTMENT RESERVE	2021-22	
	Actual	Revised Budget
Opening Reserve Balance	\$14,805,297	\$25,332,519
Increase in Reserve due to Property Sales		\$15,219,808
27-45 & 50 Union East St. (after selling fees and legal fees)	\$9,009,657	
Kensington Ave Development (after selling fees and legal fees)	\$20,814,522	
	\$29,824,179	
Decrease in Reserve due to property development costs		
Kensington Project	-\$2,714,014	\$0
Kaipara Service Centre Project	-\$4,260,758	-\$3,796,896
NIWA Project	-\$4,971,698	-\$4,520,000
	-\$11,946,470	-\$8,316,896
Increase in Reserve due to Reinvestment back into the Fund		
LTF Gains/ (Losses) & TD interest earned on PRF reserve balance	-\$1,365,213	\$1,872,188
Less Investment advisor and registry fees	-	-\$23,703
Less Gains withdrawn as general funding	-	-\$1,264,316
Total Reinvestment back into Fund	-\$1,365,213	\$584,169
PROPERTY REINVESTMENT RESERVE - CLOSING BALANCE	\$31,317,794	\$32,819,600
Reconciled To EriksensGlobal Investment Fund		
LTF Fund Managers Balance 30 June 2022	\$27,729,329	\$31,954,573
STF Fund Managers Balance 30 June 2022	\$4,596,196	\$865,027
	\$32,325,525	\$32,819,600
less adjustments due to occur after balance date		
Property development costs to withdrawn from STF	-\$1,007,729	
PROPERTY REINVESTMENT RESERVE REPRESENTED IN LTF & STF	\$31,317,794	\$32,819,600

4. Regional Projects Reserve

The purpose of the Regional Projects Reserve is to represent funds set aside in the LTF for approved infrastructure and economic development investments with a view to stabilising the impact of large irregular infrastructure projects on council's income and capital requirements

The closing balance of the Regional Projects Reserve on 30 June 2022 was \$14.125M as presented in Table Five:

Table Five: REGIONAL PROJECTS RESERVE	2021-22			
	Actual		Revised Budget	
Opening Reserve Balance		\$16,690,778		\$15,803,659
Increase / (Decrease) in reserve				
Total LTF Gains / (Losses) & TD interest from Reg' Projects balance		-\$339,910		\$999,744
Less Investment advisor and registry fees		-		-\$45,913
Less Gains withdrawn as general funding		-		-\$723,546
Total increase /(decrease) in reserve balance		-\$339,910		\$230,285
Other transfers to /(from) reserve				
Transfer of Accumulated Debt & Depreciation collected - to differentiate in a separate portion of the LTF		-\$2,225,520		\$0
REGIONAL PROJECTS RESERVE CLOSING BALANCE		\$14,125,348		\$16,033,944
Reconciled To Eriksens Global Investment Fund				
LTF Fund Managers Balance 30 June 2022		\$14,125,348		\$16,033,944
REGIONAL PROJECTS RESERVE REPRESENTED IN LTF		\$14,125,348		\$16,033,944

4.1 In June 2022, \$2.5M of funding from the Regional Projects Reserve was committed as a Loan Facility to assist the Te Tai Tokerau Water Trust construct the Kaipara Water Scheme infrastructure, subject to meeting preconditions.

4.2 In July 2022, \$5.0M of funding from the Regional Projects Reserve was also committed to purchase convertible notes to assist the Te Tai Tokerau Water Trust construct the Mid-North Water Scheme infrastructure, subject to meeting preconditions.

As an indication, the remaining uncommitted balance of the Regional Projects Reserve after taking into account the allocations outlined in bullet points 4.1 and 4.2 is \$6.625M.

5. Funding earmarked to repay future debt and capital renewals

Targeted River Rates collected and earmarked to repay debt, and the depreciation collected and earmarked to fund future river scheme capex renewals, are currently held in the LTF.

It is recommended that \$1,439,389 of 2021/22 targeted rates and \$212,911 of 2021/22 depreciation funding are invested into the LTF. These amounts will add to the corresponding balances already in the LTF resulting in an overall balance of \$3,786,026 related to river schemes and the NEST loan, as presented in Table Six over the page:

TABLE SIX: Debt repayments and Depreciation Collected	2021-22	
	Actual	
Opening Balance		
Debt repayments collected and held in the LTF at 30 June 2021	\$1,646,084	
Depreciation collected and held in LTF At 30 June 2021	\$579,436	
		\$2,225,520
2021-22 Debt Repayments collected		
Awanui River works	\$162,342	
Whangarei Dam	\$460,655	
Regional Flood Infrastructure	\$816,392	
		\$1,439,389
2021-22 Net depreciation collected		
Awanui River works	\$133,925	
Kaeo - Whangaroa river works	\$4,153	
Whangarei Dam	\$74,833	
		\$212,911
2021-22 Gains/(losses) from LTF		
NEST Helicopter repayments held	-\$9,468	
Awanui River works	-\$20,981	
Kaeo - Whangaroa river works	-\$1,058	
Whangarei Dam	-\$30,556	
Regional Flood Infrastructure	-\$29,730	
		-\$91,794
CLOSING BALANCE		
NEST Helicopter Loan repayments held	\$240,532	
Awanui River works Debt repayments & depreciation held	\$788,307	
Kaeo - Whangaroa river works Debt repayments & depreciation held	\$31,032	
Whangarei Dam Debt repayments & depreciation held	\$1,252,062	
Regional Flood Infrastructure Debt repayments & depreciation held	\$1,474,094	
TOTAL CLOSING BALANCE		\$3,786,026
Reconciled To Long Term Balance		
Balance in the Long Term Fund at 30 June 2022		\$2,133,726
less adjustments due to occur after balance date		
Targeted Rates invested into the LTF	\$1,439,389	
Net Depreciation invested into LTF	\$212,911	
		\$1,652,300
ADJUSTED BALANCE TO BE HELD IN LTF		\$3,786,026

Attachments/Ngā tapirihanga

Attachment 1: EriksensGlobal - Externally Managed Investment Funds Quarterly Report to 30 June 2022 [📄](#)



ERIKSENSGLOBAL

Actuaries & Investment Strategists

NORTHLAND REGIONAL COUNCIL EXTERNALLY MANAGED INVESTMENT FUNDS

QUARTERLY REPORT 30 JUNE 2022

26 JULY 2022

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Northland Regional Council
Quarterly Report 30 June 2022

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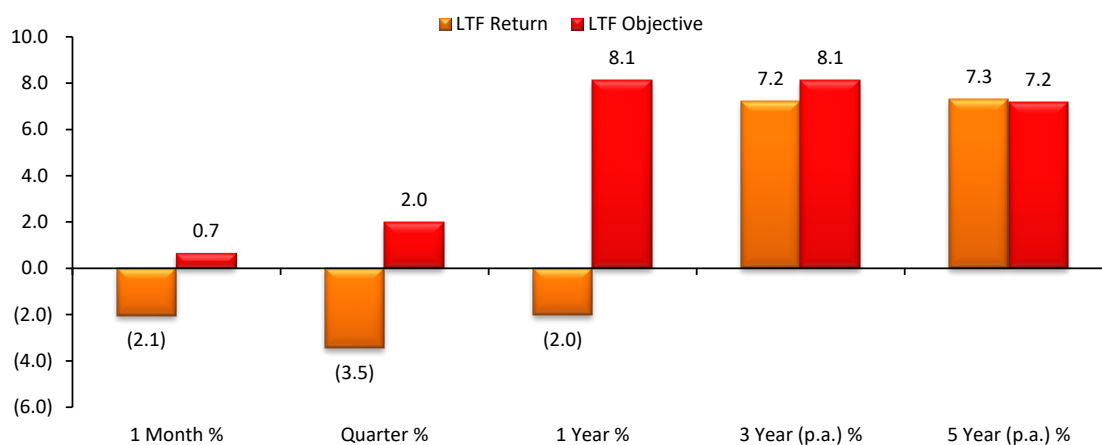
Northland Regional Council
Quarterly Report 30 June 2022

EXECUTIVE SUMMARY

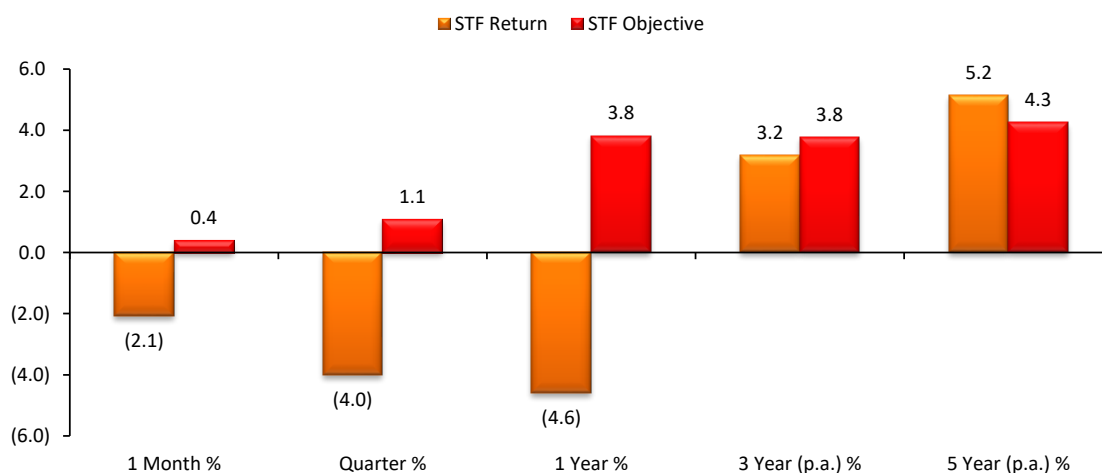
PERFORMANCE

Both the LTF and STF outperformed against their real objectives over the five-year periods. The STF performed 2.6% below the LTF for the year.

	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
LTF	(2.1)	(3.5)	(2.0)	7.2	7.3
Objective	0.7	2.0	8.1	8.1	7.2
Over / Underperformance	(2.8)	(5.5)	(10.1)	(0.9)	0.1



	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
STF	(2.1)	(4.0)	(4.6)	3.2	5.2
Objective	0.4	1.1	3.8	3.8	4.3
Over / Underperformance	(2.5)	(5.1)	(8.4)	(0.6)	0.9



Northland Regional Council
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PORTFOLIO HIGHLIGHTS

Equity markets and bond markets suffered significant falls over the June quarter. The month of June saw the continuation of a risk-off market seen in April and May as fears of persistent inflation and the impact of central banks raising interest rates weighed heavily on investor sentiment. The NZ dollar fell against most major currencies over the quarter, particularly against the US dollar, reducing the fall from global equities over the quarter by around 8%.

With negative returns from shares and bonds all funds with CPI or OCR based benchmarks underperformed. Private equity and alternative assets were the only asset classes to generate positive returns.

RECOMMENDATIONS/ACTIONS

The global equity asset class is below its range due to the continuing volatility of financial markets, in particular the recent equities market sell-off. In addition, \$1 million was redeemed from Harbour T. Rowe Price Global Equity in May to help de-risk the portfolio.

We have used preliminary numbers for Fermat ILS Yield due to a delay of the statement caused by an error in the unit price earlier this year. We expect a minor variation in the valuation of the Fund.

We do not recommend any changes to either portfolio at this point.

ECONOMIC COMMENTS

Markets are under pressure from geopolitics, inflation and recession risk from central banks tightening.

High inflation has started to cause political problems in developing countries.

Fear of recession has split investors into two camps. Optimists and pessimists?

The NZ dollar weakened against most major currencies.

Sovereign debt risk has increased, with more countries seeking to restructure their debt if they can.

Northland Regional Council
Quarterly Report 30 June 2022

INTRODUCTION

This is the quarterly investment report to the Northland Regional Council by EriksensGlobal and is based on the Statement of Investment Policy and Objectives dated 22 February 2022.

Investment Objective (Net of Fees)
Long Term Fund
NZ CPI (rolling over three years) plus 4.5% per annum
Short Term Fund
90-day Bank Bill Index plus 3% per annum

The NZ CPI (rolling over three years) as at **June 2022 was 4% per annum**. The Fund objective for shorter time periods are based on the annualised rolling three-year CPI.

All performance figures are time-weighted returns shown **net** of fees, **gross** of tax and include currency gains and losses associated with conversion back to NZD. Past performance is not necessarily a guarantee of future performance and care should be exercised not to make decisions based on past performance only.

The returns have been calculated from monthly data provided by each asset manager. There may therefore be a discrepancy if the amounts invested in a particular asset have changed during the month.

Each Fund is invested in a multi-manager structure, with the managed products holding their own individual mandate (see Appendix 1).

Underlying Fund allocations are categorised as follows:

- Growth assets: global shares, Australasian shares, property and Australasian private equity
- Income assets: global bonds, Australasian bonds and other debt instruments
- Cash assets: cash or short duration bonds

The financial year-end for the Fund is 30 June, thus year-to-date returns are for **12** months and are excluded from this report.

Northland Regional Council
Quarterly Report 30 June 2022

LONG TERM FUND

PERFORMANCE SUMMARY

Asset	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
Diversified Growth					
Aspiring	(4.8)	(7.3)	(7.7)	8.0	8.1
Benchmark	0.6	1.9	7.6	7.6	6.7
Over / Underperformance	(5.4)	(9.2)	(15.3)	0.4	1.4
Castle Point 5 Oceans	(2.3)	(3.6)	(1.5)	5.3	5.5
Benchmark	0.4	1.2	3.9	3.7	4.1
Over / Underperformance	(2.7)	(4.8)	(5.4)	1.6	1.4
Milford Active Growth	(6.0)	(8.7)	(7.2)	6.8	8.8
Benchmark	0.8	2.4	10.0	10.0	10.0
Over / Underperformance	(6.8)	(11.1)	(17.2)	(3.2)	(1.2)
Mint Diversified Growth	(5.4)	(11.7)	(13.2)		
Benchmark	0.7	2.0	8.1		
Over / Underperformance	(6.1)	(13.7)	(21.3)		
Schroders Real Return	(1.5)	(1.7)	(2.3)	4.2	4.2
Benchmark	0.5	1.6	6.7	6.7	6.5
Over / Underperformance	(2.0)	(3.3)	(9.0)	(2.5)	(2.3)
Global Equity					
Harbour T. Rowe Price Global Equity	(3.7)	(11.6)	(24.2)	7.4	
Benchmark	(4.1)	(5.6)	(5.3)	9.0	
Over / Underperformance	0.4	(6.0)	(18.9)	(1.6)	
Nanuk New World	(5.9)	(7.5)	(6.3)		
Benchmark	(5.9)	(11.5)	(7.5)		
Over / Underperformance	0.0	4.0	1.2		
Private Equity					
Castlerock	0.1	0.1			
Benchmark	0.6	1.9			
Over / Underperformance	(0.5)	(1.8)			
Continuity Capital No.2	(0.5)	(0.0)	29.2	32.1	
Benchmark	1.2	3.6	15.0	15.0	
Over / Underperformance	(1.7)	(3.6)	14.2	17.1	
Continuity Capital No.4	(1.0)	4.2	14.8	15.6	
Benchmark	1.2	3.6	15.0	15.0	
Over / Underperformance	(2.2)	0.6	(0.2)	0.6	
Continuity Capital No.5	0.4	5.2	23.2		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	(0.8)	1.6	8.2		
Continuity Capital No.6	(0.4)	0.6	(5.4)		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	(1.6)	(3.0)	(20.4)		
Continuity Capital No.7	(1.8)				
Benchmark	1.2				
Over / Underperformance	(3.0)				
CPEC 9	21.4	24.0			
Benchmark	1.2	3.6			
Over / Underperformance	20.2	20.4			

Northland Regional Council
Quarterly Report 30 June 2022

Asset	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
Direct Capital VI	2.1	0.0	32.5		
Benchmark	0.6	1.9	8.0		
Over / Underperformance	1.5	(1.9)	24.5		
Federation Alternative	0.4	2.4	2.9		
Benchmark	1.2	3.8	16.0		
Over / Underperformance	(0.8)	(1.4)	(13.1)		
Milford PE III	(0.4)	(1.0)			
Benchmark	0.6	1.9			
Over / Underperformance	(1.0)	(2.9)			
MLC PE II	3.8	14.5	40.1	26.9	
Benchmark	1.2	3.6	15.0	15.0	
Over / Underperformance	2.6	10.9	25.1	11.9	
MLC PE III	3.3	10.7	56.3		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	2.1	7.1	41.3		
Oriens Fund 2	(1.7)	(1.7)	15.0		
Benchmark	0.6	1.9	8.0		
Over / Underperformance	(2.3)	(3.6)	7.0		
PCP III	(0.6)	(0.6)	(3.2)	9.7	14.1
Benchmark	0.6	1.9	8.0	8.0	8.0
Over / Underperformance	(1.2)	(2.5)	(11.2)	1.7	6.1
PCP IV	(1.0)	(1.0)	(14.6)		
Benchmark	0.6	1.9	8.0		
Over / Underperformance	(1.6)	(2.9)	(22.6)		
Diversified Income					
BlackRock FIGO	(1.8)	(0.7)	(3.5)	2.3	2.6
Benchmark	0.4	1.1	4.1	4.3	4.9
Over / Underperformance	(2.2)	(1.8)	(7.6)	(2.0)	(2.3)
Fermat ILS Yield	0.4	2.5	6.8		
Benchmark	0.4	1.2	4.6		
Over / Underperformance	0.0	1.3	2.2		
Harbour Income	(1.5)	(3.1)	(2.7)	3.9	5.0
Benchmark	0.4	1.3	4.4	4.2	4.6
Over / Underperformance	(1.9)	(4.4)	(7.1)	(0.3)	0.4
Milford Diversified Income	(2.9)	(4.3)	(3.2)	2.5	5.0
Benchmark	0.4	1.1	3.4	3.2	3.6
Over / Underperformance	(3.3)	(5.4)	(6.6)	(0.7)	1.4
Mint Diversified Income	(1.5)	(4.8)	(8.8)	0.2	2.6
Benchmark	0.5	1.6	6.6	6.6	5.7
Over / Underperformance	(2.0)	(6.4)	(15.4)	(6.4)	(3.1)
Cash					
Self Managed	0.1				
Benchmark	0.2				
Value Added	(0.1)				
Total Fund	(2.1)	(3.5)	(2.0)	7.2	7.3
Fund Objective	0.7	2.0	8.1	8.1	7.2
Over / Underperformance	(2.8)	(5.5)	(10.1)	(0.9)	0.1

Legend: Red = -2% or below; Amber = greater than -2% but less than 0%; Green = 0% or above

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CONTINUITY CAPITAL PE FUND NO.2 (HISTORICAL RETURN)

The table below shows the returns of Continuity Capital No.2, including the period before it was transferred from the old PRF to the LTF.

Asset	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
Continuity Capital PE Fund No.2	(0.5)	(0.0)	29.2	32.1	23.4
Benchmark	1.2	3.6	15.0	15.0	15.0
Value Added	(1.7)	(3.6)	14.2	17.1	8.4

Legend: Red = -2% or below; Amber = greater than -2% but less than 0%; Green = 0% or above

AUSTRALIAN DOLLAR-DENOMINATED FUND RETURNS

The following table shows the movements of the AUD/NZD cross rate which affect the unhedged Schroders, MLC, BlackRock, Continuity Capital, CPE Capital, Nanuk and Federation returns. A negative change in the cross rate is beneficial to the unhedged NZD return, while a positive change is detrimental to the unhedged NZD return.

Asset	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
AUD/NZD	(0.4)	(2.4)	(2.9)	(1.9)	(1.1)
Schroders Real Return (NZD)	(1.5)	(1.7)	(2.3)	4.2	4.2
Benchmark	0.5	1.6	6.7	6.7	6.5
Over / Underperformance	(2.0)	(3.3)	(9.0)	(2.5)	(2.3)
Schroders Real Return (AUD)	(1.9)	(4.1)	(5.9)	1.5	2.7
Benchmark	0.5	1.6	6.7	6.7	6.5
Over / Underperformance	(2.4)	(5.7)	(12.6)	(5.2)	(3.8)
MLC PE II (NZD)	3.8	14.5	40.1	26.9	
Benchmark	1.2	3.6	15.0	15.0	
Over / Underperformance	2.6	10.9	25.1	11.9	
MLC PE II (AUD)	3.4	11.8	36.1	24.6	
Benchmark	1.2	3.6	15.0	15.0	
Over / Underperformance	2.2	8.2	21.1	9.6	
MLC PE III (NZD)	3.3	10.7	56.3		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	2.1	7.1	41.3		
MLC PE III (AUD)	2.9	8.1	52.6		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	1.7	4.5	37.6		
BlackRock FIGO (NZD)	(1.8)	(0.7)	(3.5)	2.3	2.6
Benchmark	0.4	1.1	4.1	4.3	4.9
Over / Underperformance	(2.2)	(1.8)	(7.6)	(2.0)	(2.3)
BlackRock FIGO (AUD)	(2.1)	(3.1)	(6.3)	0.4	1.5
Benchmark	0.4	1.1	4.1	4.3	4.9
Over / Underperformance	(2.5)	(4.2)	(10.4)	(3.9)	(3.4)

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	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
Continuity Capital No.5 (NZD)	0.4	5.2	23.2		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	(0.8)	1.6	8.2		
Continuity Capital No.5 (AUD)	0.0	2.7	19.4		
Benchmark	1.2	3.6	15.0		
Over / Underperformance	(1.2)	(0.9)	4.4		
Continuity Capital No.7 (NZD)	(1.8)				
Benchmark	1.2				
Over / Underperformance	(3.0)				
Continuity Capital No.7 (AUD)	(2.2)				
Benchmark	1.2				
Over / Underperformance	(3.4)				
Nanuk New World (NZD)	(5.9)	(7.5)	(6.3)		
Benchmark	(5.9)	(11.5)	(7.5)		
Over / Underperformance	0.0	4.0	1.2		
Nanuk New World (AUD)	(6.3)	(9.7)	(9.0)		
Benchmark	(5.9)	(11.5)	(7.5)		
Over / Underperformance	(0.4)	1.8	(1.5)		
Federation Alternative (NZD)	0.4	2.4	2.9		
Benchmark	1.2	3.8	16.0		
Over / Underperformance	(0.8)	(1.4)	(13.1)		
Federation Alternative (AUD)	0.0	0.0	0.0		
Benchmark	1.2	3.8	16.0		
Over / Underperformance	(1.2)	(3.8)	(16.0)		
Fermat ILS Yield (NZD)	0.4	2.5	6.8		
Benchmark	0.4	1.2	4.6		
Over / Underperformance	0.0	1.3	2.2		
Fermat ILS Yield (AUD)	0.0	0.1	3.7		
Benchmark	0.4	1.2	4.6		
Over / Underperformance	(0.4)	(1.1)	(0.9)		
CPEC 9 (NZD)	21.4	24.0			
Benchmark	1.2	3.6			
Over / Underperformance	20.2	20.4			
CPEC 9 (AUD)	20.3	20.3			
Benchmark	1.2	3.6			
Over / Underperformance	19.1	16.7			

Legend: Red = -2% or below; Amber = greater than -2% but less than 0%; Green = 0% or above

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LTF OVERALL FUND ASSET ALLOCATION

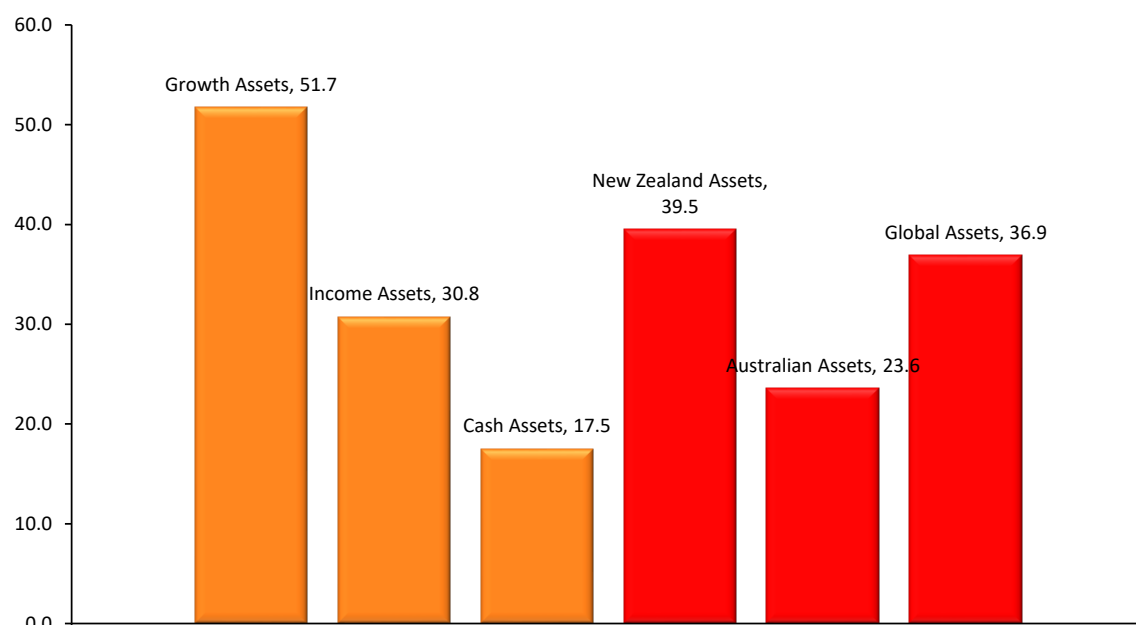
Overall Fund Asset Allocation	Market Value		Target	Target Range	Status
	\$	%	%	%	
Growth Assets	35,312,862	58.1	67	50 - 85	✓
Diversified Growth	22,325,390	36.7	35	25 - 70	✓
Aspiring	3,896,770	6.4	8	5 - 15	✓
Castle Point 5 Oceans	8,387,325	13.8	15	10 - 20	✓
Milford Active Growth	3,675,041	6.0	5	0 - 10	✓
Mint Diversified Growth	2,214,468	3.6	5	0 - 10	✓
Schroders Real Return	4,151,786	6.8	2	0 - 10	✓
Global Equity*	2,693,655	4.4	7	5 - 20	✗
Harbour T. Rowe Price Global Equity	1,849,900	3.0	5	0 - 10	✓
Nanuk New World	843,755	1.4	2	0 - 5	✓
Private Equity	10,293,817	16.9	25	0 - 35	✓
Castlerock	1,025,641	1.7	2	0 - 5	✓
Continuity Capital PE Fund No.2 LP	902,084	1.5	2	0 - 3	✓
Continuity Capital PE Fund No.4 LP	702,593	1.2	1	0 - 3	✓
Continuity Capital PE Fund No.5	1,625,550	2.7	2	0 - 5	✓
Continuity Capital PE Fund No.6 LP	483,106	0.8	2	0 - 5	✓
Continuity Capital PE Fund No.7	254,847	0.4	2	0 - 5	✓
CPEC 9	64,737	0.1	1	0 - 3	✓
Direct Capital VI	513,230	0.8	2	0 - 5	✓
Federation Alternative	974,065	1.6	2	0 - 5	✓
Milford PE III	483,300	0.8	2	0 - 5	✓
MLC PE II	1,232,406	2.0	2	0 - 5	✓
MLC PE III	318,968	0.5	1	0 - 3	✓
Oriens Fund 2	290,882	0.5	1	0 - 3	✓
PCP III	845,637	1.4	1	0 - 3	✓
PCP IV	576,772	0.9	1	0 - 3	✓
Income Assets	25,443,303	41.9	33	15 - 50	✓
Diversified Income	21,934,809	36.1	33	15 - 45	✓
BlackRock FIGO	608,117	1.0	2	0 - 10	✓
Fermat ILS Yield**	685,965	1.1	2	0 - 10	✓
Harbour Income	7,808,004	12.9	9	0 - 15	✓
Milford Diversified Income	6,562,611	10.8	10	0 - 15	✓
Mint Diversified Income	6,270,111	10.3	10	0 - 15	✓
Cash	3,508,494	5.8	0	0 - 20	✓
Self-Managed	3,508,494	5.8	0	0 - 20	✓
Total Assets	60,756,165	100.0			

*The global equity asset class is below its range due to the continuing volatility of financial markets, in particular the recent equities market sell-off. In addition, \$1 million was redeemed from Harbour T. Rowe Price Global Equity in May to help de-risk the portfolio.

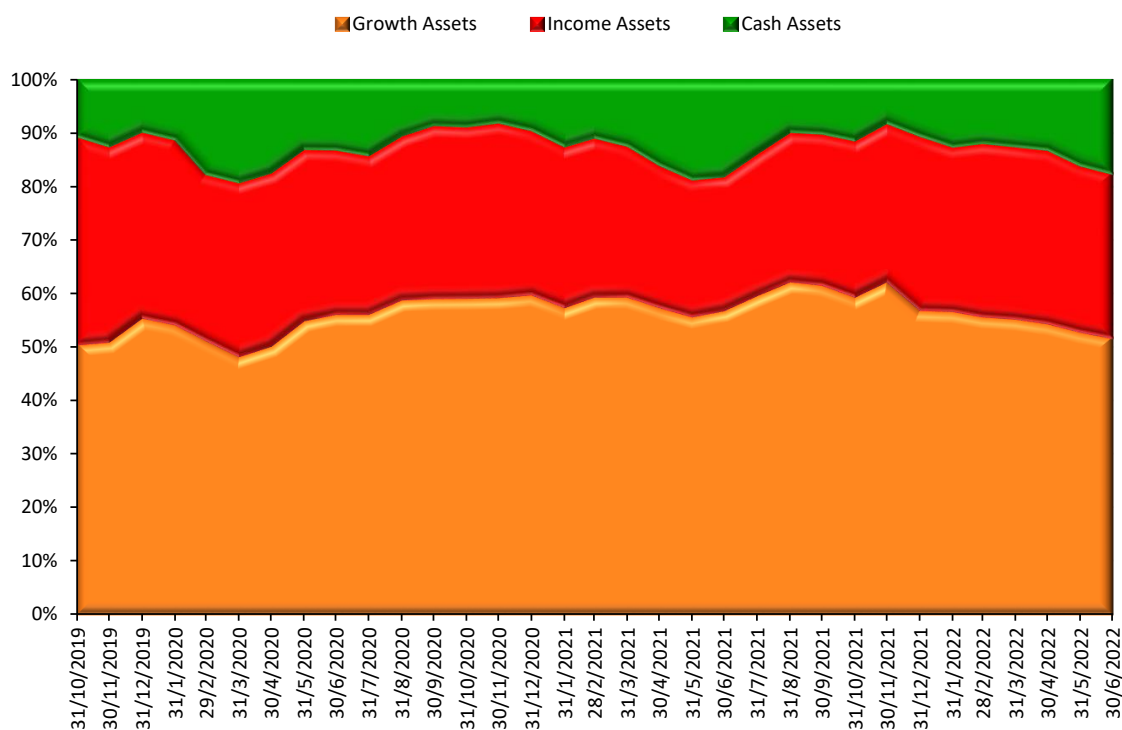
**We have used preliminary numbers due to a delay of the statement caused by an error in the unit price earlier this year. We expect a minor variation in the valuation of the Fund.

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LTF UNDERLYING FUND ASSET ALLOCATION



UNDERLYING ASSET ALLOCATION



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SHORT TERM FUND

PERFORMANCE SUMMARY

Performance Summary	1 Month %	Quarter %	1 Year %	3 Year (p.a.) %	5 Year (p.a.) %
Diversified Growth					
Castle Point 5 Oceans	(2.3)	(3.6)	(1.4)	4.8	
Benchmark	0.4	1.2	3.9	3.7	
Value Added	(2.7)	(4.8)	(5.3)	1.1	
Milford Active Growth	(6.0)	(8.7)	(7.8)		
Benchmark	0.8	2.4	10.0		
Over / Underperformance	(6.8)	(11.1)	(17.8)		
Mint Diversified Growth	(5.4)	(11.7)	(13.5)		
Benchmark	0.7	2.0	8.1		
Over / Underperformance	(6.1)	(13.7)	(21.6)		
Diversified Income					
Harbour Income	(1.3)	(2.9)	(3.1)	3.4	
Benchmark	0.4	1.3	4.4	4.2	
Value Added	(1.7)	(4.2)	(7.5)	(0.8)	
Milford Diversified Income	(2.4)	(4.6)	(4.0)	2.1	4.7
Benchmark	0.4	1.1	3.4	3.2	3.6
Over / Underperformance	(2.8)	(5.7)	(7.4)	(1.1)	1.1
Mint Diversified Income	(0.9)	(4.9)	(9.0)	0.2	2.6
Benchmark	0.5	1.6	6.6	6.6	5.7
Value Added	(1.4)	(6.5)	(15.6)	(6.4)	(3.1)
QuayStreet Income	(0.5)	(1.9)	(3.1)	1.7	3.4
Benchmark	0.3	0.9	2.9	2.7	3.1
Value Added	(0.8)	(2.8)	(6.0)	(1.0)	0.3
Cash					
Self-Managed	0.0				
Benchmark	0.2				
Value Added	(0.2)				
Total Fund	(2.1)	(4.0)	(4.6)	3.2	5.2
Fund Objective	0.4	1.1	3.8	3.8	4.3
Value Added	(2.5)	(5.1)	(8.4)	(0.6)	0.9

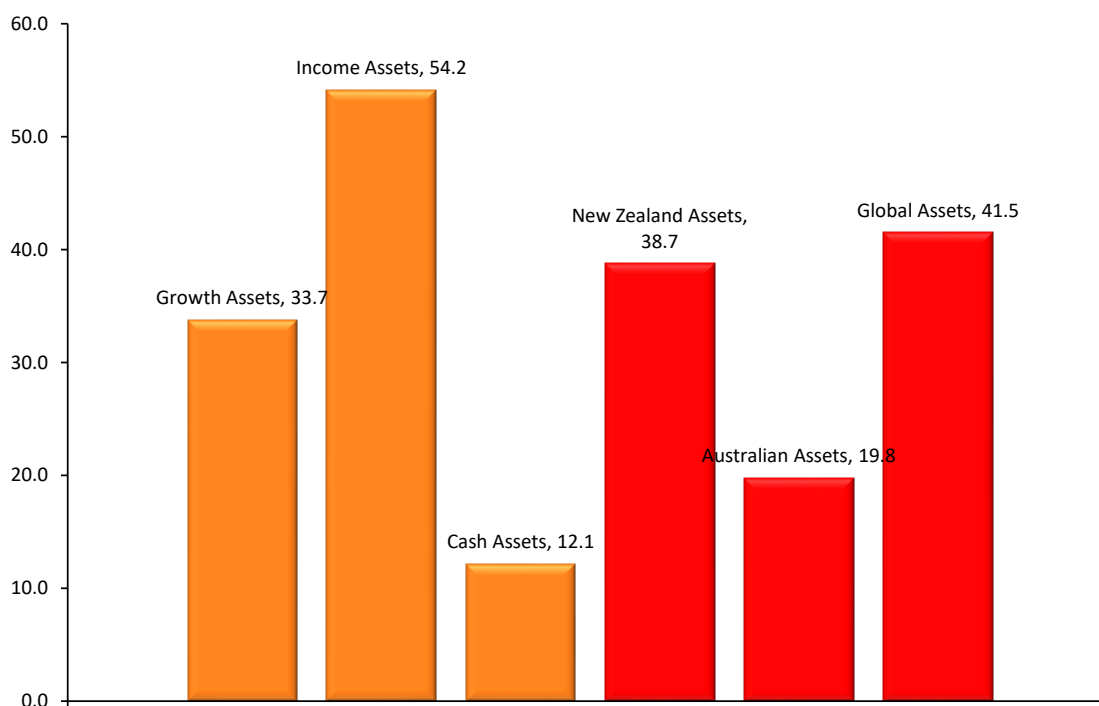
Legend: Red = -2% or below; Amber = greater than -2% but less than 0%; Green = 0% or above

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STF OVERALL FUND ASSET ALLOCATION

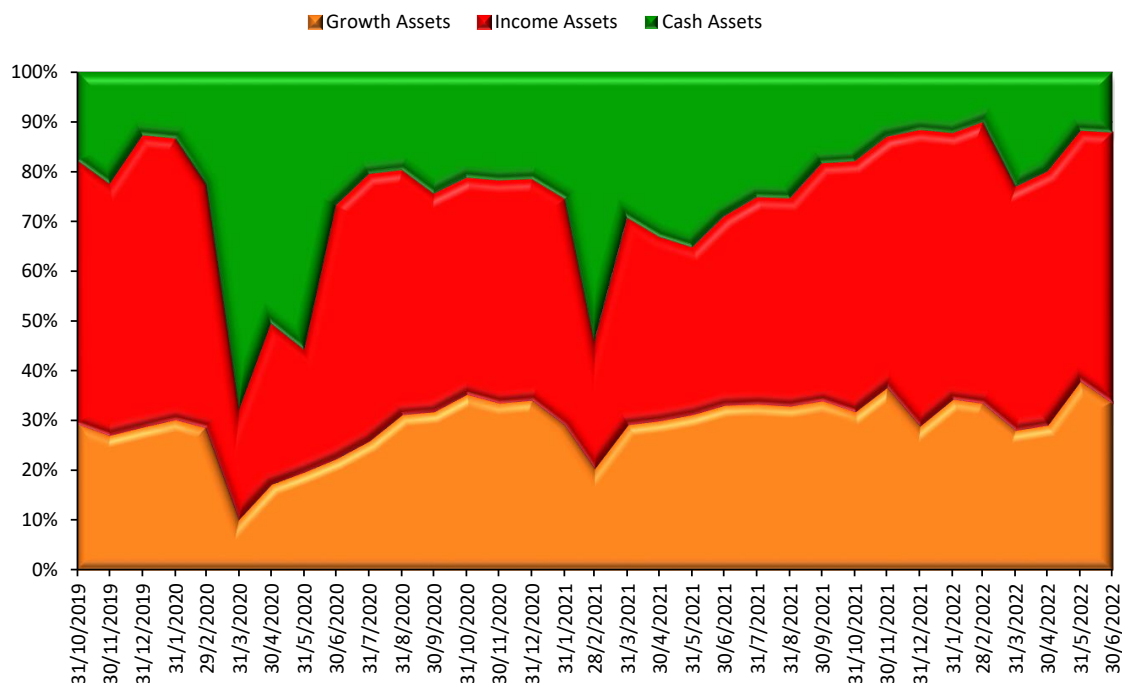
Overall Fund Asset Allocation	Market Value		Target	Target Ranges	Status
	\$	%	%	%	
Growth Assets	4,804,341	30.8	20	0 - 40	✓
Diversified Growth	4,804,341	30.8	20	0 - 40	✓
Castle Point 5 Oceans	2,814,494	18.1	10	0 - 20	✓
Milford Active Growth	1,558,075	10.0	5	0 - 20	✓
Mint Diversified Growth	431,772	2.8	5	0 - 20	✓
Income Assets	10,770,212	69.2	80	60 - 100	✓
Diversified Income	10,770,212	69.2	80	60 - 100	✓
Harbour Income	3,219,606	20.7	20	0 - 30	✓
Milford Diversified Income	2,878,877	18.5	20	0 - 30	✓
Mint Diversified Income	1,512,285	9.7	20	0 - 30	✓
QuayStreet Income	3,159,444	20.3	20	0 - 30	✓
Cash	0	0.0	0	0 - 20	✓
Self-Managed	0	0.0	0	0 - 20	✓
Total Assets	15,574,553	100.0			

STF UNDERLYING FUND ASSET ALLOCATION



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UNDERLYING ASSET ALLOCATIONS



The spike in February 2021 in cash assets is due to the inclusion, then exclusion, of the KMR Grant funds.

PERFORMANCE COMMENTARY

The **Aspiring Fund** fell 4.8% over the month and 7.3% over the quarter. The best performing sector in the Fund was currency, with the NZ dollar weakening in the risk-off sentiment and contributing 0.9% to Fund performance. The NZ portfolio performed better than the market but still fell 2.7%. Sky City bucked the trend and ended up 11% over June after providing earnings guidance showing it had returned to pre-COVID levels of activity. The main detractor in the NZ portfolio was Fletcher Building that was down 7%. Similarly, the Australian portfolio performed better than the market but detracted returns overall. Qantas (down 19%) and Ramsay Healthcare (down 6%) were the main detractors. The international portfolio was down 9.5% over June with the main detractors being Volkswagen (down 18%), Amazon (down 12%), Freeport McMoRan (down 25%) and Mastercard (down 12%). Aspiring is seeking attractive buying opportunities that have historically occurred during this part of the investment cycle.

The **Castle Point 5 Oceans Fund** was down 2.3% in June and was down 3.8% over the quarter. With equity markets falling heavily over the month, all the equity based underlying strategies fell. This included Acadian Managed Volatility (down 0.9%), Schroders Global Recovery Fund (down 5.9%), Castle Point Ranger (down 10.6%) and Castle Point Trans-Tasman (down 5.6%). Also detracting from returns was the Daintree Core Income Trust (down 0.5%) and Carbon Credits (down 1.1%). Positive contributors were the T. Rowe Price Dynamic Global Bond Fund (up 1.3%) and a significant contribution from the Kohinoor Core Fund tail risk strategy that was up 14.7%.

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The **Harbour T. Rowe Price Global Equity Fund** fell 3.7% for the month outperforming its benchmark by 0.5%. Over the quarter the Fund was down 9.5% underperforming the benchmark by 3.9%. Contributing to the month's outperformance was a significant underweight position to Energy and stock selection in Information Technology. The Consumer Discretionary sector was the largest detractor from returns. Within Information Technology the largest contribution to performance came from ID verification software provider ForgeRock that was up 11.8% over the month. Other positive contributors were data platform developer MongoDB and software company Atlassian. Online shopping companies were the main detractors within the Consumer Discretionary sector with Amazon, The Hut Group, Zalando and MercadoLibre all detracting returns.

The **Milford Active Growth Fund** fell 5.9% in June and was down 8.7% over the quarter. Higher than expected inflation numbers and rising interest rates impacted share valuations negatively, including those that Milford regards as having attractive risk/return prospects. The best performers were defensive companies such as global pharmaceutical company Bristol Myers-Squibb that rose 2.8% over the month. Milford increased the Fund's exposure to fixed income and lowered its exposure to shares. It believes that select fixed income investments are offering attractive yields at significantly lower levels of risk to shares. Overall, the Fund is maintaining a defensive positioning with a lower weight towards shares and Milford is constantly on the lookout for opportunistic positions in companies with strong risk-adjusted return prospects.

The **Mint Diversified Growth Fund** fell 5.4% over the month and was down 11.7% over the quarter. At a sector level, global equities was the main negative contributor detracting 2.1% from returns in June. Australasian equities detracted 0.7% over the month as tighter financial conditions and fears of recession continued their selloff. At a stock level the positive contributions in global equities came from Eli Lilly on the back of positive news updates and FedEx thanks to a positive Q4 earnings announcement. Within Australasian equities Serko produced positive returns over June. In global equities the largest negative contributor over the month was American semiconductor company AMD and within Australasian equities it was Freightways as cyclical stocks sold off owing to recession fears. Mint added technology company Cognizant Solutions Corporation to global equities and exited Nestle.

The **Schroder Real Return Fund** returned -1.9% in AUD for the month. The NZD fell against the AUD resulting in a return of -1.5% for the month in NZD. Over the quarter, the Fund fell 4.0% in AUD. The NZD fell against the AUD over the quarter resulting in a -1.7% quarterly return in NZD. Tactical short equity futures had a positive impact on returns over the month and quarter albeit returns from equities were negative overall. Other positive contributions came from foreign currency, real estate and private debt. Stock selection in Australian equities also made a positive contribution. The primary detractor from returns was equity exposure dragging the fund's returns down over the month and quarter. Asian credit and emerging market debt suffered from rising interest rates and widening credit spreads. Schroders is very defensively positioned with cash levels near 40%. While maintaining a defensive stance, Schroders is adding moderately to its duration positioning lifting the Fund's duration to around two years.

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The **Nanuk New World Fund** fell 6.0% in June in AUD terms underperforming its benchmark by 1.6%. The NZD fell against the AUD resulting in an NZD return for the month of -5.6%. Over the quarter the Fund fell 9.5% in June in AUD terms underperforming its benchmark by 1.6%. The NZD fell against the AUD resulting in an NZD return for the quarter of -7.1%. At a geographic level the fund underperformed owing to its overweight exposure to European equity markets and underweight exposure to China and Hong Kong. At a sector level underperformance came from European industrial stocks and semiconductor stocks. Negative contributions at a stock level came from Hain Celestial group and Kion Group as well as significant declines in higher growth stocks including Alteryx, Tandem Diabetes and Zuora. The Fund excludes the energy sector that is in the index which also contributed to underperformance as supply disruptions drove energy prices higher. Positive contributions to performance came from sectors including sustainable packaging, utilities and healthcare technology. The Fund paid a distribution of 11.8186 cents per unit.

The **Milford Diversified Income Fund** was down 2.9% in June and was down 4.3% over the quarter. Despite holding significantly more cash than usual (27% at the end of June), negative returns from shares and bonds driven by concerns around earnings outlooks and rising interest rates resulted in a negative return overall. Milford is maintaining its cautious approach to investing in shares and opportunistically added convertible preference shares in NextEra, a US electricity utility that it considers to be attractively priced. Over the quarter Milford has selectively added to corporate bonds with a focus on shorter dated paper such as UK bank Virgin Money and Genesis Energy.

The **Harbour Income Fund** was down 1.6% over June and fell 3.0% over the quarter reflecting ongoing pressure in financial markets, particularly equities. Fixed income began to find support in June, albeit the month's return was still negative, as recession concerns became a larger area of focus. The Fund's largest exposure is to NZ Government bonds (19%) that fell 1% over June and 3% over the quarter. Harbour is more comfortable with bond markets looking forward as the market is pricing in ongoing tight monetary policy, with the OCR remaining above 3.5% for several years.

The **QuayStreet Income Fund** was down 0.6% in June. Over the quarter the Fund fell 1.4%. The key positive contributor to performance over the month and the quarter was interest rate hedging as interest rates rose. Bond exposure was the main detractor over the month and quarter. Kiwi Property Group remains the largest equity holding, NZ government bonds the largest bond holding and Seek the largest high yield holding. The largest sector exposure was Property followed by Banks. The current gross yield on the portfolio rose to 4.55% with a duration of 1.2 years. The gross distribution yield, based on the last distribution, rose three basis points to 2.37% and the equity exposure was maintained at 6.0%.

Continuity Capital Fund No. 2 was down 0.5% over June due to downward revaluations of some of the underlying companies. There were no capital calls nor distributions over the month. **Continuity Capital Fund No. 4** was down 1.0% over June due to downward revaluations of some of the underlying companies. There were no capital calls nor distributions over the month. **Continuity Capital Fund No. 5** was flat over June in AUD terms. In NZ dollar terms the Fund was up 0.4% owing to the NZD falling against the AUD over the month. There were no capital calls nor distributions over the month. **Continuity Capital Fund No. 6** was down 0.4% over June due to downward revaluations of some of the underlying companies. There were no capital calls nor distributions over the month. **Continuity Capital Fund No. 7** was down 2.9% over June in AUD terms. In NZ dollar terms the Fund was down 2.6% owing to the NZD falling against the AUD over the

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month. There were no capital calls nor distributions over the month. New subscriptions saw the fund value grow to AUD3.1m by the end of June.

PCP III made capital call for management fees. **PCP IV** made capital call for follow-on investment and management fees **Castlerock** made its quarterly distribution in June. **Direct Capital VI** paid fully imputed dividends from Australian-based global logistics and supply chain company Mondiale VGL resulting in a net payment of \$10,450. **CPEC 9** returned the capital and distributed dividends from Rocla in June.

The total **PE Portfolio** returned 0.6% in June and 3.3% over the quarter.

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STANDARD DEVIATION OF RETURNS

At the request of the Investment Sub-Committee we have included the table below showing the standard deviation of returns for each NRC Fund. We have also included two Morningstar Category Benchmarks and the NZX50 Index to provide some context.

The Morningstar category benchmarks are defined as below:

- The Multisector Balanced Category consists of funds that invest in a number of sectors and have 41% to 60% of their assets in growth sectors. These are typically defined as equity and property asset classes.
- The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors. These are typically defined as equity and property asset classes.

Standard deviation is a measure of variation around an average return. For example, if a fund returned 10% per annum on average over the past three years with a standard deviation of 3%, this means the annual return could have been between 7% and 13%. The higher the standard deviation, the wider the range in returns.

The investment industry has traditionally used standard deviation as one measure of risk. However, risk is complex and has many different sides to it so cannot be condensed into one measure. The use of standard deviation as a measure of risk can give a false impression of confidence, or a false impression of fear. The statistic does not tell us whether the variation in returns is more on the upside, or more on the downside. Neither does it tell us how frequent large falls may occur. We note that the figures below are based on past returns and are not a reliable indicator of the distribution of future returns. The figures are annualised and have been calculated using monthly returns.

Standard Deviation of Returns	1 Year %	3 Year (p.a.) %
LTF	4.4	7.0
STF	4.0	4.3
NZ Multi-Sector Balanced	5.3	5.2
NZ Multi-Sector Moderate	4.1	5.3
S&P/NZX 50	12.6	14.6

Over the one-year period the LTF had a higher standard deviation as the Moderate benchmark and a lower standard deviation than the Balanced and NZX 50. The STF had a lower than the NZX 50, the Moderate benchmark and Balanced benchmark.

Over the three-year period the LTF had a higher standard deviation than the Balanced and Moderate benchmarks and a lower standard deviation than the NZX 50. The STF had a lower standard deviation than the NZX 50, the Moderate and Balanced benchmarks.

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MARKET PERFORMANCE AND COMMENTARY – JUNE 2022

MARKET PERFORMANCE

Index	Index Level/Price	1 Month %	3 Month %	1 Year %
Global Equities				
MSCI World NR	6,072.56	-7.8	-14.3	-11.1
MSCI World NR (NZD)	12,473.23	-4.4	-6.2	-3.7
MSCI Emerging Markets	641.32	-4.6	-8.1	-20.2
S&P 500 (US)	3,785.38	-8.4	-16.4	-11.9
Nikkei 225 (Japan)	26,393.04	-3.3	-5.1	-8.3
FTSE 100 (UK)	7,169.28	-5.8	-4.6	1.9
DAX (Germany)	12,783.77	-11.2	-11.3	-17.7
CAC 40 (France)	5,922.86	-8.4	-11.1	-9.0
Trans-Tasman Equities				
S&P/NZX 50	10,868.70	-3.9	-10.3	-14.1
S&P/ASX 300	76,785.88	-9.0	-12.2	-6.8
Bonds				
S&P/NZX NZ Govt Stock	1,679.22	-1.0	-3.2	-10.3
S&P/NZX A Grade Corporate	5,465.14	-0.1	-1.4	-6.8
Barclays Global Agg (Hedged to NZD)	387.13	-1.5	-4.5	-8.8
Oil				
West Texas Intermediate Crude	105.76	-7.8	5.5	43.9
Brent Crude	115.04	-4.0	7.9	53.1
NZD Foreign Exchange				
AUD	0.9042	-0.4	-2.4	-2.9
EUR	0.5947	-2.1	-4.9	0.9
GBP	0.5120	-0.9	-3.1	1.2
JPY	84.4679	0.9	0.1	8.9
CNY	4.1683	-4.1	-5.6	-7.7
USD	0.6218	-4.5	-10.6	-11.0

Source: Nikko AM, indices are in the local currency of the asset unless otherwise indicated.

Executive summary:

- Global and Australasian stock markets sold off
- Interest rates rose, lowering bond prices
- Geopolitical risks are still high
- Food security is a priority on the global agenda
- Oil prices have fallen from recent highs back nearer to \$100 a barrel
- Inflation is at record high levels causing problems for developed and emerging markets
- New Zealand dollar depreciated against most currencies.

ECONOMIC COMMENTARY

GLOBAL SNAPSHOT

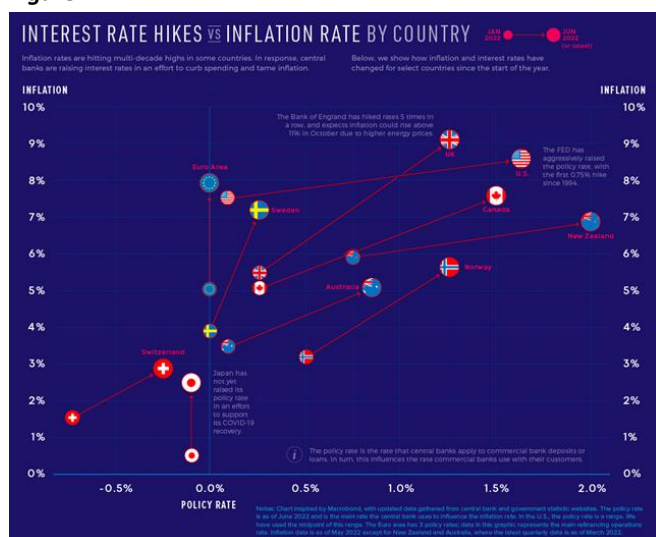
Inflation took centre stage in investors' agenda. Central banks are unlikely to come to the rescue to halt a growth slowdown by cutting rates. The risk of unanchored inflation expectations (where long-run inflation expectations change significantly) is increasing as inflation becomes more persistent. Inflation expectations have risen sharply over the past year, partly driven by higher oil prices, but also reflecting tighter labour markets and higher wages (Figure 1).

The Fed has made clear it is ready to dampen growth. It has projected a large and rapid increase in rates, raising rates by 0.75% in June, the largest increase since 1994. This combination of rising rates and steadily rising oil prices has raised concerns that the US economy may be at risk of overheating.

The Bank of England warned of the poisonous combination of recession and high inflation as it raised interest rates further to 1.25% in June. This may indicate the start of a dovish pivot. The BoE appears increasingly concerned about weak growth prospects for 2022, even though it expects inflation to rise above its target rate over this period.

The European Central Bank announced plans to end asset purchases and implement a rapid series of rate hikes in an effort to stabilize peripheral bond yields. Analysts think the ECB and markets underappreciate the risk of the energy crunch pushing the euro area into recession, which could cause them to rethink their policy path at some point.

Figure 1



Source: [visualcapitalist.com](https://www.visualcapitalist.com)

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The U.S. economy is experiencing a period of high inflation and rising interest rates, shaky economic activity and volatile markets that has raised the probability that the country will slip into a recession, according to economists.

But while there is some consensus on what might occur, forecasts vary widely in their predictions of how bad it might get. Those who say the recession will be avoided emphasize that they might be too optimistic, while those who are confident that the economy will shrink are quick to say the recession won't be that bad.

Some views and comments of economists, analysts and strategists across the globe:

- Deloitte puts the chance of a recession at about 15 percent, "less likely than some analysts would have you believe."
- Morgan Stanley notes that "accelerating inflation has been a common precursor to recessions."
- TD Bank in Canada is not expecting a U.S. recession, although "with growth close to stall speed, there is a very thin margin for error if another shock hits economies."
- Credit Suisse' view is that the U.S. economy is on "the edge of a recession", but there are "buffers" that should shield the economy from "spiralling into a broader downturn."
- Berenberg, the German bank, expect the U.S. economy to stagnate in late 2022 and shrink in the first three quarters of 2023, but only by a "relatively modest" 0.4 percent for the year. "With luck, the recession will be a shallow one," they write.
- Fitch Ratings expects that economic growth will slow to just 0.1 percent per quarter in the second through fourth quarters next year, a pace that will put the economy "perilously close to the risk of technical recession."

The latest inflation figures show that households are bearing the brunt of rising prices, with food prices – particularly fresh items such as cheese – accelerating steeply in the last month.

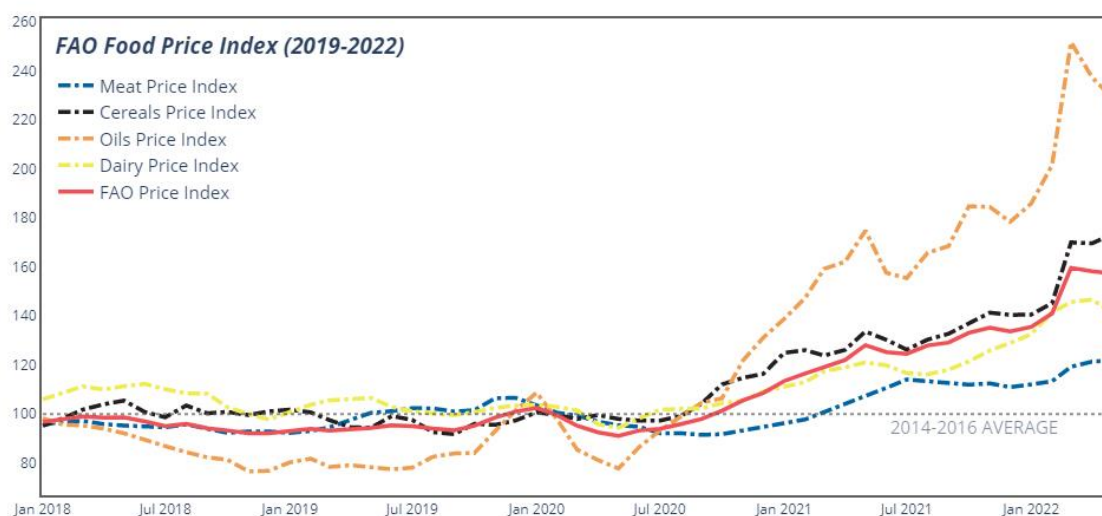
Global corn supplies have been tight since the pandemic started in 2020, due to transportation problems and strong demand, and are expected to fall further. The U.S. Department of Agriculture (USDA) expects end-of-season U.S. corn stocks to be down 33% from pre-pandemic levels in September before this year's harvest, and down 37% in September 2023.

Ahead of a crucial North American harvest, grain seeding delays from Manitoba to Indiana have sparked worries about lower production. A smaller corn crop in the top-producing United States will ripple through the supply chain and leave consumers paying even more for meat than they already are, as corn is a key source of livestock feed.

The global food import bill is on course to hit a new record of US\$1.8 trillion in 2022, but higher prices and transport costs rather than volumes account for the bulk of the expected increase, according to the latest report released by the Food and Agriculture Organization of the United Nations (FAO). Animal fats and vegetable oils are the single biggest contributor to the higher import bills expected to be reached in 2022, although cereals are not far behind for developed countries. Developing countries, as a whole, are reducing imports of cereals, oilseeds and meat, which reflects their inability to cover the increase in prices (Figure 2).

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Figure 2



Source: geopoliticalmonitor.com

LOCAL SNAPSHOT

Indicators of economic activity softened across the board. But inflation measures barely budged from stratospheric levels. Such is the reality of an acutely supply-constrained economy but with a central bank waging war on demand as the only path to lower inflation.

The Reserve Bank of New Zealand (RBNZ) has spent the past year trying to combat rising inflation expectations, which have been driven by a surge in firms' cost expectations and price intentions. Inflation expectations are now rising at rates close to 7%, but recent data suggests that firms' pricing intentions, cost expectations, and inflation expectations may be stabilising after their first half surge. This provides a bit more comfort that inflation may be peaking around now at rates close to 7%.

The New Zealand Government has announced the conclusion of negotiations of a free trade agreement with the European Union. New Zealand exported \$3.9bn worth of goods to the EU in 2021. For comparison, the EU bloc of countries and ASEAN bloc of countries accounted for 6.4% and 10.1%, respectively, of New Zealand's exports over the same period.

Bloomberg ranked New Zealand as the riskiest housing market in their list – vulnerable to a price crash. "There are going to be house buyers who have entered the market in the past year or so who started off with a mortgage rate of 2.5% and all of a sudden, they are rolling off onto a mortgage rate closer to 6%. There is going to be some pain for sure." The median dwelling price has already plunged 9.2% from the November 2021 peak, with the stock of unsold homes also ballooning.

WORLD FINANCIAL MARKETS

Equities

MSCI World Index returned -7.8% and MSCI Emerging Markets returned -4.6% in June.

S&P 500 lost -8.4% in June, surrendering a portion of the previous strong gains, as worries grew that the Fed's fight against inflation would push the economy into recession. The S&P 500 closed out its worst first half of the year since 1962, although the decline was amplified by the index reaching its all-time high on 3 January. Typically, defensive segments within the index, such as utilities and consumer staples, held up best, while consumer discretionary and information technology shares were particularly weak. Growth stocks lagged value stocks over the year to date, while small-caps finished ahead of large-caps.

In Europe, the Euro Stoxx 50 fell -8.7% in June on fears that soaring inflation and rising interest rates could hit earnings and tip economies into a recession. Major indices were negative. France's CAC 40 gave up -8.4%, Germany's DAX retreated -11.2%.

Fixed Interest

Along with the sluggish economic data, signs of moderating inflation appeared to help push the yield on the benchmark 10-year US Treasury Note as low as 2.89% on the last day of June, its lowest level for the month.

Core eurozone bond yields decreased. Yields increased initially amid inflation concerns and ahead of speeches by central bank officials at the ECB annual meeting, but lower-than-expected German inflation calmed fears, leading yields lower overall. The 10-year gilt yield ended the month at 2.24%.

US high yield bonds traded lower along with equities. Buyers adjusting positions ahead of quarter-end and sellers raising cash drove most the market's activity. One anticipated new deal was announced before the primary market shut down ahead of the holiday weekend, while the retail segment experienced weakness after a disappointing earnings report from Bed Bath & Beyond increased negative sentiment across the sector.

Broad risk-off sentiment weighed on the performance of bank loans. Investors appear to be expecting a 75-basis-point rate hike at the late-July Fed meeting and then another 50-basis-point increase at the September meeting. Higher-rated loans held up better amid limited support for lower-quality paper. Negative flows from the asset class drove most of the loan market's selling activity.

GEOPOLITICS

The main events during June on geopolitical arena were the NATO summit in Spain, virtual summit of BRICS's leaders and the US initiative in APAC region.

The war in Ukraine is unfortunately escalating with Russia gaining control of more territory, despite weaponry support from Europe and America. As a result, Norway and Finland declared their intent to join

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NATO to confront the Russian aggression in Europe. Turkey had initially opposed this but has since consented, after Norway and Finland agreed to stop supporting the Kurdish Labour Party. Turkey also requested the extradition of more than 30 suspects from both countries. However, it reserved the right to block entry if Finland and Norway do not keep their promises.

If both Finland and Sweden joined NATO, it would bring the total number of military personnel in the alliance to nearly 3.57 million. This figure is lower than what Ukraine would have added to NATO at pre-war levels. However, if reserves are included it would bring it to nearly 4.5 million. Overall, the alliance would have just over 15,000 tanks if the two Nordic countries were members. Russia and Belarus agreed to place nuclear missiles on the latter's territory as a countermeasure to NATO's expansion.

BRICS (Brazil, Russia, India, China and South Africa) held a virtual summit on 23-24 June where the members discussed a new reserve currency (bucket of BRICS's national currencies) as an alternative to the US dollar and Euro which are both being used as mechanisms in US and EU sanctions. The summit promoted "multilateral cooperation with non-Western styles, forms and principles". Expansion was another topic which was supported by China and Russia to oppose the increasing number of NATO members. Iran started its formal process joining the organization. China also invited to join other countries such as Saudi Arabia, Argentina, Egypt, Indonesia, Kazakhstan, Nigeria, Senegal, Thailand and the UAE.

The US launched their initiative in APAC region called Partners in the Blue Pacific (PBP) announced on 24 June. This bloc includes the USA, the UK, Australia, New Zealand, and Japan. The official statement from the White House declared the common goal of members "to support prosperity, resilience, and security in the Pacific". This initiative also known as "AUKUS plus" focuses to prevent the increasing Chinese influence in Pacific islands. What will be the next move from China on the global chess board?

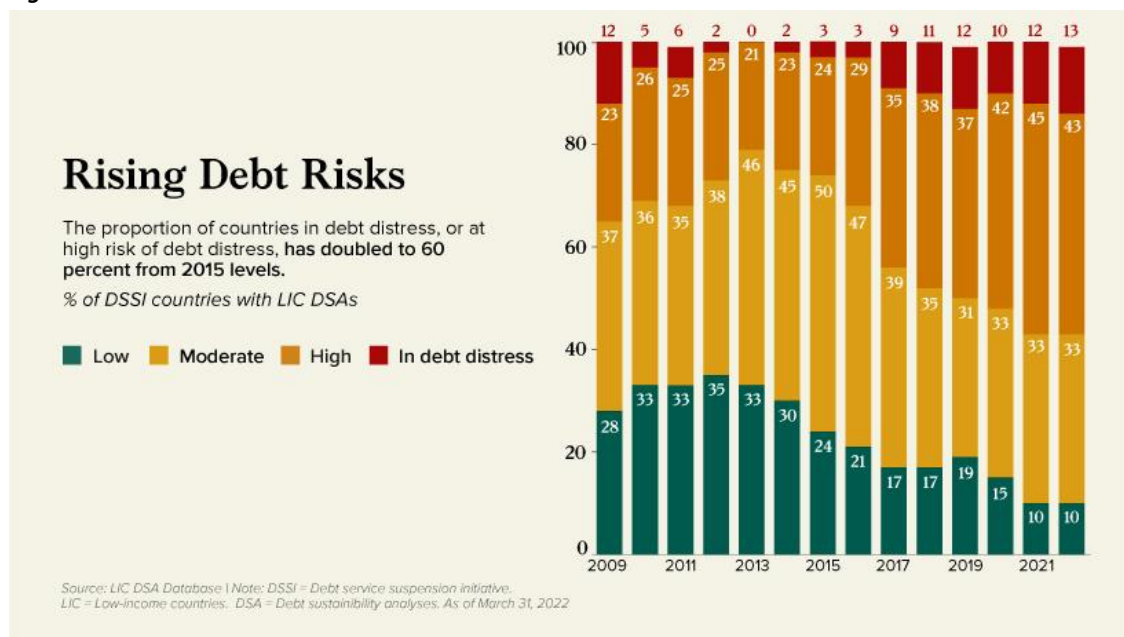
Geoeconomics were focused on the expansion of the EU. Ukraine and Moldova both were granted EU candidate status during the summit in Brussels on 24 June while Georgia, another post-Soviet country suffered from Russian invasion in 2008, was declined. However, being granted candidate status is not a guarantee from the EU that full member status will be awarded. There are still a number of candidates who have been knocking at the EU doors for decades – Turkey has been a candidate for 23 years, North Macedonia 17 years and Albania eight. Other candidates are Montenegro and Serbia. Kosovo and Bosnia & Herzegovina have status as potential candidates.

Higher inflation, increasing food and energy resource prices and rising interest rates triggered defaults for sovereign debts in emerging markets. The first victim was Sri Lanka when it defaulted on its international bonds in May after its grace period lapsed.

Russia defaulted on its sovereign debt in June, however, it is a technical default due to sanctions imposed by the US and allies. The situation in Sri Lanka is an ominous preview of what's coming in other low- and middle-income countries as the risk of debt distress continues to rise globally (Figure 3). Pakistan and Argentina are the next probable candidates to default on sovereign debt.

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Figure 3

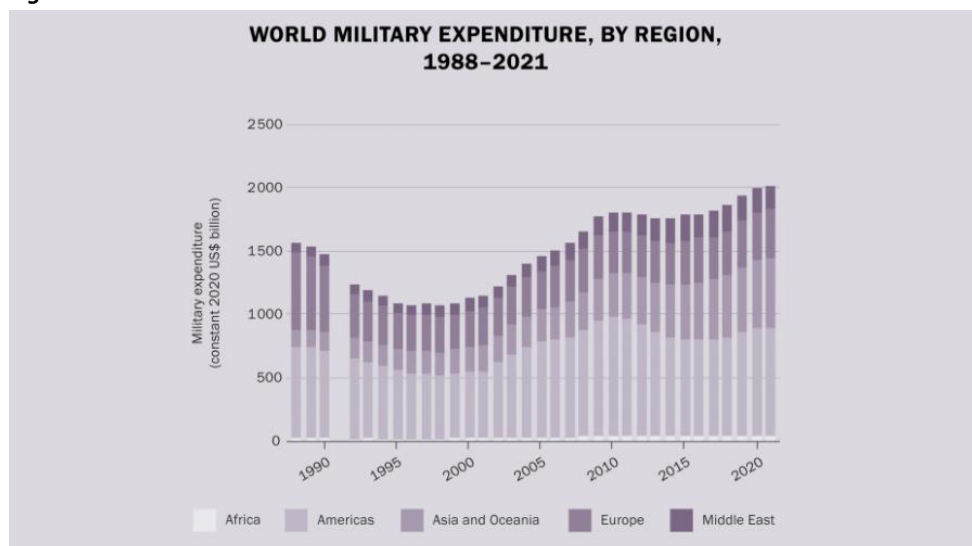


Source: visualcapitalist.com

ARMS PRODUCERS – GOOD OR BAD

The conflict in Ukraine launched a new round of arms race that the world hasn't seen since the end of the Cold War (Figure 4).

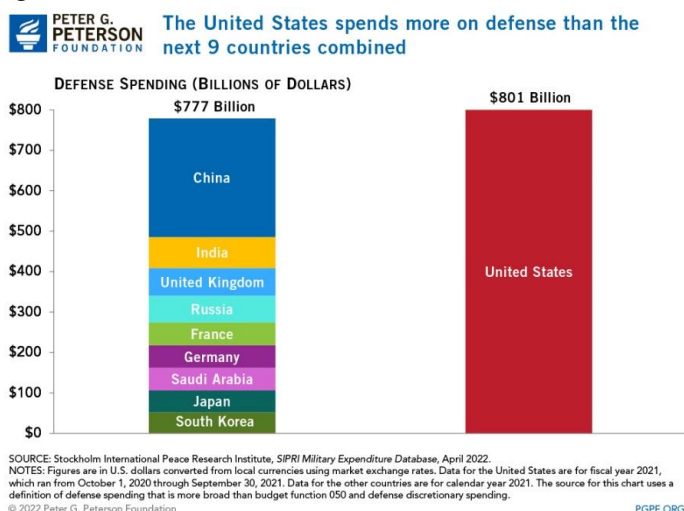
Figure 4



Source: www.sipri.org

The US alone spent more on defence than the next nine countries combined in 2021 (Figure 5).

Figure 5



Spending on arms and defence is increasing rapidly in Europe; Germany approved €100 billion to modernise their armed forces and a big chunk will be spent on American fighter jets and helicopters. This will also allow Germany to reach the NATO threshold of 2% of national GDP. Overall global defence spending will exceed \$2 trillion in 2022 and onwards.

Arms manufacturers are the main beneficiaries of upwards spiralling defence budgets. Lockheed Martin shares, the largest arms manufacturer, has returned 22% YTD. Raytheon Technologies, the largest producer of guided missiles, returned 12.7% YTD. The S&P500 has returned -19% YTD – this outperformance against the index clearly shows where the money is going.

CAN AI FEED THE WORLD?

Using a fully automated process, Chinese researchers from Nankai University's College of Artificial Intelligence have developed pig cloning. Seven healthy cloned piglets were born to a surrogate mother for the first time without any human assistance. The trials began in March 2022.

Currently, China is the world's largest producer and consumer of pork. Over 400 million pigs are bred in the nation, and each person consumes between 30kg and 35kg of pork annually. Pork makes up a sizable portion of the meat consumed in China, and the country's supply can never keep up with demand. Due to this, China must import tens of millions of tonnes of costly pig meat every year.

This methodology using AI instead of humans minimizes the error in the cloning process significantly, resulting in efficiency gains and reduced costs. This process has huge potential once implemented to raise pork production, not only in China but throughout the world. The question is, what else can be cloned using AI – sheep, cows, fish...?

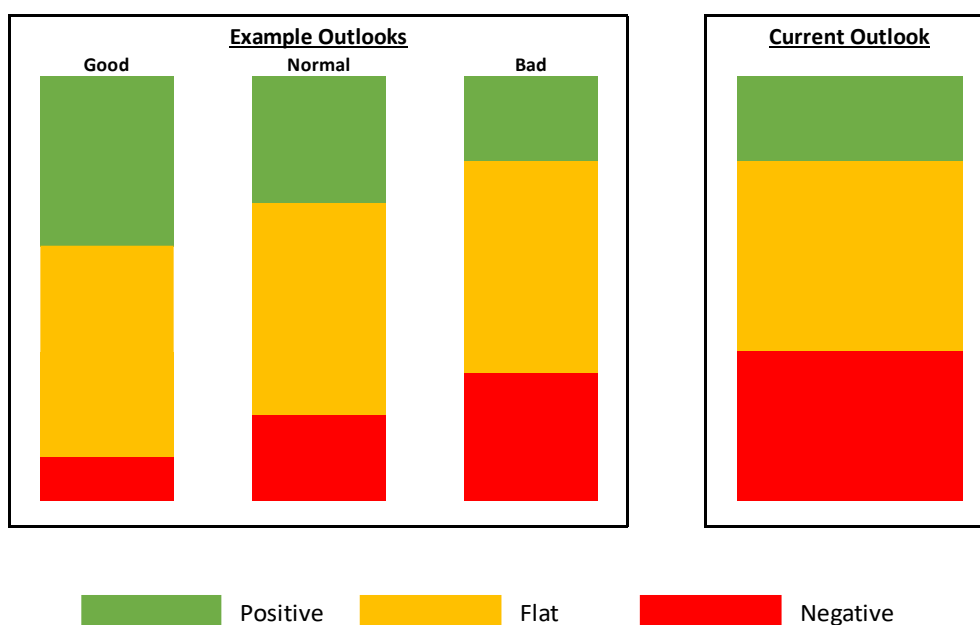
TO SPACE ... AND BEYOND

The successful launch of South Korea's Nuri space launch vehicle, officially named Korea Space Launch Vehicle-II, on Tuesday made the country the seventh country in the world to develop a space launch vehicle capable of carrying a satellite weighing more than 1 ton. The list includes Russia, the United States, and France. China, Japan, and India became spacefaring nations later on.

This breakthrough was observed not only by competitors but neighbours as well. Japan is concerned of raising competition from South Korea in high-tech, IT and automobile industry. Now Koreans have an advantage in space technology that makes it more attractive even within the bloc of allies.

Another theoretically possible threat for Japan and China is united Korea with military potential of North and wealth and technology of South. Will we see united Korea on a map?

MARKET OUTLOOK



The current market is less likely to have a good return (green) as a bad return (red) over the next two to three years. It is more likely to have an average return (amber).

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APPENDIX 1: BENCHMARKS

LONG TERM FUND

Asset	Benchmark
Growth Assets	
Diversified Growth	
Aspiring	NZ CPI + 4% p.a.
Castle Point 5 Oceans	NZ OCR + 3% p.a.
Milford Active Growth	10% p.a.
Mint Diversified Growth	NZ CPI + 4.5% p.a.
Schroders Real Return	Australian CPI (trimmed mean) + 4.5% p.a.
Global Equity	
Harbour T. Rowe Price Global Equity	MSCI All Country World Index
Nanuk New World	FTSE Russell Environmental Opportunities Index
Private Equity	
Castlerock	8% p.a.
Continuity Capital PE Fund No.2 LP	15% p.a.
Continuity Capital PE Fund No.4 LP	15% p.a.
Continuity Capital PE Fund No.5	15% p.a.
Continuity Capital PE Fund No.6 LP	15% p.a.
Continuity Capital PE Fund No.7	15% p.a.
CPEC 9	15% p.a.
Direct Capital VI	12% p.a.
Federation Alternative	16% p.a.
Milford PE III	8% p.a.
MLC PE II	15% p.a.
MLC PE III	15% p.a.
Oriens Capital Fund 2	8% p.a.
PCP III	8% p.a.
PCP IV	8% p.a.
Income Assets	
Diversified Income	
BlackRock FIGO	Bloomberg AusBond Bank Bill Index + 4% - 6% p.a.*
Fermat ILS Yield	Bloomberg AusBond Bank Bill Index + 4.5%
Harbour Income	NZ OCR + 3.5% p.a.
Milford Diversified Income	NZ OCR + 2.5% p.a.
Mint Diversified Income	NZ CPI + 3% p.a.
Total Assets	NZ CPI + 4.5% p.a.

*We have used 4% as a benchmark

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SHORT TERM FUND

Asset	Benchmark
Growth Assets	
Diversified Growth	
Castle Point 5 Oceans	NZ OCR + 3% p.a.
Milford Active Growth	10% p.a.
Mint Diversified Growth	NZ CPI + 4.5% p.a.
Income Assets	
Diversified Income	
Harbour Income	NZ OCR + 3.5% p.a.
Milford Diversified Income	NZ OCR + 2.5% p.a.
Mint Diversified Income	NZ CPI + 3% p.a.
QuayStreet Income	NZ OCR + 2% p.a.
Total Assets	90-day Bank Bill Index plus 3% p.a.

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APPENDIX 2: NRC TOTAL FUNDS UNDER MANAGEMENT

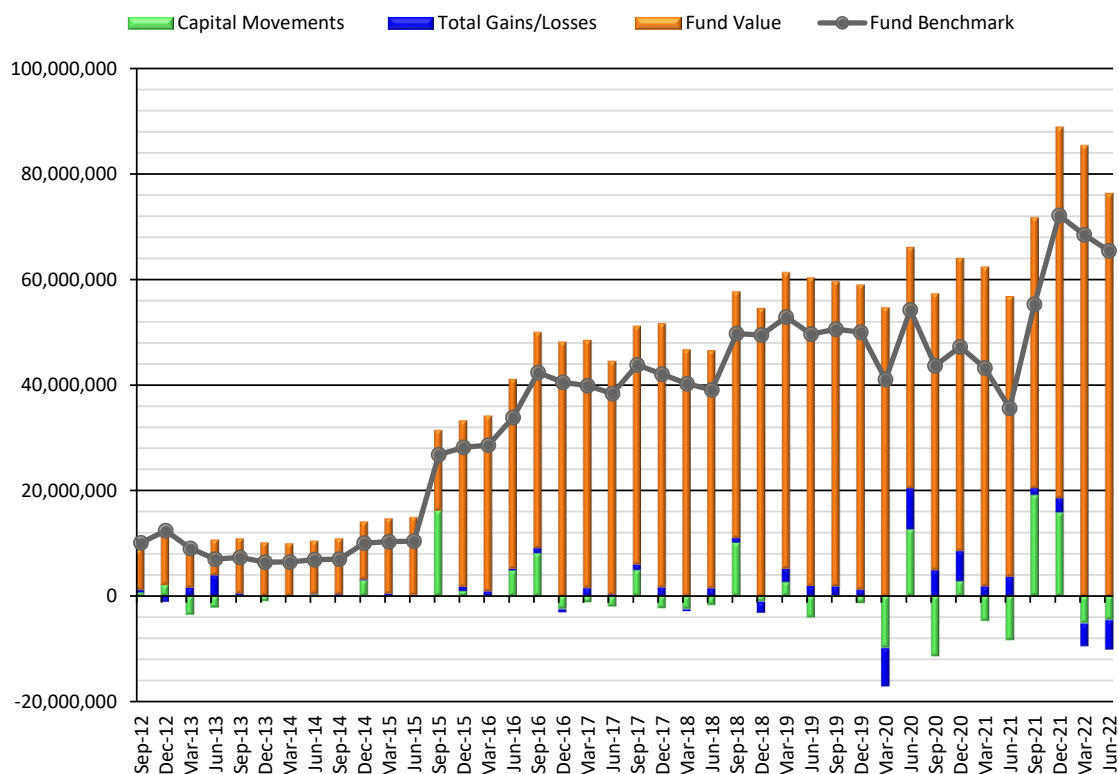
FUNDS UNDER MANAGEMENT: BREAKDOWN

Manager	Fund	LTF \$	STF \$	NRC Total FUM \$	NRC Manager % of Total FUM
Aspiring	Aspiring	3,896,770		3,896,770	5.1
BlackRock	FIGO	608,117		608,117	0.8
Castle Point	5 Oceans	8,387,325	2,814,494	11,201,819	14.7
Castlerock	Long-Term PE Partnership	1,025,641		1,025,641	1.3
Continuity Capital	No.2	902,084		902,084	5.2
	No.4	702,593		702,593	
	No.5	1,625,550		1,625,550	
	No.6	483,106		483,106	
	No.7	254,847		254,847	
CPE Capital	Fund 9	64,737		64,737	0.1
Direct Capital	DC VI	513,230		513,230	0.7
Federation	Alternative	974,065		974,065	1.3
Fermat	ILS Yield	685,965		685,965	0.9
Harbour	Income	7,808,004	3,219,606	11,027,611	16.9
	T. Rowe Price Global Equity	1,849,900		1,849,900	
Milford	Active Growth	3,675,041	1,558,075	5,233,115	19.9
	Diversified Income	6,562,611	2,878,877	9,441,488	
	PE III	483,300		483,300	
Mint	Diversified Income	6,270,111	1,512,285	7,782,396	13.7
	Diversified Growth	2,214,468	431,772	2,646,240	
MLC	PE Co-investment Fund II	1,232,406		1,232,406	2.0
	PE Co-investment Fund III	318,968		318,968	
Nanuk	New World	843,755		843,755	1.1
Oriens Capital	Fund 2	290,882		290,882	0.4
Pioneer Capital	PCP III	845,637		845,637	1.9
	PCP IV	576,772		576,772	
QuayStreet	Income		3,159,444	3,159,444	4.1
Schroders	Real Return	4,151,786		4,151,786	5.4
Self-managed Cash	N/A	3,508,494		3,508,494	4.6
NRC Total FUM		60,756,165	15,574,553	76,330,718	100

Note: all values are in NZD

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FUNDS UNDER MANAGEMENT: CAPITAL MOVEMENTS AND GAINS/LOSSES



FUNDS DENOMINATED IN AUD

Funds Denominated in AUD		NRC Total AUD	NRC Total NZD
BlackRock	FIGO	549,839	608,117
Continuity Capital	Fund No.5	1,469,768	1,625,550
	Fund No.7	230,424	254,847
CPE Capital	Fund 9	58,533	64,737
Federation	Alternative	880,717	974,065
Fermat	ILS Yield	620,227	685,965
MLC	PE Co-investment Fund II	1,114,300	1,232,406
	PE Co-investment Fund III	288,400	318,968
Nanuk	New World	762,895	843,755
Schroders	Real Return	3,753,906	4,151,786
NRC Total AUD		9,729,008	10,760,195

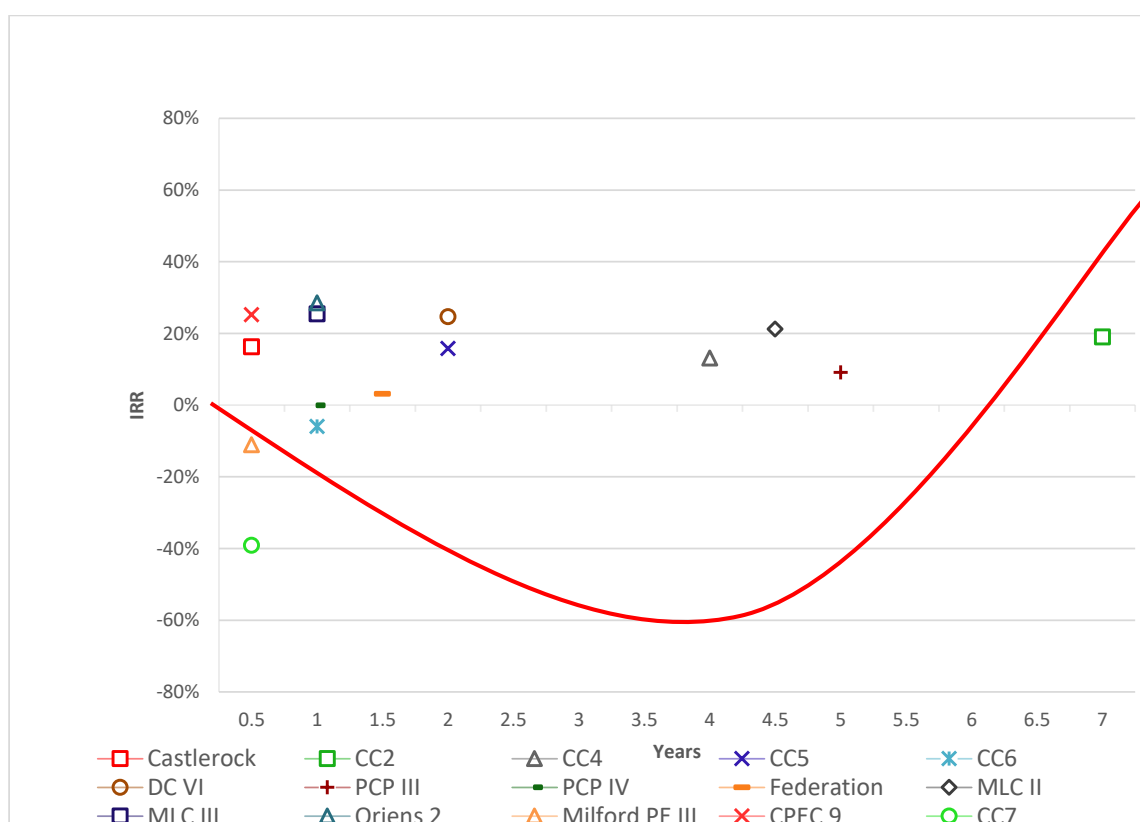
Note: 20% of LTF \$60,756,165 is equal to \$12,151,232, so there is a \$1.3 million buffer.

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PRIVATE EQUITY – COMMITTED CAPITAL (CALLED VS UNCALLED)

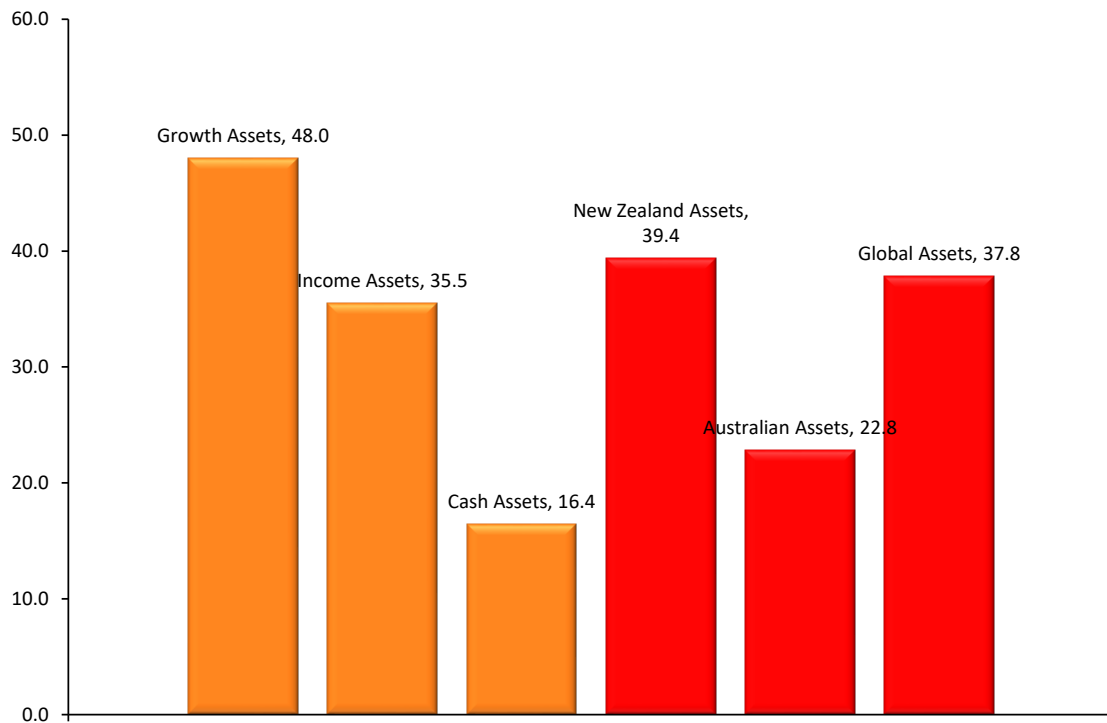
Private Equity Fund	Committed capital \$	Called capital \$	Uncalled capital \$	Distributed capital \$	Expected calls to Dec 2022	Expected distributions to Dec 2022
Castlerock	1,000,000	1,000,000	-	76,928		50k
CC2	2,000,000	1,900,000	100,000	2,501,369	50k	150k
CC4	1,000,000	750,000	250,000	327,935	125k	100k
CC5 (AUD)	3,317,973	1,824,885	1,493,088	550,296	400k	150k
CC6	2,000,000	500,000	1,500,000	-	400k	-
CC7 (AUD)	2,211,982	265,438	1,946,544	-	200k	-
CPEC 9 (AUD)	552,995	82,949	470,046	31,790	150k	25k
DC VI	2,000,000	371,784	1,628,216	21,860	400k	-
Federation (AUD)	929,032	929,032	-	-	-	-
Milford PE III	1,000,000	500,000	500,000	-	150k	-
MLC II (AUD)	1,105,991	930,691	175,300	449,807	50k	150k
MLC III (AUD)	552,995	270,968	282,028	-	150k	-
Oriens Fund 2	1,000,000	260,000	740,000	-	200k	-
PCP III	1,000,000	849,743	150,257	107,149	10k	50k
PCP IV	1,000,000	608,889	391,111	-	150k	-
TOTAL	20,670,969	11,044,380	9,626,589	4,067,134		

PRIVATE EQUITY PERFORMANCE AS AT 30 JUNE 2022



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NRC TOTAL UNDERLYING FUND ALLOCATIONS



TITLE: Request for Approval to Carry Forward Operational Budget from the 2021/22 Financial Year into the 2022/23 Financial Year

From: Vincent McColl, Financial Accountant

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 17
Group Manager/s: August 2022

Executive summary/Whakarāpopototanga

Unspent 2021/22 operational budget of \$1,348,158 and land management rate budget of \$388,556 is proposed to be carried forward into the 2022/23 financial year to fund the completion of operational projects. In addition the requested carry forwards of \$190,523 for the environment fund and of \$224,651 for S-Map budgets have already been carried forward due to prior approval at the February council meeting. They have been transferred to the land management reserve and approved carry forward reserves respectively. Including the previously approved carry forwards the total budget to carry forward to 2022/23 is \$2,151,888. The recommendations in this report have been incorporated into the draft operating result of \$44,328.

Recommendation(s)

1. That the report 'Request for Approval to Carry Forward Operational Budget from the 2021/22 Financial Year into the 2022/23 Financial Year' by Vincent McColl, Financial Accountant and dated 5 August 2022, be received.
2. That council approves the operational expenditure carry forwards from the 2021/22 financial year into the 2022/23 financial year of:
 - a. \$35,650 for the Freshwater Plan Change - 5 additional scenarios
 - b. \$73,650 for the Lakes Ecological Survey
 - c. \$75,000 for the Water Data Machine Learning Tool (Data Automation)
 - d. \$125,000 for wetland mapping
 - e. \$388,556 for unallocated Freshwater Quality Improvement Project Co-Funding to the land management reserve
 - f. \$29,346 for the Ecometric contract for haul out capability assessment in TON region (Marine Pest programme)
 - g. \$82,069 for the Trap and Trigger Sika DNA survey contract
 - h. \$330,846 for Community Pest Control and High Value Area (HVA) Biosecurity partnership activities
 - i. \$40,861 for the Te Tiriti Health Check
 - j. \$10,000 for the Te Tiriti implementation plan
 - k. \$9,000 for IHEMP Projects
 - l. \$122,000 for Māori Partnerships and Engagement
 - m. \$132,285 for IRIS next gen
 - n. \$25,000 for the Climate Risk and Māori literature review

- o. \$167,451 for Climate Change - Adaptive pathways and zero carbon transition
- p. \$90,000 for a final grant on the 2021/22 Water Resilience fund

Background/Tuhinga

As with previous years, carry forwards of unspent 2021/22 operational budgets are required to enable the completion of the various operational projects in the 2022/23 financial year.

Following the 30 June 2022 year-end senior management review, eighteen projects were identified as requiring unspent 2021/22 operational budgets of \$1,736,714 to be carried forward as funding in 2022/23. In addition, the requested carry forwards of \$190,523 for the environment fund and of \$224,651 for S-Map budgets have already been carried forward due to prior approval at the February council meeting. They have been transferred to the land management reserve and approved carry forward reserves respectively. Including the previously approved carry forwards the total budget to carry forward to 2022/23 is \$2,151,888.

The total of \$1,736,714 in new carry forwards has been incorporated into the draft operating result. The projects requiring this funding are below by group:

Environmental Services

Description	2021-22 Spent	2021-22 Budget	2021-22 Budget Unspent	Amount to Carry forward
Freshwater Plan Change - 5 additional scenarios	\$85,655	\$130,274	\$44,619	\$35,650
Lakes Ecological Survey	\$0	\$104,699	\$104,699	\$73,650
Water Data - Machine Learning Tool (Data Automation)	\$15,000	\$92,700	\$77,700	\$75,000
Wetland mapping	\$0	\$125,000	\$125,000	\$125,000
Unallocated Freshwater Quality Improvement Project Co-Funding (to land management reserve)	\$0	\$388,556	\$388,556	\$388,556

- \$35,650 for Freshwater Plan Change - 5 additional scenarios requested by council. The contract for the modelling is signed and work is underway in 2022/23.
- \$73,650 for Lakes ecology survey which was contracted for occur in June but cancelled twice due to Covid staff absences at the NIWA. Now expected to occur in August.
- \$75,000 for a water data machine learning tool. The contract was signed in 2021/22 but the work wasn't able to commence during the last financial year.
- \$125,000 for wetland mapping which was delayed due to COVID related issues and additional contract negotiations and partnering with Kaipara Moana Remediation programme.
- \$388,556 for unallocated Freshwater Quality Improvement Project Co-Funding not utilised in 2021/22. This is proposed to be transferred to the land management reserve to ensure council is able to co fund future central government partnerships to support improved water quality.

Biosecurity

Description	2021-22 Spent	2021-22 Budget	2021-22 Budget Unspent	Amount to Carry forward
Ecometric contract for haul out capability assessment in TON region (Marine Pest programme)	\$399,348	\$428,694	\$29,346	\$29,346
Trap and Trigger Sika DNA survey contract	\$83,407	\$165,476	\$82,069	\$82,069
Community Pest Control and High Value Area (HVA) Biosecurity partnership activities	\$2,264,580	\$2,595,426	\$330,846	\$330,846

- \$29,346 for the Ecometric contract for haul out capability assessment in Top of the North region (Marine Pest programme). Covid related staffing issues at both council and stakeholders have caused delays. The work is for a critical implementation tool for the Clean Hull Plan Top of the North collaboration. A contract is in place and additional funding comes from underspends in other parts of biosecurity
- \$82,069 for the Trap and Trigger Sika DNA survey contract which is a critical part of the feral deer eradication programme. Delivery of the contract has been delayed because of incursions staff shortages and covid travel restrictions impacting on the contractors ability to deliver. A contract in place and the additional funding comes from underspends in other parts of biosecurity
- \$330,846 for Community Pest Control and High Value Area (HVA) Biosecurity partnership activities. Underspends are due to COVID, delays in recruitment and staff vacancies. This work has been committed to in the LTP and is intended to be fulfilled this financial year.

Customer Services and Community Resilience

Description	2021-22 Spent	2021-22 Budget	2021-22 Budget Unspent	Amount to Carry forward
Climate Risk and Māori literature review	\$0	\$75,000	\$75,000	\$25,000
Climate Change - Adaptive pathways and zero carbon transmission	\$182,549	\$350,000	\$167,451	\$167,451
Water Resilience fund	\$338,946	\$500,000	\$161,054	\$90,000

- \$25,000 Climate Risk and Māori literature review wasn't completed due to staffing issues, contract scope changes, and further discussions with partner members. This work is expected to be completed in the 2022/23 year
- \$167,451 for Climate Change - Adaptive pathways and zero carbon transmission. Delays in work programmes and the unutilised funding were due to the recruitment of climate change staff through the LTP not being in place until March and April 2022 leaving four months of the financial year remaining to spend allocated operational budgets.

- \$90,000 for the remaining instalment of Te Kotahitanga E Mahi's water resilience fund grant. This grant relates to the funding allocation from the 2021/22 year and this carry forward will ensure that it is allocated to that year.

Governance and Engagement

Description	2021-22 Spent	2021-22 Budget	2021-22 Budget Unspent	Amount to Carry forward
Te Tiriti Health Check	\$9,139	\$50,000	\$40,861	\$40,861
Te Tiriti implementation plan	\$5,312	\$33,442	\$28,130	\$10,000
IHEMP Projects	\$15,413	\$32,000	\$16,587	\$9,000
Māori Partnerships and Engagement	\$75,725	\$203,152	\$127,427	\$122,000

- \$40,861 for the Te Tiriti Health Check contract which is now expected to be completed in August.
- \$10,000 for the Te Tiriti implementation plan contract which is now expected to be completed in July.
- \$9,000 for iwi and hapū environmental management plans allocated from the 2021/22 financial year budget but expected to be completed during the 2022/23 financial year. It's made up of final milestone payments for Ngati Toro and Te Parawhau plans.
- \$122,000 for Māori Partnerships and Engagement budgeted unspent at the end of 2021/22 due to the ongoing staffing level issues, impacts from the pandemic, and iwi/hap capacity

Corporate Services

Description	2021-22 Spent	2021-22 Budget	2021-22 Budget Unspent	Amount to Carry forward
IRIS next gen	\$1,715	\$134,000	\$132,285	\$132,285

- \$132,285 for IRIS next gen budgets unable to be spent in 2021/22 due to the timing of joint council decision making. Carrying forward this budget will allow sufficient funding for next year.

Options

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested unspent operational budgets	Allows the completion of 2021/22 projects.	Reduces retained earnings though at budgeted levels.
2	Approve no unspent operational budget carry forwards	Retains more surplus in the 2021/22 financial year.	Projects from the 2021/22 financial year do not get finished or 2022/23 programmes must be deferred to allow for 2022/23 work already contracted or committed.
3	Approve some of the unspent operational budget carry forwards	Some projects will go ahead.	Some projects will not go ahead. Some of the 2022/23 programmes might be deferred to allow for 2021/22 work already contracted or committed.

The staff's recommended option is Option 1 to maintain all contractual work programmes.

Considerations

1. Financial implications

In arriving at the draft operating result of \$44,328, \$415,174 of already approved carry forwards and \$1,736,714 of new carry forwards have been incorporated to represent the total proposed operational carry forwards. Of this \$579,079 is to be transferred to the land management reserve (Environment fund and S-Map).

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.

3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with the 2018–28 Long Term Plan, which was approved in accordance with council's decision making requirements of sections 76–82 of the Local Government Act 2002.

Being a purely administrative matter, community views, implementation issues and Māori impact statement are not applicable.

Attachments/Ngā tapirihanga

Nil

TITLE: Request for Approval to Carry Forward Capital Expenditure Budget from the 2021/22 Financial Year into the 2022/23 Financial Year

From: Vincent McColl, Financial Accountant

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 09
Group Manager/s: August 2022

Executive summary/Whakarāpopototanga

The purpose of this report is to seek council approval to carry forward seven capital projects totalling \$1,410,058 from the 2021/22 financial year into the 2022/23 financial year.

Recommendation(s)

1. That the report 'Request for Approval to Carry Forward Capital Expenditure Budget from the 2021/22 Financial Year into the 2022/23 Financial Year' by Vincent McColl, Financial Accountant and dated 5 August 2022, be received.
 2. That council approves the carry forward of \$1,410,058 capital expenditure budget from the 2021/22 financial year into the 2022/23 financial year.
-

Background/Tuhinga

Staff have carried out a final review on any ongoing capital projects and associated Capital Expenditure (Capex) carry forwards for council consideration and approval.

As part of the budget process finance staff ensure that all Capex is adequately funded via depreciation over the expected useful life of each asset class.

Following the 30 June 2022 year-end senior management review, which was based upon the actual Capex incurred and the review of ongoing requirements, a total of \$1,410,058 is proposed to be carried forward into 2022/23 which is entirely general capex (not targeted rate funded).

2021/22 Actual and Budgeted Capital Expenditure

The revised capital expenditure budget for 2021/22 was \$18,854,838. The total actual capital expenditure incurred in 2021/22 was \$18,444,818, resulting in an underspend of \$410,020. The variance to budget includes \$3,515,203 of overspends relating to commercial property capital expenditure that is funded from the Property Reinvestment Fund and \$1.8M of underspends on targeted river rate funded capital expenditure. For a breakdown of this please refer to **Attachment One**.

2022/23 Budgeted Capital Expenditure and Proposed Carry Forwards

The original 2022/23 capital expenditure budget is \$28,839,064 and by adding the total requested 2021/22 carry forwards of \$1,410,058 this budget will increase to \$30,249,122. The detail of the original 2022/23 capital expenditure programme and the proposed capital carry forwards are presented in **Attachment Two**.

Explanations to proposed capital carry forward expenditure for 2021/22

Environmental Services: Proposed capital expenditure carry forward \$365,153

Approval of \$365,153 capital carry forward expenditure is sought:

- \$41,500 for environmental monitoring sensors not to be delivered until the next financial year due to shipping delays.
- \$81,078 for Evapotranspiration sensors not delivered due to covid related shipping delays.
- \$4,595 for water level sensors ordered with delivery expected by September
- \$9,190 for bore groundwater sensors ordered with delivery expected by September
- \$16,570 for a remote controlled boat for ADCP with delivery expected by September
- \$16,087 for STIV cameras for river flow measurement on order since March but not able to be delivered due to covid related manufacturer, supplier, and shipping issues.
- \$36,132 for a high resolution digital river network model unable to be fully delivered by June 2022.
- \$160,000 for a high-resolution land use GIS data set which has completed the procurement process with a preferred supplier having been chosen. A carry forward of this budget will allow the work to commence

Governance and Engagement: Proposed capital expenditure carry forward \$16,632

Approval of \$16,632 capital carry forward expenditure is sought:

- To allow the communications and engagement team to invest in engagement equipment including kit for the show trailer, displays, and AV equipment. Covid impacts on events and staffing issues have meant that this budget hasn't be fully utilised this year.

Corporate Services: Proposed capital expenditure carry forward \$29,574

Approval of \$29,574 capital carry forward expenditure is sought:

- To complete the Wi-Fi equipment upgrade for NRC's buildings in line with the change to user's having laptops instead of desktop computers. The contract was partially complete at year end with the final costs expected early in the 2022/23 financial year.

Customer Services and Community Resilience: Proposed capital expenditure carry forward \$998,700

Approval of \$998,700 capital carry forward expenditure is sought:

- To maintain the LTP level of funding for the Tsunami siren upgrade. This project is behind schedule due to contract timing and covid related manufacturer delays. The majority of this year's expenditure was offset by NEMA funding of \$128K.

Options

No.	Option	Advantages	Disadvantages
1	Approve carry forward of all requested capital carry forwards	Allows the completion of the 2021/22 capital programme.	Reduces retained earnings at budgeted levels.
2	Approve none of the Capex carry forwards	Retains more earnings for other capital projects.	Projects underway or delayed won't get the required funding to be completed.
3	Approve some of the Capex carry forwards	Some of the capital projects get to be completed.	Some of the capital projects don't get completed.

The staff's recommended option is Option 1. This maintains the unspent capital programme budget from 2021/22 allowing projects that are underway and delayed to be completed.

Considerations

1. Financial implications

\$1,410,058 of capital carried forward from the 2021/22 financial year to the 2022/23 financial year.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.


3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with the 2018–28 Long Term Plan, which was approved in accordance with council's decision making requirements of sections 76–82 of the Local Government Act 2002.

Being a purely administrative matter, community views, implementation issues and Māori impact statement are not applicable.

Attachments/Ngā tapirihanga

Attachment 1: Attachment One: 2021/22 Actual and Budgeted Capital Expenditure [!\[\]\(aab88c0d099e5d18d6533a97b13ec28d_img.jpg\)](#) 

Attachment 2: Attachment Two: 2022/23 Budgeted Capital Expenditure and Proposed Carry Forwards [!\[\]\(b538fe54c1f3a7343e37e85cc2d00497_img.jpg\)](#) 

Capital Expenditure Reporting June 2022 Year to Date				
Activity	YEAR TO DATE			Carry Forward Proposed
	Provisional 2021-22 Actual	2021-22 Revised Capital Expenditure Budget	Variance	
Biosecurity	70,463	37,555	(32,908)	365,153 16,632 998,700 29,574
Environmental Services	375,066	1,722,498	1,347,432	
Governance and Engagement	12,557	34,189	21,632	
Customer Services and Community Resilience	5,111,808	7,852,751	2,740,943	
Corporate Services	5,186,085	4,687,845	(498,240)	
CEO and Commercial Property	7,688,839	4,520,000	(3,168,839)	
GRAND TOTAL FOR COUNCIL	18,444,818	18,854,838	410,020	1,410,058

ATTACHMENT 1

	2021-22 Provisional Actual Capital Expenditure	2021-22 Revised Capital Expenditure Budget	Variance	Carry Forward Proposed	Comments
Biosecurity					
Pest Control Monitoring Equipment	21,368	23,345	1,977		
Wireless Pest Control Sensor Network	28,083	14,210	(13,873)		Offset with savings on operational expenditure
Dive Equipment	21,013	-	(21,013)		Offset with savings on operational expenditure
Total Biosecurity	70,463	37,555	(32,908)	-	
Environmental Services					
Land community engagement	11,940	12,500	560		
Expansion of Flyer Road nursery - Land	-	748,800	748,800		To be requested again from council when required
Continuous Data processing tools	7,942	25,000	17,058		
High Resolution Digital River Network Model	43,868	80,000	36,132	36,132	
GIS-based high-resolution land use GIS	-	160,000	160,000	160,000	
Pest Fishing Boat (FIF)	3,474	5,500	2,026		
Water Quality Sondes	4,985	5,550	565		
Misc SOE Plant and Equipment	21,630	87,978	66,348	41,500	
Water quality meters and sondes	16,778	-	(16,778)		
Recreational Bathing	-	95,000	95,000		Not contracted by year end
ADCP Instream Real-time Flow Device	23,480	60,000	36,520	16,087	
Coastal Monitoring Bores	68,052	80,600	12,548	9,190	
Evapotranspiration Sensor	81,238	253,631	172,393	97,648	
Hydrometric Equipment	12,246	23,498	11,252	4,595	
Sediments Monitoring Equipment	-	32,500	32,500		
Flyger Road Nursery Expansion	50,711	41,521	(9,190)		
Soil quality monitoring	-	1,000	1,000		
Poplar Durability Test Cabin	12,699	-	(12,699)		
Air - Asset replacement	16,023	9,420	(6,603)		
Total Environmental Services	375,066	1,722,498	1,347,432	365,153	
Governance and Engagement					
Mobile Devices	-	5,580	5,580		
Cameras and equipment (e.g. show trailer)	12,557	23,609	11,052	16,632	
Expansion of regional service centre network	-	5,000	5,000		
Total Governance and Engagement	12,557	34,189	21,632	16,632	
Customer Services and Community Resilience					
Upgrading Nthld Tsunami Siren Network-Rplc	1,300	1,000,000	998,700	998,700	Delays in contracting work
Karetu Replacement Engines	-	101,452	101,452		
Ruawai repower	8,055	1,912	(6,143)		
Replacement pilot vessel	436,612	300,000	(136,612)		Offset with other maritime variances
Survey Equipment	-	40,835	40,835		
Awanui River Flood Protection FIR Programme (TR)	3,499,053	4,297,263	798,210		
Kaeo River Flood Protection FIR Programme (TR)	-	360,003	360,003		Work here has been delayed due to ongoing negotiations with landowners
Panguru Flood Protection FIR Programme (TR)	51,452	-	(51,452)		
Otiria-Moerewa Flood Mitigation Spillway	1,072,529	1,500,000	427,471		
Whangarei Flood Mitigation Project – Cal-Tex Flood Wall	-	251,286	251,286		
15-25LTP Safety Signs	42,808	-	(42,808)		
Total Customer Services and Community Resilience	5,111,808	7,852,751	2,740,943	998,700	

	2021-22 Provisional Actual Capital Expenditure	2021-22 Revised Capital Expenditure Budget	Variance	Carry Forward Proposed	Comments
Corporate Services					
IT - Replacement Programme	71,061	100,635	29,574	29,574	Balance to be carried forward for WiFi upgrade
Capital Works Kaipara Customer Service	4,260,758	3,914,394	(346,364)		
Vehicle Replacement Programme	488,160	349,260	(138,901)		
Furniture/Desk set up	91,090	103,430	12,340		
Water Street Solar Panel Extension	31,315	40,000	8,685		
Water St Building Reconfiguration	243,701	180,126	(63,575)		Includes \$63,984 in approved more than budget spending for various water street building work
Total Corporate Services	5,186,085	4,687,845	(498,240)	29,574	
CEO and Commercial Property					
Invest Prop (Pre-approved) Improvements - PRF Funded	25,689	-	(25,689)		PRF Funded
Investment Property Capital Expenditure	129,718	-	(129,718)		PRF Funded
Capital Works Kensington Development	2,538,316	-	(2,538,316)		PRF Funded
Capex Niwa Fish Farm	4,971,697	4,520,000	(451,697)		PRF Funded
Capex Works Hannah Street Redevelopment	22,182	-	(22,182)		PRF Funded
Building Purchase Investigations	1,237		(1,237)		PRF Funded
Total CEO and Commercial Property	7,688,839	4,520,000	(3,168,839)	-	
TOTAL	18,444,818	18,854,838	410,020	1,410,058	

Proposed Revised 2022-23 Capital Expenditure Budget

ATTACHMENT 2

	2022-23 Annual Plan Budget	Proposed Carry forwards from 2021-22	2022-23 Proposed Revised Capital Budget
Environmental Services			
Water Quality Sondes	6,129		6,129
Remote Piloted Aircraft	11,139		11,139
Misc SOE Plant and Equipment	4,942	41,500	46,442
Water quality meters and sondes	0		0
Lake monitoring programmes	293,000		293,000
ADCP Instream Real-time Flow Device	61,800	16,087	77,887
Coastal Monitoring Bores	41,200	9,190	50,390
Evapotranspiration Sensor	0	97,648	97,648
Hydrometric Equipment	78,795	4,595	83,390
Hydrology - General CapEx	113,250		113,250
Hydrology - Groundwater monitoring stations	60,000		60,000
Hydrology - New flow stations	72,000		72,000
Flyger Road Nursery Expansion	26,000		26,000
Land community engagement	12,500		12,500
Expansion of Flyer Road nursery - Land	224,000		224,000
Fresh Water Farm Planning Support Programme	250,000		250,000
Digital data collection of water clarity	7,426		7,426
High Resolution Digital River Network Model	20,000	36,132	56,132
GIS-based high-resolution land use GIS	0	160,000	160,000
Monitoring network review - freshwater quality and ecology	9,934		9,934
Mobile Devices - SOE	5,347		5,347
	1,297,462	365,153	1,662,615
Biosecurity			
Pest Control Monitoring Equipment	23,690		23,690
Wireless Pest Control Sensor Network	14,420		14,420
	38,110	0	38,110
Customer Services and Community Resilience			
Upgrading Nthld Tsunami Siren Network-Rplc	1,000,000	998,700	1,998,700
Joint Emergency Co-Ordination Centre	4,500,000		4,500,000
Ruawai repower	36,843		36,843
Replace K reach beacons with buoys	70,000		70,000
Replacement pilot vessel	1,700,000		1,700,000
Survey Equipment	75,808		75,808
Awanui River Flood Protection FIR Programme (TR)	5,157,731		5,157,731
Whangarei River Flood Protection FIR Pro	50,000		50,000
Otiria-Moerewa Flood Mitigation Spillway	3,500,000		3,500,000
	16,090,382	998,700	17,089,082
Governance and Community Engagement			
Cameras and equipment (e.g. show trailer)	5,461	16,632	22,093
	5,461	16,632	22,093
Corporate Excellence			
IT - Replacement Programme	79,000	29,574	108,574
Capital Works Kaipara Customer Service	975,768		975,768
Vehicle Replacement Programme	311,801		311,801
Vehicle Programme - Additional	86,520		86,520
Waipapa service centre - design and construction	1,165,000		1,165,000
Water Street HQ External reception renovations	250,000		250,000
Furniture/Desk Set Up	75,560		75,560
	2,943,649	29,574	2,973,223
CEO and Property			
Capex Niwa Fish Farm	2,814,000		2,814,000
Capex Works Hannah Street Redevelopment	5,650,000		5,650,000
	8,464,000	0	8,464,000
Total Council Capital Expenditure	28,839,064	1,410,058	30,249,122

TITLE: **Draft Financial Result to 30 June 2022**

From: Vincent McColl, Financial Accountant

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 17
Group Manager/s: August 2022

Whakarāpopototanga / Executive summary

The purpose of this report is to present the draft financial result for the year ending 30 June 2022 for councillors' information. The draft result of \$44,328 is provisional. There may be further adjustments and amendments as the year-end reconciliations are reviewed by senior staff and the statutory financial statements (including notes) for the draft Annual Report are prepared. There may also be amendments arising from council decisions. Deloitte is scheduled to commence their three-week on-site audit on 22 August 2022.

This result excludes \$15.18M of non-cash revaluation gains to investment and owner occupied properties, infrastructure assets, and forestry assets. Taking these non-cash revaluation gains into account and the movements in the special reserves, the statutory financial statements within the annual report will present a total Comprehensive Revenue and Expense of approximately \$19.12M.

The final Annual Report to be provided to council on 27 September 2022 for adoption. The Annual Report will provide detailed funding impact statements by activity group and full detailed explanations of any material variance.

For the Draft Operating Result for council refer to **Attachment 1**.

Ngā mahi tūtohutia / Recommendation

1. That the report 'Draft Financial Result to 30 June 2022' by Vincent McColl, Financial Accountant and dated 8 August 2022, be received.
 2. That \$305,602 of the 2021/22 year-end surplus is transferred to the Opex Reserve to set aside sufficient funding to cover any dividend funding shortfall in 2022/23 and is invested in NZ registered bank fixed rate term deposits, and that the Opex reserve policy is updated accordingly.
 3. That \$250,000 of the 2021/22 year-end surplus is transferred to the equalisation reserve for the post local government elections council to later allocate.
-

Background/Tuhinga

Financial results

The provisional Net Surplus after Transfers to and from Special Reserves and excluding non-cash items is **\$44K** compared to a budgeted surplus of \$30K.

The main variances to the **revised budget** presented in Attachment 1 are explained below:

Revenue

- **Rates** has a favourable variance (better than budget) of **\$1.0M or 3%** which is due to an increase of rating units during the year and higher than budgeted rates penalty income.

- **User Fees and Sundry** has a favourable variance (better than budget) of **\$347K or 8%** which is due to higher than budgeted consent monitoring fees of \$541K, higher than budgeted mooring fees of \$103K, higher than budgeted tenancy recoveries of \$175K (predominantly relating to Kensington Crossing), and higher than budgeted maritime recoveries of \$130K. This is partially offset by lower than budgeted bus fare revenue of (\$339K) and lower than budgeted pilotage income of (\$298K).
- **Grants and Subsidies** has a favourable variance (better than budget) of **\$901K or 6%**. This variance is predominantly due to unbudgeted provincial development unit subsidies for flood infrastructure of \$1.68M, unbudgeted subsidies for Northern Transport Alliance staff of \$205K, higher than budgeted Waka Kotahi income of \$301K. This is offset by lower than budgeted subsidies on the predator free programme of (\$1.20M).
- **Interest Revenue** has a favourable variance (better than budget) of **\$165K or 102%** which is due to unbudgeted REL loan interest of \$95K which is offset with a provision and unbudgeted interest on various term deposits of \$52K.
- **Other Revenue** has a favourable variance (better than budget) of **\$700K or 11%** which is due to higher than budgeted Marsden Maritime Holdings Limited dividends of \$720K.
- **Other gains** have an unfavourable variance (worse than budget) of **(\$13.03M) or (142%)** which is primarily due to lower than budgeted gains on the externally managed funds of (\$7.00M) and lower than budgeted proceeds from investment property sales of (\$6.06M) due to the Kensington Crossing property being revalued last financial year to the expected sale price but the gains on resale being budgeted this year. This variance is fully offset by lower than budgeted transfers to the property reinvestment reserve. The details for 2021/22 externally managed funds are the subject of agenda item 6.1.

Expenditure

- **Personnel Costs – Salaries** has a favourable variance (expenditure less than budget) of **\$1.17M or 5%** due to general delays in filling LTP budgeted positions. Additionally this variance includes \$640K of Kaipara Maurikura (the Kaipara Moana Remediation (KMR) entity) salaries which is fully offset by utilised budgeted cash grants to KMR in other expenditure.
- **Personnel Costs – Other** has an unfavourable variance (expenditure exceeding budget) of **(\$241K) or (19%)** predominantly due to an increase in annual and flexi leave balances of (\$310K) offset by lower than budgeted casual staff and kiwisaver costs of \$56K.
- **Other Expenditure** has a favourable variance (expenditure less than budget) of **\$7.76M or 18%**.

Expenditure variances offset with fees, grants or subsidies:

- Lower than budgeted expenditure on the predator free programme of \$1.91M
- Lower than budgeted expenditure on the Kauri boardwalk project of \$103K
- Lower than budgeted expenditure on the Stop Wild Ginger biocontrol project of \$145K

Offset by:

- Higher than budgeted costs relating to consenting and monitoring activities of (\$460K)

Expenditure variances offset with reserve movements:

- Lower than budgeted costs on council's enterprise system implementation of \$3.31M
- Lower than budgeted costs on the Environment Fund of \$190K

- Lower than budgeted S-Map costs of \$225K
- Lower than budgeted expenditure on Kaipara Moana grants of \$749K

Expenditure variances subject to proposed carry forwards:

- Lower than budgeted wetland mapping expenditure of \$125K
- Lower than budgeted Freshwater Improvement Fund local share of \$389K
- Lower than budgeted lakes surveys of \$74K
- Lower than budgeted CPCAs and biosecurity community partnership costs of \$350K
- Lower than budgeted IRIS next gen costs of \$132K
- Lower than budgeted Māori engagement and partnership costs of \$122K
- Lower than budgeted climate changes costs of \$167K
- Lower than budgeted wild deer survey costs of \$111K
- Lower than budgeted water resilience fund costs of \$90K

Other expenditure variances:

- Lower than budgeted expenditure on an afforestation scheme of \$102
- Lower than budgeted training of \$102K
- Lower than budgeted council meeting, travel, and councillor training costs of \$142K

Offset by:

- Higher than budgeted provision for doubtful debts and bad debts on rates of \$618K

- **Depreciation and Amortisation** has a favourable variance (expenditure less than budget) of **\$469K** or **24%** due to lower than budgeted capital expenditure and more vehicles fully depreciated but still operational than anticipated.
- **Finance costs** have a favourable variance (expenditure less than budget) of **\$153K** or **20%** predominantly due to council receiving PDU funding on its FIR programme and the enterprise system not incurring as much cost in the first year meaning that it didn't have to incur additional borrowing as originally budgeted.

Reserves

The net transfer to the Special Reserves is **\$514K** lower than budget (less funds transferred into the reserves) predominantly due to the lower than budgeted transfers to council's externally managed fund reserves of \$1.22M representing no gains and a transfer in for capital losses \$2.22M and the lower than budgeted gains on property proceeds transferred to reserve of \$6.23M.

This is offset by higher than budgeted transfers to the Flood Infrastructure Reserves of \$1.68M due to more than budgeted PDU funding, lower than budgeted transfers to the enterprise system reserve of \$3.16M due to not incurring the budgeted expenditure this year, movements in the carry forward reserve of \$1.57M, higher than budgeted transfers to the Kaipara Moana reserve of \$798K due to not requiring the budgeted level of operating grants, higher than budgeted transfers to the land management reserve of \$676K relating to the lower than budgeted environment fund grants and a carry forward request, and lower than budgeted transfers from the equalisation reserve of \$515K due to not requiring funding for budgeted projects this year. Further detail on the Special Reserves is provided in agenda item 6.5.

Capital Expenditure

Total capital expenditure including commercial development costs for the year was \$18.44M which is \$410K less than the \$18.85M revised annual budget. The variance to budget includes \$3,515,203 of overspends relating to commercial property capital expenditure that is funded from the Property Reinvestment Fund and \$1.8M of underspends on targeted river rate funded capital expenditure. A detailed breakdown of capital expenditure variances and proposed carry forwards is provided in agenda item 6.3.

Opex reserve top up

The Opex reserve was not utilised in 2021/22.

This paper proposes to top up the opex reserve by the net amount of \$305,602 from the 2021/22 years surplus. This is made up of the additional \$377,666 for 2022/23 IGR dividend funding less a \$72,064 reduction in the 2022/23 general funding requirement from managed fund gains.

The Opex reserve is represented by low-risk term deposits to provide funding certainty and ensure the stability of council's day to day operations.

OPEX SPECIAL RESERVE	2021-22	
	Actual	
Opening OPEX Reserve Balance		\$2,233,374
Increase/ (Decrease) in OPEX Reserve		
Interest earned and accrued on Opex Reserve Term deposits	\$26,999	
Reduction in the general funding requirement provided by gains in 2022/23	-\$72,064	
Adjustment to hold cover for any potential dividend funding shortfall in 2022/23	\$377,666	
		\$332,602
OPEX RESERVE - CLOSING BALANCE		\$2,565,976
HELD IN RESERVE TO COVER		
Managed Fund Gains required for general funding - not eventuating as anticipated	\$2,188,310	
Dividend revenue required as IGR funding - not eventuating as anticipated	\$377,666	
		\$2,565,976
Reconciled To Investment Assets		
OPEX Reserve Term Deposit #1	\$273,604	
OPEX Reserve Term Deposit #2	\$273,962	
OPEX Reserve Term Deposit #3	\$274,796	
OPEX Reserve Term Deposit #4	\$274,957	
OPEX Reserve Term Deposit #5	\$187,587	
OPEX Reserve Term Deposit #6	\$185,077	
OPEX Reserve Term Deposit #7	\$99,696	
OPEX Reserve Term Deposit #8	\$99,783	
OPEX Reserve Term Deposit #9	\$100,041	
OPEX Reserve Term Deposit #10	\$100,070	
OPEX Reserve Term Deposit #11	\$100,262	
OPEX Reserve Term Deposit #12	\$187,587	
OPEX Reserve Term Deposit #13	\$90,000	
Accrued interest earned (and not reinvested) on Opex Reserve Term Deposits	\$12,952	
Balance held in Term deposits at 30 June 2022		\$2,260,374
Plus adjustments		
Transfer of 2021/22 surplus to top up the Opex reserve (& place into a Term deposit)	\$305,602	
		\$305,602
TOTAL INVESTMENTS REPRESENTING THE OPEX RESERVE		\$2,565,976

Equalisation Reserve additional transfer

At the council workshop on 17 August 2022 councillors asked to transfer \$250,000 of the remaining draft surplus (then \$294,328) to the equalisation reserve for the post local election council to allocate to one off expenditures (in line with the purpose of this reserve). This request is included in this paper as a recommendation.

Options

No.	Option	Advantages	Disadvantages
1	Approve top up of opex reserve and transfer to the equalisation reserve	Brings surety to funding requirements for the IGR.	Reduces funds available for other projects.
2	Decline top up of opex reserve but approve the equalisation reserve transfer	Retains more surplus in the 2021/22 financial year and allows for more funding of one off expenditures.	If dividends don't eventuate as per budgeted levels then other sources of funding will be needed for the IGR
3	Approve top up of opex reserve but decline the equalisation reserve transfer	Retains more surplus in the 2021/22 financial year and brings surety to funding requirements for the IGR.	Reduces funds available for other projects.
4	Decline top up of opex reserve and decline the equalisation reserve transfer	Retains more surplus in the 2021/22 financial year	If dividends don't eventuate as per budgeted levels then other sources of funding will be needed for the IGR. Less money available for one off expenditures
5	Top up the opex reserve and equalisation reserves at lower values than recommended	Increases funding security for the IGR projects and one off expenditures	Doesn't completely increase funding security which leaves the risk of needing the find other funding.

The staff's recommended option is Option 1 to maintain funding surety for the IGR and allow the \$250,000 of surplus to be allocated later on.

Considerations

1. Financial implications

In arriving at the draft operating result of \$44,328, transfers of \$305,602 to the operating cost reserve and \$250,000 to the equalisation reserve have already been incorporated.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.

3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with the 2018–28 Long Term Plan, which was approved in accordance with council's decision making requirements of sections 76–82 of the Local Government Act 2002.

Being a purely administrative matter, community views, implementation issues and Māori impact statement are not applicable.

Attachments/Ngā tapirihanga

Attachment 1: Draft Operating Result 2021/22 [↓](#) 

DRAFT Operating Statement for Council

Attachment One

for the year ended 30 June 2022

	<i>DRAFT Council 30-</i>	<i>Revised Budget</i>		
	<i>Jun-22</i>	<i>30-Jun-22</i>	<i>Variance</i>	<i>Variance %</i>
Total Council				
Revenue				
Rates	38,604,505	37,574,120	1,030,385	3%
User Fees and Sundry	4,955,875	4,608,874	347,001	8%
Grants and Subsidies	16,591,216	15,689,735	901,482	6%
Interest Revenue	326,331	161,471	164,860	102%
Other Revenue	6,915,664	6,208,941	706,723	11%
Other Gains	(3,879,297)	9,154,905	(13,034,202)	(142%)
Total Revenue	63,514,295	73,398,046	(9,883,751)	-
Expenditure by Type				
Expenditure				
Personnel Costs - Salaries	20,841,042	22,007,184	1,166,142	5%
Personnel Costs - Other	1,515,130	1,274,064	(241,066)	(19%)
Other Expenditure on Activities	35,210,225	42,967,591	7,757,367	18%
Depreciation and Amortisation	1,517,500	1,986,556	469,055	24%
Finance Costs	528,436	746,547	218,111	29%
Total Expenditure	59,612,332	68,981,941	9,369,609	-
Net (Cost)/Surplus before transfer from/(to) Special Reserves	3,901,962	4,416,105	(514,142)	-
Total Transfers from/(to) Reserves	(3,857,635)	(4,385,953)	778,318	(18%)
Net (Cost)/Surplus after transfers from/(to) Special Reserves	44,328	30,152	14,176	47%

TITLE: Special Reserves at 30 June 2022

From: Vincent McColl, Financial Accountant

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 17
Group Manager/s: August 2022

Whakarāpopototanga / Executive summary

At 30 June 2022, council has \$63.92M of special reserves set aside to cover expenditure on specific projects and work programmes.

This report provides a breakdown of the special reserves held by council, including their purpose and balance as at 30 June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Special Reserves at 30 June 2022' by Vincent McColl, Financial Accountant and dated 4 August 2022, be received.

Background/Tuhinga

The equity in council's balance sheet represents the communities' interest in council and is measured by the value of total assets less total liabilities. Equity is classified into a number of general and special reserves to enable a clearer identification of the specified uses for which various funds have been assigned.

A general reserve does not have a specific purpose, whereas a special reserve holds funds that are set aside to cover expenditure on specific projects. In addition, special reserves may facilitate the funding of works of an inter-generational nature, capital expenditure in particular, over the most appropriate time period.

The special reserves and their respective balances (surplus/(deficit)) in place at the end of the 2021/22 financial year are as follows:

Description	Closing Balance
Land Management reserve	833,346
Awanui River reserve	(110,975)
Kaihu River reserve	52,298
Kaeo River reserve	258,038
Whangarei Urban River reserve	(7,670,538)
Property Reinvestment Fund	31,317,794
Equalisation fund reserve	2,286,514
Hatea River Reserve	58,498
Investment and Growth Reserve	79,889
Approved Carry Forwards - General Funds	1,572,809
Kerikeri Waipapa River reserve	17,994
Economic Development Fund Reserve	16,835,591
Regional Projects Fund Reserve	14,125,348
Whangarei Bus & TM Reserve	(63,712)

Description	Closing Balance
Emergency Services Reserve	53,398
Flood Infrastructure Reserve	(812,019)
Taumarere River FIR Reserve	162,501
Kaeo River FIR Reserve	53,769
Awanui River FIR Reserve	80,532
Whangarei River FIR Reserve	100,424
Far North Transport Reserve	451,901
Operating costs Reserve	2,565,976
Regional Sporting Facilities Reserve	1,315,839
Kaipara Moana Remediation Reserve	357,869
Total Special Reserves	63,923,084

Some special reserves earn or are charged interest depending on their closing balance being in deficit or surplus. For the 2021/22 year the protocol is for reserves in surplus of \$50,000 or greater earn interest at 3.33% (as per STF SIPO of 3% plus the 90 day bank bill rate as at June). Reserves in deficit are either charged at the corresponding external borrowing rate or at the internal rate of 3.50% (based on the average cost of council's external borrowing).

A description of the purpose of each reserve, the transfers from and/or to the reserve for the year, and the closing balance of each reserve as at 30 June 2022 is provided below.

Land Management Reserve

The Land Management Reserve was created to allow council to set aside unutilised Land Management rates for the purpose of funding projects in future years.

Funding of \$190,523 and \$388,556 was transferred to the land management reserve for underspends in the environment fund and FIF project budgets respectively. \$11,179 was transferred from the reserve to fund the balance of FIF projects. This produces a closing balance of \$833,346.

Land Management Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	265,445	108,000
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(11,179)	(108,000)
Environment fund projects budget not utilised in 2021/22	190,523	
FIF project co funding budget not utilised in 2021/22	388,556	
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	833,346	-

In 2022/23 the existing FIF project are expected to end, utilising \$236,950 of funding. The remaining balance will be held for future environment fund and FIF project funding.

Awanui River Reserve

The Awanui River Reserve was created to hold any targeted Awanui River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Awanui River Flood Management Scheme.

In the 2021/22 financial year the Awanui River Management project had an operating surplus of \$162,342 resulting in a closing reserve balance of (\$110,975). Unused depreciation of \$133,925 was transferred to the LTF resulting in a closing cash balance of \$22,950.

Awanui River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	(273,317)	(636,919)
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	162,342	135,308
	(110,975)	(501,611)
Depreciation funding utilised		-
Closing Balance as at 30 June 2022	(110,975)	(501,611)
Depreciation funding not utilised and transferred to LTF	133,925	-
Closing cash balance as at 30 June 2022	22,950	(501,611)
Accumulated depreciation funding not utilised and held in LTF	358,518	

Awanui Flood Infrastructure Rate (FIR) Reserve

The Awanui FIR Reserve was created to hold any targeted Awanui FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Awanui River Flood Management Scheme. The Awanui FIR Reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2021/22 financial year the Awanui FIR project had an operating surplus of \$1,360,596. Capital expenditure of \$1,049,716 was incurred producing a closing reserve surplus of \$80,532.

Awanui FIR Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	(230,348)	(412,459)
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	1,360,596	999,677
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	(1,049,716)	(1,289,179)
Closing Balance as at 30 June 2022	80,532	(701,961)

Whangaroa Kaeo Rivers Reserve

The Whangaroa Kaeo Rivers Reserve was created to hold any targeted Whangaroa Kaeo Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangaroa Kaeo Rivers Flood Management scheme.

In the 2021/22 financial year there was an operating surplus of \$41,489 resulting in a closing reserve balance of \$258,038. Unused depreciation of \$4,153 was transferred to LTF resulting in a closing cash balance of \$262,191.

Whangaroa Kaeo Rivers Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	216,549	125,247
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	41,489	(3,576)
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)		-
	258,038	121,671
Depreciation funding utilised		-
Closing Balance as at 30 June 2022	258,038	121,671
Depreciation funding not utilised and transferred to LTF	4,153	-
Closing cash Balance as at 30 June 2022	262,191	121,671
Accumulated depreciation funding not utilised and held in LTF	32,091	

Kāeo Flood Infrastructure Rate (FIR) Reserve

The Kāeo FIR Reserve was created to hold any targeted Kāeo FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Kāeo River Flood Management Scheme. The Kāeo FIR reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2021/22 financial year the Kāeo FIR project had an operating surplus of \$15,641 producing a closing reserve surplus of \$53,769.

Kaeo FIR Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	38,128	(68,714)
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	15,641	13,406
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	(108,001)
Closing Balance as at 30 June 2022	53,769	(163,309)

Whangārei Urban Rivers Reserve

The Whangārei Urban Rivers Reserve was created to hold any targeted Whangārei Urban Rivers Management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangārei urban rivers management scheme.

The operating surplus of \$460,655 has been transferred to the reserve which produces a deficit balance of (\$7,670,538). Adding the unused depreciation of \$74,833 transferred to the LTF gives a cash balance of (\$7,595,705).

Whangarei Urban River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	(8,131,193)	(8,151,531)
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	460,655	497,561
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
	(7,670,538)	(7,653,970)
Depreciation funding utilised	-	-
Closing Balance as at 30 June 2022	(7,670,538)	(7,653,970)
Depreciation funding not utilised and transferred to LTF	74,833	-
Closing cash Balance as at 30 June 2022	(7,595,705)	(7,653,970)
Accumulated depreciation funding not utilised and held in LTF	401,740	

Whangārei FIR Reserve

The Whangārei Flood Infrastructure Rate (FIR) Reserve was created to hold any targeted Whangārei FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Whangārei River Flood Management Scheme. The Whangārei FIR reserve incorporates 30% of any related capital works with the other 70% being attributed to the Flood Infrastructure Rate Reserve.

In the 2021/22 financial year the Whangārei FIR project had an operating surplus of \$52,724 producing a closing reserve surplus of \$100,424.

Whangarei FIR Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	47,700	20,208
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	52,724	36,182
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	(75,386)
Closing Balance as at 30 June 2022	100,424	(18,996)

Kaihu River Reserve

The Kaihu River Reserve was created to hold any targeted Kaihu River Management rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of the Kaihu River Flood Management Scheme.

In the 2021/22 financial year there was an operating surplus of \$4,512 transferred to the reserve producing a closing balance of \$52,298.

Kaihu River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	47,785	28,684
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	4,512	469
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	52,298	29,153

Kerikeri–Waipapa Rivers Reserve

The Kerikeri–Waipapa Rivers Reserve is set up to hold any targeted Kerikeri–Waipapa rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the flood risk reduction project for the Kerikeri–Waipapa area.

The Kerikeri–Waipapa targeted rate was discontinued in 2020/21 resulting in an operating deficit of (\$345,705) producing a closing balance of \$17,994.

Kerikeri Waipapa Rivers Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	363,699	238,545
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(345,705)	(84,738)
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	17,994	153,807

Flood Infrastructure Rate (FIR) Reserve

The FIR Reserve was created to hold any targeted regional FIR rates collected and unspent in any given year to cover any future funding shortfalls for river works required as part of Northland Flood Infrastructure Schemes. The FIR reserve incorporates 70% of any related capital works with the other 30% being attributed to the Awanui FIR, Whangārei FIR, or Kāeo FIR reserves depending on the particular project.

In the 2021/22 financial year the FIR reserve had an operating surplus of \$4,471,306 and \$3,251,559 of capital expenditure producing a closing reserve deficit of (\$812,019).

Flood Infrastructure Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	(2,031,765)	(3,575,700)
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	4,471,306	3,231,507
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	(3,251,559)	(4,485,987)
Closing Balance as at 30 June 2022	(812,019)	(4,830,180)

Regional Projects Fund Reserve (RPF)

The Infrastructure Investment Fund (IIF) reserve was originally established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. This year it has been repurposed into the RPR as a contestable fund for loans to large infrastructure projects.

The balance of the reserve represents funds held in the LTF RPR portion. This financial year the capital losses of (\$339,910) are transferred from the RPR to align the reserve with the fund value. The \$2,225,520 of utilised accumulated depreciation and capital repayments collected and held to repay external borrowings have been transferred out of this reserve since its purpose has changed.

Regional Projects Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	16,690,778	15,803,659
Transfer of Accumulated Debt & Depreciation to other part of the LTF	(2,225,520)	-
Increase (decrease) in Reserve due to proposed reinvestment of gains / (losses)	(339,910)	-
Capital reserve funds used for general funding 2021/22	-	230,285
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	14,125,348	16,033,944

Property Reinvestment Fund Reserve (PRF)

This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by Marsden Maritime Holdings Limited. The reserve represents property reinvestment funds invested in council's long-term and short-term investment funds that are set aside to be reinvested in income-producing assets, pending the identification of approved property investments.

This financial year the capital losses of (\$1,365,213) are transferred from the PRF to align the reserve with the fund value. \$29,824,179 of proceeds from property sales, and withdrawals of (\$11,946,470) for commercial developments leaving a closing balance of \$31,317,794.

Property Reinvestment Fund Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	14,805,278	25,332,519
Increase (decrease) in Reserve due to proposed reinvestment of gains / (losses)	(1,365,213)	576,667
Increase in Reserve due to proceeds from commercial property sales	29,824,179	15,219,808
Decrease in Reserve throughout 2021/22 due to commercial developments	(11,946,470)	(8,309,394)
Closing Balance as at 30 June 2022	31,317,794	32,819,600

Economic Development Fund Reserve (EDF)

This reserve was established from a repurposing of the Community Investment Fund (CIF) which was not reserved. This reserve represents the EDR portion of the LTF which provides funding toward council's operational contribution to Northland Inc.

The balance of the reserve represents funds held in the LTF EDF portion. This financial year the capital losses of (\$1,365,213) are transferred from the PRF to align the reserve with the fund value. During 2021/22 this reserve recognised (\$428,435) of capital losses leaving a closing balance of \$16,835,590.

Economic Development Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	17,264,025	17,030,413
Increase (decrease) in Reserve due to proposed reinvestment of gains / (losses)	(428,435)	402,536
Closing Balance as at 30 June 2022	16,835,590	17,432,949

Equalisation Reserve

The Equalisation Reserve was created to set aside council's forestry net income arising in any harvesting year. This reserve is intended to provide future funding of council's general activities by allowing council to use these funds for any council activity to smooth future rating increases. Additionally this fund can be used to fund the cost of forestry operations in non-harvesting years.

During the 2021/22 financial year council approved projects from this funding of which only \$31,314 for the Whangarei office solar install eventuated within the financial year. In addition \$27,568 of forestry work funding was required and council requested that \$250,000 was transferred to the reserve resulting in a closing reserve balance of \$2,286,514.

Equalisation fund Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	2,095,397	1,475,643
Funding for the shortfall in pilotage income		(109,164)
Project funding approved		(336,000)
Capital work funded from the Equalisation Reserve	(31,314)	(40,000)
Transfer of 2021/22 surplus	250,000	-
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(27,568)	(97,845)
Closing Balance as at 30 June 2022	2,286,514	892,635

Hātea River Reserve

The Hātea River Reserve was created to set aside a component of the council's Services Rate (\$1.50+GST) specifically levied across the Whangārei constituency to ensure funding is available in the event dredging of the Hātea River is required.

This year there was an operating deficit of (\$41,382) transferred to the reserve producing a closing reserve balance of \$58,498.

Hatea River Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	99,880	108,958
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(41,382)	(58,486)
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	58,498	50,472

Emergency Services Reserve

The Emergency Services Reserve was created to hold any targeted Emergency Services rates collected and unspent in any given year to ensure all collected rates go to emergency services in the future.

The closing balance of \$53,398 represents targeted rates collected (adjusted for non-collection) and not allocated to date.

Emergency Services Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021 (revised)	70,285	125,453
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(16,888)	13,453
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	53,398	138,906

Investment and Growth Reserve

The Northland Regional Council Investment and Growth Reserve was established in 2011/12 to set aside investment income to fund activities and projects that contribute towards the economic well-being of Northland. This year council has started a rate to pay for some of the economic development activities reducing reliance upon investment returns.

Investment and Growth Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	1,121,601	1,121,600
Economic development rate	600,941	610,825
LTF EDR Gains		651,155
STF IGR portion gains / (losses) and fees	(2,902)	11,809
District council contributions	111,000	111,000
Payments to Northland Inc	(1,636,744)	(1,636,744)
Project Funding	(787,599)	(832,600)
Surplus dividends	689,587	
Other Deposits	(15,996)	(34,886)
Closing Balance as at 30 June 2022	79,889	2,159

Approved Carry Forwards Reserve

The Approved Carry Forwards Reserve was set up to record operational projects for council that have not been completed during the current year and need to be carried forward to the next financial year. This is the subject of agenda Item 6.2. At 30 June 2022 the closing balance of the operational projects proposed to be carried forward is \$1,572,809.

Approved Carry Forwards - General Funds	Actual	Revised Budget
Opening Balance as at 1 July 2021	181,015	46,015
(Decrease) in Reserve throughout 2021/22 for 2020/21 carry forwards	(181,015)	(46,015)
Increase in Reserve for 2021/22 operational carry forwards	1,572,809	-
Closing Balance as at 30 June 2022	1,572,809	-

Whangārei Transport Reserve

The Whangārei Transport Reserve was created to hold any targeted Whangārei Transport rates collected and unspent in any given year to cover any future funding shortfalls in the Whangārei bus and total mobility programmes.

In 2021/22 Whangārei Bus made a surplus of \$12,954 and Total Mobility made a surplus of \$49,803. This resulted in \$62,757 being transferred from the reserve making the reserve balance a deficit of (\$63,712). The positive reserve movement is predominately due to offsetting higher than budgeted Whangārei bus CPI costs with other surpluses within transport in the 2021/22 year and some higher than budgeted Waka Kotahi subsidies.

Whangārei Transport Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	(126,469)	(40,000)
Increase /(Decrease) in Reserve throughout 2021/22 Whangārei Bus	12,954	50,000
Increase /(Decrease) in Reserve throughout 2021/22 Total Mobility	49,803	(47,000)
Increase /(Decrease) in Reserve throughout 2021/22 (capital transfer)	-	-
Closing Balance as at 30 June 2022	(63,712)	(37,000)

Far North Transport Reserve

The Far North Bus Service Reserve was created to hold any targeted Far North Transport rates collected and unspent in any given year to cover any future funding shortfalls of the Mid North Link, Hokianga Link, and Far North Link programmes.

\$113,564 was transferred to the reserve during 2021/22 resulting in a closing balance of \$451,901.

Far North Bus Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	338,337	217,143
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	113,564	(3,857)
Closing Balance as at 30 June 2022	451,901	213,286

LIDAR Reserve

The LIDAR Reserve was created to hold any LIDAR contributions as this project is run over a number of years and includes funding from seven parties.

The reserve balance of \$11,472 was fully utilised during the year leaving no reserve balance.

Regional Sporting Facilities Reserve

The Regional Sporting Facilities Reserve was established to set aside any targeted Regional Sporting Facilities rates collected and not fully utilised in any given year for the purpose of funding sporting facilities across Northland.

During the 2021/22 year \$1,300,000 (including \$700,000 relating to the last triennium) of grants were distributed and \$1,360,567 of unspent rates were transferred to the reserve resulting in a closing balance of \$1,315,839.

Regional Sporting Facilities Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	1,255,272	-
Sporting facilities grants 2021/22	(1,300,000)	-
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	1,360,567	-
Closing Balance as at 30 June 2022	1,315,839	-

Grants approved in principle for the current triennium are:

- Pohe Island Sports Hub (Bike) up to \$600,000 (completed)
- Sportsville Kaikohe Stage 2 up to \$1,400,000 from November 2022 (yet to apply)
- Northland Football Hub Stage 1 up to \$1,000,000 from August 2023 (yet to apply)
- Northland Football Hub Stage 2 up to \$800,000 from June 2024 (yet to apply)

Opex Reserve

The Opex Reserve was established in June 2019 with a purpose (and cash holdings it represents) to ensure that the portion of annual operating costs in any financial year that is intended to be funded from managed fund gains is guaranteed and not exposed to market volatility.

Interest earned on the related term deposits of \$26,999 and \$305,602 of the 2021/22 surplus has been transferred to the reserve to recognise a reduction in the gains required for general funding in the 2021/22 financial year and the dividend income requirements for the investment and growth reserve. The value of this reserve is held in term deposits and provides stability and assurance over the delivery of contracted work programmes in 2022/23.

Opex Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	2,233,374	2,259,314
Interest earned on related Opex Reserve term deposits	26,999	-
Amount transferred to/(from) Opex Reserve 2021/22 to match 2022/23 council general funding requirement from managed fund gains	(72,064)	-
Additional funds held to cover dividend IGR funding	377,666	-
Closing Balance as at 30 June 2022	2,565,976	2,259,314

Enterprise System Reserve

The Enterprise system reserve was established to put aside surplus investment income in order to offset the expected future cost of the enterprise system project. In 2021/22 the reserve will include rates and any expenditure relating to the enterprise system project.

During the 2021/22 financial year \$1,553,584 of funding was transferred from this reserve offsetting most of the expenditure.

Enterprise System Reserve	Actual	Revised Budget
Opening Balance as at 1 July 2021	1,553,584	1,554,238
Increase /(Decrease) in Reserve throughout 2021/22 (operational transfer)	(1,553,584)	(4,716,272)
Closing Balance as at 30 June 2022	-	(3,162,034)

Capital Subsidy Reserve

During the year \$8,148 was transferred from this reserve to partially offset depreciation costs associated with the Regional Integrated Ticketing Information System (RITIS). This reserve is now fully utilised.

Attachments/Ngā tapirihanga

Nil

TITLE: Regional Rates Collection 2021/22

From: Simon Crabb, Finance Manager

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

Whakarāpopototanga / Executive summary

The three district councils administer the collection of the regional council rates on council's behalf.

In 2021/22 all three district councils had an improvement in their collection percentage of current year rates when compared to the prior year. Overall, the collection rate of council's current year rates increased from 92.1% last year to 94.0% in 2021/22.

Table One below summarises the level of rates collected in 2021/22, the outstanding rate balances at year end, and the provisions held to offset the prospect of non-collection of outstanding rates.

Table One. Summary	WDC		KDC		FNDC		TOTAL	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Amount of Current Year Rates Collected	\$21.32M	\$17.48M	\$6.57M	\$5.33M	\$14.07M	\$11.11M	\$41.97M	\$33.92M
Percentage of Current Year Rates Collected	96.5%	95.2%	96.1%	95.3%	89.6%	86.4%	94.0%	92.1%
Percentage of Current Year Rates Collected – 3 Year Average	95.4%	95.2%	95.3%	94.1%	87.4%	86.2%	92.6%	91.8%
Amount of Rate Arrears Collected	\$225K	\$296K	\$248K	\$269K	\$652K	\$708K	\$1.12M	\$1.27M
Percentage of Rate Arrears Collected	41.2%	48.6%	29.0%	33.0%	26.2%	16.1%	28.9%	21.9%
Percentage of Rate Arrears Collected - 3 Year Average	49.9%	53.9%	36.0%	39.1%	18.4%	12.6%	24.0%	19.6%
Total Outstanding Rates at Year End	\$598K	\$546K	\$804K	\$855K	\$3.11M	\$2.49M	\$4.51M	\$3.89M
Total Provision held to offset prospect of Non-Collection	\$315K	\$261K	\$609K	\$616K	\$2.72M	\$2.18M	\$3.64M	\$3.05M
Provision as a % of Outstanding rates	52.7%	47.7%	75.8%	72.0%	87.5%	87.5%	80.8%	78.5%

Ngā mahi tūtohutia / Recommendation

That the report 'Regional Rates Collection 2021/22' by Simon Crabb, Finance Manager and dated 26 July 2022, be received.

Background/Tuhinga

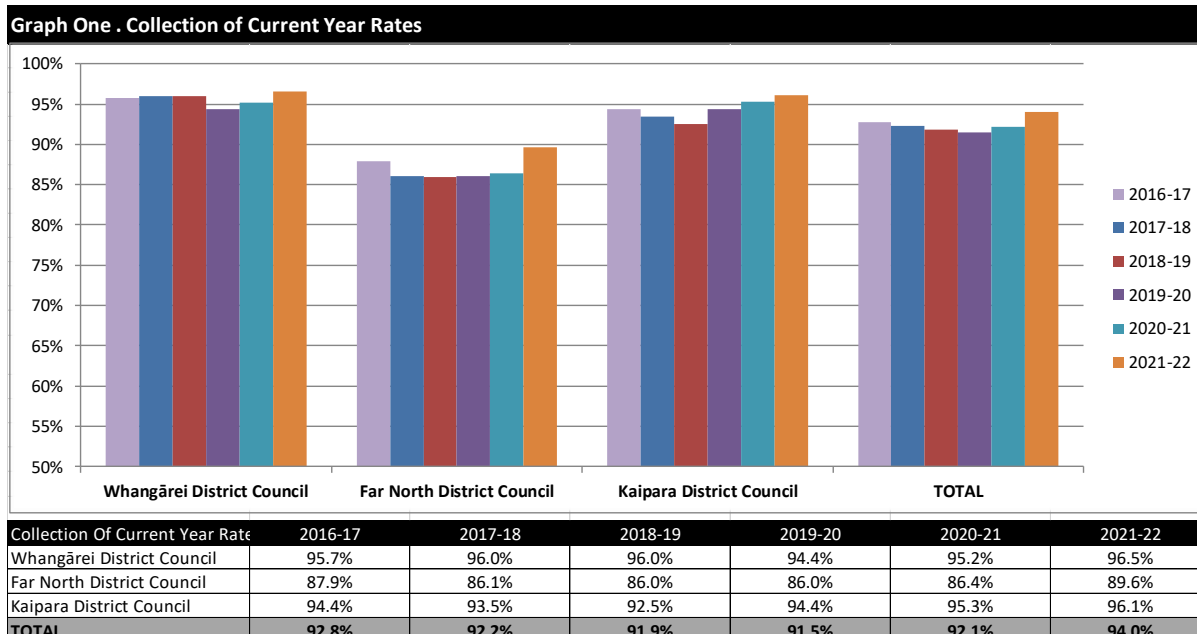
Confirmation of council's rates transactions and outstanding rate balances for 2021/22 are provided by each district council as part of the year-end Annual Report process.

1. Current Year Rates

In 2021/22 council received \$42M of the annual rate strike, equivalent to **94%** (2020/21: 92.1%). The three-year average current year rates collection rate has improved slightly to 92.6% (2020/21 91.8%).

Attachment One is the 2021/22 Rates Reconciliation Statement. This reconciliation summarises council's rate strike, cash received, remissions, write-offs and penalties charged,

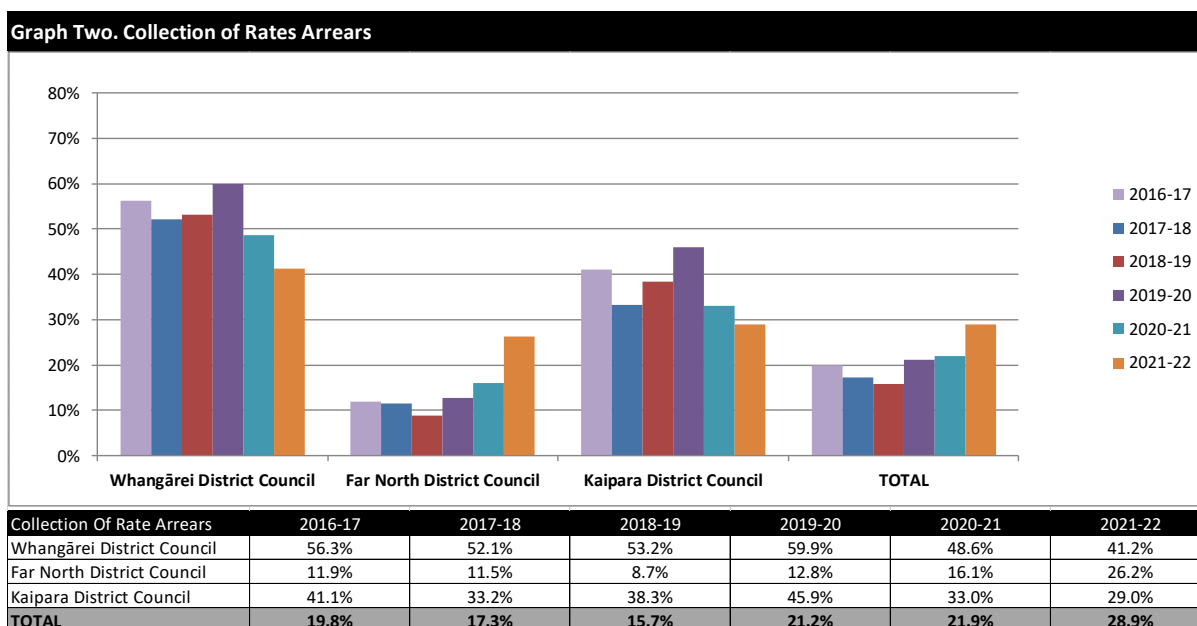
Graph One presents the proportion of current year rates that has been collected by each district council over the past six years.



2. Rate Arrears

Outstanding rate arrears (including penalty arrears) collected in 2021/22 totalled \$1.12M, equivalent to a collection rate of **28.9%** (2020/21: 21.9%). The three-year average rate arrears collection rate has improved to 24.0% (2020/21: 19.6%).

Graph Two presents the proportion of outstanding rate arrears that has been collected by each district council over the past six years.



3. Provision for Doubtful Rate Debts

Table three provides a breakdown of the provision for doubtful rates debts which is an allowance held to offset the potential loss arising from the non-collection of some of the outstanding rates.

Table Three. Provision for Rate Doubtful Debts	WDC		KDC		FNDC		TOTAL	
	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20
Opening Balance	\$261K	\$156K	\$616K	\$568K	\$2.18M	\$1.50M	\$3.05M	\$2.23M
Reversal of Accumulated MFL Impairments	-	-	-	-	\$0.00M	-	\$0.00M	-
Rate Arrears written off during the year	(\$49K)	(\$23K)	(\$43K)	(\$4K)	(\$0.11M)	(\$221K)	(\$0.20M)	(\$248K)
Penalty Arrears written off during the year	(\$65K)	(\$0K)	(\$84K)	(\$0K)	(\$34K)	(\$28K)	(\$184K)	(\$29K)
Additional provision for Rate Arrears	\$20K	\$187K	\$27K	(\$42K)	\$1,273K	\$80K	\$1,321K	\$224K
Additional provision for Penalty Arrears	\$85K	\$5K	\$121K	\$67K	\$0K	\$58K	\$207K	\$130K
Provision for Rate Doubtful Debts Closing Balance	\$252K	\$324K	\$638K	\$588K	\$3.31M	\$1.39M	\$4.20M	\$2.30M
Total Outstanding Rates at Year End	\$598K	\$608K	\$804K	\$816K	\$3.11M	\$1.62M	\$4.51M	\$3.04M
Provision as a percentage of Outstanding rates	42.1%	53.3%	79.4%	72.1%	106.3%	85.9%	93.0%	75.7%

The Far North's outstanding rates balance has increased to \$3.11M (2020/21: \$2.49M), however there is a corresponding provision of \$2.72M held for the prospect of not collecting these arrears which represents 87.5% of the outstanding rates balance (2021/21 87.5%).

As an indication, if the district councils did not collect any NRC rate arrears council would be exposed to a loss of \$870K, as this is the amount of outstanding rates that is not covered by the provision.

Attachments/Ngā tapirihanga

Attachment 1: 2021/22 Rates Reconciliation Statement [↓](#) 

ATTACHMENT ONE NORTHLAND REGIONAL COUNCIL - RATES RECONCILIATION STATEMENT 2021/22
ANNUAL RATES RECONCILIATION WITH DISTRICT COUNCILS

District Council	Outstanding Rates 1 July 2021	2021/22 Rate Strike (GST Incl)	Rate Adjustments (remissions & postponements)	Penalties Applied	Discounts	Rate Write-offs Exp	Rate Write-offs Prov	Current rates received	Arrear rates received	Penalties received	Total Cash Received	Outstanding Rates 30 June 2022	Outstanding Current Year Rates 30 June 2022	Outstanding Rate Arrears 30 June 2022	Note	Outstanding Current Year Rates 30 June 2021	Outstanding Rate Arrears 30 June 2021	Outstanding Rates 30 June 2021 NRC Accounts
Far North District Council	\$2,487,195	\$15,696,321	(\$296,624)	\$185,377	\$0	(\$40,965)	(\$133,386)	(\$14,071,295)	(\$617,556)	(\$99,293)	(\$14,788,145)	\$3,109,772	\$1,320,528	\$1,789,243	Assumes final washup payment of \$246807 which was paid in July-22 and backdated to 30 June 2022	\$1,044,175	\$1,443,019	\$2,487,195
Waipara District Council	\$855,474	\$6,836,428.42	(\$15,535)	\$172,700	\$0	(\$48,174)	(\$133,722)	(\$6,572,045)	(\$196,477)	(\$95,123)	(\$6,863,646)	\$803,525	\$216,550	\$586,976	Assumes final washup payment of \$179190 which was paid in July-22 and backdated to 30 June 2022	\$226,381	\$629,094	\$855,474
Whangarei District Council	\$545,691	\$22,087,418	(\$493,548)	\$136,446	\$0	(\$18,332)	(\$61,743)	(\$21,321,714)	(\$217,189)	(\$58,921)	(\$21,597,825)	\$598,106	\$333,601	\$264,505	Assumes final washup payment of \$198258 which was paid in July-22 and backdated to 30 June 2022	\$277,894	\$267,797	\$545,691
TOTAL	\$3,888,360	\$44,620,167	(\$805,708)	\$494,523	\$0	(\$107,472)	(\$328,852)	(\$41,965,055)	(\$1,031,222)	(\$253,338)	(\$43,249,615)	\$4,511,403	\$1,870,679	\$2,640,724		\$1,548,450	\$2,339,910	\$3,888,360

TITLE: Consideration and adoption of the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts

From: Kyla Carlier, Corporate Strategy Manager

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

Executive summary/Whakarāpopototanga

The purpose of this report is to present the Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts for council's consideration, adoption and for amalgamation in to the suite of rating policy documents.

Rating policies are differentiated by district, and it is administratively efficient that the council adopts policies on the remission and postponement of rates on Māori freehold land that are the same as those of the three district councils.

The rating policies were last updated as part of the wider process of the Long Term Plan 2021-2031 (LTP 2021). The Whangārei and Kaipara district councils subsequently made updates to their policies that now need to be reflected in the policies that council adopts. A consultation process has been carried out to support this decision.

Recommendations

1. That the report 'Consideration and adoption of the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts' by Kyla Carlier, Corporate Strategy Manager and dated 8 August 2022, be received.
 2. That council supports the changes to the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts as consulted on, and makes no changes as a result of the submission received during consultation.
 3. That having undertaken consultation in accordance with section 82 and pursuant to section 102 of the Local Government Act 2002 the council adopt the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts, as they are relevant to the Northland Regional Council, effective from 1 September 2022, included as an attachment to this agenda.
 4. That council authorise Bruce Howse – Group Manager, Corporate Excellence, to make any necessary minor drafting, typographical, or presentation corrections to the rating policies prior to them being published on councils website.
-

Options

No.	Option	Advantages	Disadvantages
1	Confirm changes and adopt the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts. Update the full policy document accordingly.	Council will achieve compliance with the LGA, and have rating policies substantially consistent with the Kaipara and Whangārei district councils, allowing administrative efficiency.	Council will have to update the full policy document.
2	Do not confirm changes and do not adopt the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts.	The existing full policy document will not need to be updated.	Council will have rating policies that are substantially inconsistent with the Kaipara and Whangārei district councils, causing administrative inefficiency and confusion.

The staff's recommended option is Option 1, to confirm the changes and adopt the updated policies.

Considerations

1. Environmental Impact

No direct environmental impact is anticipated as a result of this decision.

2. Community views

The views of the community on the amendments to the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts were sought during a period of consultation in accordance with section 82 of the LGA.

One submission was received. The submission raised concern at equality and fairness around the payment of rates, suggested that a weekly/monthly payment system could make things easier, and suggested that land be deemed abandoned and sold if rates are not paid. The submission is attached to this item.

The low level of feedback was not unexpected given the minor nature of the changes proposed. Previous consultation on rating policies (LTP 2021) demonstrated majority support to updates in policies.

It is of note that council is of the understanding that Kaipara and Whangārei districts have also carried out consultation on these policies prior to making the changes that council is now proposing to adopt.

3. Māori impact statement

Although the changes to the policies were largely administrative, Council's policy on Remission and Postponement of Rates on Māori Freehold Land has the potential to impact on māori in Northland. In recognition of this, a pānui was mailed to council's iwi and hapū database, advising them of the changes and inviting feedback.

4. Financial implications

The expected rates remissions as a result of the adoption of the rating policies have been taken into account in setting rates for the 2022-23 year. This process will occur every financial year.

5. Implementation issues

No implementation issues are anticipated.

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 the LGA requirements in relation to decisions.

Council is required to consult with the community in accordance with Section 82 of the LGA, and has done so. The decision to approve and adopt the rating policies is considered to be compliant with council's Significance and Engagement Policy.

7. Policy, risk management and legislative compliance

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 considered Schedule 11 of the LGA and recognises that the nature of Māori freehold land is different to general title land.

Section 102 of the LGA also allows a local authority to adopt rates remission and postponement policies and specifies that these policies must be consulted on in a manner that gives effect to the section 82 of the LGA. This required processes have been carried out.

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.

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 current 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 LTP 2021, and following appropriate consultation.

Policy changes

Subsequent to council's LTP 2021 process, the Kaipara and Whangārei district councils 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 whānau, and their hapū, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū"* are supported by council. Council consider that this support is reflected in making the proposed changes to these rating policies, as was set out in the Statement of Proposal used for consultation.

Council resolved to consult on adopting 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 proposed 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.

None of the changes proposed related to policies set under the Rating Act.

Consultation

Council sought feedback on the proposed changes from 27 July to the 10 August 2022. Consultation centred on a Statement of Proposal that set out the proposed changes, with consultation tools including public notice in local newspapers, information on council's website, and direct pānui to councils iwi and hapū mailing list. Feedback was invited by way of online submission, email, and hard copy.

One submission was received. The low level of feedback received is considered commensurate to the minor nature of the changes, and the fact that the Kaipara and Whangārei district councils were required to have already consulted on these changes, with the exception of new clause 7 in the draft policy for Kaipara, which council has opted to retain (and which is a clause of minor clarification).

Feedback summary and consideration


The submission that was received raised concern at equality and fairness around the payment of rates and that everyone should be required to pay. The submission suggested that a weekly/monthly payment system could make things easier for ratepayers, and suggested that land be deemed abandoned and sold if rates are not paid. The submission is attached to this item.

In considering the question of equality and fairness in relation to the adopting of remission policies for Māori freehold land it is noted that council is required by Section 102 of the LGA to adopt such a policy. Council has also considered Schedule 11 of the LGA and recognises that the nature of Māori freehold land is different to general title land.

Payment options, including weekly or monthly payment of rates, are available to ratepayers via the district council, with information on how to set this up available on their websites. Section 77 of the Local Government (Rating) Act 2002 sets out the process for the sale of abandoned land.

Given these considerations, it is not proposed that any changes be made to the Policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts, as a result of the submission received.

Attachments/Ngā tapirihanga

Attachment 1: Rating policies submission - P Morshead [↓](#) 



Draft rating policies 2022

Contact information

Name:

Pamela Morshead

Organisation:

Mailing address:

Provided

Email: Provided

Phone/mobile: Provided

Feedback:

I am concerned re the draft rating policies.

Everyone should be treated equally.

Anyone who owns land need to be responsible for paying the rates. Otherwise it is unfair to those property owners that do pay.

If rates are not paid in full on time, would it not be better to have a system where those in financial strife could pay a small amount each week/month to ease the burden of finding a large sum quarterly.

When rates have not been paid for a number of years, then surely the land can be deemed as abandon and therefore sold to defray expenses.

Uploaded feedback:

How did you hear about this:

Newspaper

Date:

2022-08-09 14:47:19

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 08 August 2022

Executive summary/Whakarāpopototanga

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

Council resolved at its July meeting in item 6.3 that:

1. That council authorises the appointment of the Group Manager – Corporate Services as Director to the RSHL Board, effective from 1 October 2022.
2. That council authorises the appointment of the Information Services & Technology Manager as Alternate Director to the RSHL Board, effective from 1 October 2022.

Given the timing of the transition of RSHL to the Regional Sector Shared Services Organisation, it is considered prudent that the above appointments are brought forward to be effective from 23 August 2022. This is to ensure the appointments are not missed due to timing issues associated with the transition of RSHL.

Recommendations

1. That the report 'Regional Software Holdings Limited Board Appointments' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 8 August 2022, be received.
2. That the council appointments to the RSHL Board, as approved by council in Item 6.3 of the July 2022 council meeting, are brought forward to be effective from 23 August 2022.
3. That council authorises the CEO to notify RSHL of the appointments.

Options

No.	Option	Advantages	Disadvantages
1	Do not bring the board appointments forward.	Nil.	Council potentially not represented on the board.
2	Bring the board appointments forward.	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: Otiria-Moerewa Flood Mitigation Spillway and Bridge for 1.5M Funding Shortfall

From: Joseph Camuso, Rivers & Natural Hazards Manager; Kyla Carlier, Corporate Strategy Manager and Chantez Connor-Kingi, Kai Whiri Iwituna - Rivers

Authorised by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience, on 11
Group Manager/s: August 2022

Executive summary/Whakarāpopototanga

Work is progressing on the Otiria-Moerewa flood mitigation project, a critical project that will reduce the flooding impact to Otiria and Moerewa townships and improve the health, safety and wellbeing of these communities. The tender for stage two closed at the beginning of this month, and this has highlighted a \$1.5 million shortfall for this project.

The original budget for the project was \$5.1 million, as established in late 2020. It has now increased to \$6.6 million mainly due to inflation, COVID impacts and re-design of the stage two bridge from a 42-meter to a 60-meter-long bridge. The re-design was due to road safety concerns raised by the Northland Transportation Alliance (NTA).

To address the shortfall, staff are investigating several options including:

- Seeking further funding from Kānoa (unsuccessful)
- Approaching Far North District Council for a contribution from their 3-Waters Better Off Funding Package
- To undertake an application to the MBIE Regional Strategic Partnership Fund

Staff are requesting Council to approve the project continue, while additional funding is being investigated. There is urgency to lock-in the contractor's current pricing for stage 2, meet Kānoa's overall project deadline and community expectations.

Stages two and three would ideally occur concurrently, delaying or cancelling this project has the potential to increase costs further, irrevocably damage NRC's partnership with hapū and the community and suffer irrevocable reputational damage.

Recommendations

1. That the report 'Otiria-Moerewa Flood Mitigation Spillway and Bridge for 1.5M Funding Shortfall' by Joseph Camuso, Rivers & Natural Hazards Manager; Kyla Carlier, Corporate Strategy Manager and Chantez Connor-Kingi, Kai Whiri Iwituna - Rivers and dated 5 August 2022, be received.
2. That council agrees that this is an urgent matter with criticality in terms of protection of life and property.
3. That council approves the continuation of this project with current funding, under council's pre-election guidance.
4. That staff continue to determine the most appropriate source of funding for completion of the project.
5. That staff prepare communications to appropriately inform the community of the increased cost of the works, and council's planned approach.

Options

No.	Option	Advantages	Disadvantages
1	Cancel further works beyond stage 2 on the Otiria / Moerewa Flood Scheme	No additional costs incurred, and additional funding would not need to be sought.	Project will not be completed, leaving life, property, and community health, safety, and wellbeing at risk. Relationship between hapū and council irrevocably damaged and reputational damage for the council if the project is incomplete
2	Approve continuation of the Otiria / Moerewa Flood Scheme stage 2 and stage 3	The project is completed, and council delivers on mitigating risk to life and property and improves the health, safety of wellbeing of the affected communities. Reputation and relationships with hapū are maintained and strengthened	Council to explore options for the unbudgeted funding shortfall of \$1.5M

Staff recommend Option 2 to approve continuation of stages 2 and 3 of the construction of the flood scheme.

Considerations

1. Environmental Impact

If the second and third stages of this project cannot be completed, the flooding impact on the Otiria Moerewa communities and surrounding environment will not be mitigated as expected.

2. Community views

Council has built a partnership and trust with local hapū Ngati Kopaki Ngati Te Ara, Whanau and the community over the past six years, while developing this project.

Consultation on the Otiria-Moerewa Flood Mitigation Spillway and Bridge took place as part of the consultation on the Long-Term Plan 2021-2031. The consultation assumed a project cost of \$5.1 million and a \$2.89M contribution from central government and proposed the establishment of a new targeted Taumārere rivers management rate to fund the local share of repayment of the cost of the project, with the balance (70%) funded by the region-wide flood

infrastructure rate. The consultation was carried out in accordance with S83 of the Local Government Act, including a month-long consultation period, and included a 'Have Your Say' event at Otiria marae, which was the most well-attended event during the consultation period. Eighty-seven submissions were received on the proposal, with 62 registering agreement with the proposal, seven registering disagreements, and 18 being neutral.

Community views on any future funding mechanisms to complete the project will be sought as appropriate and in accordance with councils significance and engagement policy.

Not being able to complete the expected and agreed flood mitigation works has a very real potential to irrevocably damage the relationships between the hapū and local government.

This project will reduce the flooding impact to Otiria and Moerewa townships, reduce the risk to life and property from flooding and improve the health and safety and wellbeing of the residents.

3. Māori impact statement

This project helps establish statements of (Māori engagement framework) commitments to Te Tiriti principles and the outcomes sought by WAI-262 with each of our partnerships.

The Treaty principles of:

1. Partnership
2. Participation, and
3. Active protection when working with Māori are incorporated into projects.

This project supports iwi/hapū resource managers to communicate with and learn from whanaunga from other regions, and mātauranga Māori will inform the development of new spatiotemporal decision-support tools to prioritise and select tailormade adaptive interventions to reduce climate-related exposures/sensitivities/vulnerabilities (e.g., secure access for populations in areas susceptible to negative effects of climate change and increasing flooding).

The new co-developed approaches and programme can be transferred to other partnerships that seek input through co-funded projects and this type of programme will be transferrable across Aotearoa.

The programme is cognisant of the diverse realities of our Māori communities and seeks to support Māori to achieve success as Māori, to overcome data deficiencies about issues that really matter to them, and institutional barriers in governance and management that are hindering their success and the implementation of adaptive interventions.

The programme recognises our iwi/hapū partners as leaders and experts who will demonstrate how agencies should be engaging with mātauranga Māori at the forefront of local/regional/national decision-making. This project has contributed to ensure that taonga species and freshwater ecosystems do not become unsustainable under a changing climate and our construction developments, within our waterways, with the improvements to flood schemes.

This project draws on mātauranga Māori to identify unavoidable Climate Change and Flooding impacts and co-design interventions. This approach addresses all Rauika Māngai principles of best practice and responds to MBIE's economic, environmental and society Vision Mātauranga objectives.

4. Financial implications

This paper outlines a funding shortfall of \$1.5M, this shortfall includes a \$660,000 contingency to help address unforeseen inflationary items. The Long-Term Plan 2021-2031 included budget for an assumed project cost of \$5 million, minus a \$2.89M contribution from central government, and allocated \$219,4000 a year to fund repayment of the spillway via a new targeted Taumārere rivers management rate (local share) and the region-wide flood infrastructure rate (70%).

A funding decision is not required at this stage until there is certainty of costs, and the investigation of alternative funding sources is complete. It will be a future decision of council if borrowing needs to be drawn down from the LGFA, repayment options can be tested with the community during the next long term plan process (2024) if alternative funding applications are unsuccessful.

5. Implementation issues

Urgency is required to keep to Kānoa timelines for project finish end of June 2023 and to lock-in contractors current pricing for stage two and three so the project can continue.

6. Significance and engagement

Should other funding contributions not be able to be secured and an impact on rates is proposed, the matter is likely to become 'significant' and consultation required. This consultation would be required to be completed prior to the rates being impacted, except for council deciding to increase the region-wide Flood Infrastructure rate by less than 2% (annually).

Further assessments of significance and engagement will be completed as the situation develops.

7. Policy, risk management and legislative compliance

This decision has implications for work that will reduce the risk to life and property. Not doing the work results in a high level of risk to the community and reputational risk for council.

Background/Tuhinga

NRC has been actively engaged and working in partnership with hapū from Otiria Moerewa communities working on the flood mitigation project.

The Otiria Moerewa Flood Mitigation project is divided into three stages. Stage one is the spillway which is now complete. Stage two is the construction of a new bridge and stage three is the construction of the stop banks. Stages two and three would ideally occur concurrently to save costs. Current available funding will cover the increased costs of stage 2, additional funding would be for stage 3.

Engineers estimates in 2020 for the works required were \$5.1 million. With a \$2.89M contribution from central government's Kānoa fund coming off this balance, a new targeted Taumārere rivers management rate was set up to fund the local share of (repayment of) the cost of the project, with the balance (70%) funded by the region-wide flood infrastructure rate. Current costs in 2022 have risen to \$6.6 million, leaving a \$1.5 million shortfall from LTP and Kānoa funding.

Council will need to explore funding options to complete the flood scheme.

The relationships between hapū and the NRC are strong and respectful, working in partnership to develop a solution for the community.

Other elements to engage hapū and create community ownership of the project included a 5-day Wānanga measuring river health and biodiversity along with community-rubbish clean-up day. This work was originally planned to be contracted out to BECA (biodiversity) and Fulton Hogan (rubbish clean-up), however interest within the hapū to be upskilled with support from NRC bio-diversity teams and old fashioned mahi for the rubbish clean-up was a win-win with the proceeds going to local charities and Marae. This also gave NRC staff the opportunity to work alongside local hapū and Kaitiaki building stronger ties and relationships.



Photo above: July 2020 flood ~ 1:50 year event.

The Scheme will eliminate flood water at this location and is designed for 1:100 plus climate change.

Attachments/Ngā tapirihanga

Nil

TITLE: Chair's Report to Council

From: Penny Smart, Chair

Authorised by Penny Smart, Chair, on
Group Manager/s:

Purpose of Report

This report is to receive information from the Chair on meetings/events attended, and correspondence sent for the month of July 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 9 August 2022, be received.

Meetings/events attended

During this period, I attended the following meetings/events/functions:

- TTNEAP Advisory Group | Bi-monthly meeting
- National Policy Statement Indigenous Biodiversity Exposure Draft webinar
- Reforms update – Mayors, Chairs and Chief Executives
- Regional Sector Tour – Taupo
- LGNZ Conference – Palmerston North
- LGNZ Zone 1 meeting
- Northland Forward Together Strategic Planning Workshop
- LGNZ AGM
- Northland Mayors and Chairs update

Correspondence

During July I sent out the following correspondence:

Date	Addressed To	Subject
14/07/2022	Prosper Northland Trust	Oruku Landing Conference and Event Centre
27/07/2022	Chair Marsden Maritime Holdings Limited	MMH Director Renumeration

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

From: Malcolm Nicolson, Tumuaki - Chief Executive Officer

Authorised by Malcolm Nicolson, Tumuaki - Chief Executive Officer, on 17 August 2022
Group Manager/s:

Ngā mahi tūtohutia / Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 5 August 2022, be received.

8.2.1 HIGHLIGHTS

Northland Regional Council – Kiwi Coast partnership

While the “twindemic” of COVID-19 and flu affected a number of planned activities and events over the last year, Kiwi Coast has remained strong and much has been achieved:

- Kiwi Coast Trust, Strategy Group and Coordinators continued to foster, link, and grow community, hapū and iwi-led pest control and forest recovery across Northland, with our iconic kiwi as a key driving motivator
- A further 23 projects linked into Kiwi Coast, taking the total number of entities involved in the collaborative initiative to 210.
- The collective area managed by groups and projects involved increased from 225,000ha in 2021, to 241,000ha in 2022.
- A record 99,126 animal pests were trapped, taking the nine-year grand tally to 591,584. On average, over 1,900 animal pests were trapped on the Kiwi Coast every week.
- Despite COVID-19, a further 22 skill building workshops were able to be held, taking the nine-year total to ninety-eight.
- The annual Regional Pest Control Workshop was held as an online “zui” for the first time, involving local, national and international presenters and participants
- 19,268 people have now attended Kiwi Coast supported events and workshops over the past nine years.
- Outcome monitoring showed the hard work by the groups and projects involved is achieving the desired results, with the threatened status of Northland brown kiwi downgraded to ‘conservation dependant’.





Taiki e!

An acknowledgement that Tāiki e (NRC Te Tiriti Strategy and Implementation Plan) has been adopted at the formal council meeting held 26 July 2022. This endorses the partnership with Te Taitokerau Māori and Council Working Party (TTMAC) as Tāiki e aligns with council's commitment to Te Tiriti o Waitangi and strengthens partnerships with tangata whenua and council's position/ability to respond to central government reforms. It also provides clear strategic direction both at a governance and operational level to give effect to Te Tiriti o Waitangi. The main objective of Tāiki e is that it provides a robust starting point for the incoming council for the understanding of Te Tiriti o Waitangi and Te Taitokerau context, partnership and obligations.

Operationally, it provides and 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 in TTMAC Strategic Intent 2021-2040 which include Water/Marine and Climate Crisis.

'Tāiki e' Implementation Plan lists 26 Actions that are made up of 13 x Priority One, 9 x Priority Two and 4 x Priority Three Actions. Of the 26 Actions; nine are budgeted, seven can be achieved within existing resources and 10 are unbudgeted. Currently there are some Priority One Actions underway or in progress including:

- Action 1. Establishing Te Tiriti o Waitangi Health Check and Review
- Action 3. Support and increase the uptake of the development of Iwi/Hapū Environmental Plans
- Action 4. Support and increase the uptake of Mana Whakahono a Rohe (MwaR)
- Action 7/8/9. Council environmental monitoring programme to support environmental monitoring by tangata whenua
- Action 22. Ensure the successful ongoing implementation of Māori constituencies.

Work has been ongoing with the ELT to begin more detailed planning for the 'Tāiki e' implementation plan and this will be brought back to TTMAC's September meeting for endorsement.

ELT will need to consider capacity and capability to undertake implementation and delivery, particularly for the Priority 1 Actions over the next 12 months. Staff recognise that it is important to prioritise 'Tāiki e', however, being an election year will result in a period where the incoming council will need time to confirm the new governance structure and be inducted as new councillors.

8.2.2 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	No further update.
Consent decision appeal	Irrigation of avocado orchards and horticulture crops	No further update.

8.2.3 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

Fraud Declaration

I am not aware of any fraud nor am I investigating any incidence or suspected incidence of fraud at this time.

Council property Update

The purchase of two property holdings in Whangārei's CBD has settled.



The NIWA Kingfish RAS works are currently on track with the fish tank construction complete, leak testing successful and coating to commence after the shelter is erected. The shelter structure install will progress through August (as in photo). The access walkway decking install is also underway. All offshore equipment has all arrived onsite. Practical completion remains achievable but very tight.

8.2.4 REGULATORY SERVICES

Consents in Process

During July 2022, a total of 85 Decisions were issued. These decisions comprised:

- Moorings 1
- Coastal Permits 12
- Land Discharge Permits 9
- Land Use Consents 26
- Water Permits 18
- Water Takes 10
- Bore Consents 9

The processing timeframes for the July 2022 consents ranged from:

- 117 to 1 calendar days, with the median time being 43 days;
- 78 to 1 working days, with the median time being 22 days.

Sixty-three applications were received in July 2022.

Of the 133 applications in progress at the end of July 2022:

- 35 were received more than 12 months ago;
Reasons for being more than 12 months old:
 - Awaiting additional information (including CIAs) 9
 - Consultation with affected parties/stakeholders 4
 - On-hold pending new rules becoming operative 6
 - Other 16
- 19 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 79 less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in July 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 July 2022 is (*by number*):

- Applications Publicly/Limited Notified During Previous Month 1
- Progress on Applications Previously Notified 6
- Appeals/Objections 2

COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 31 July 2022 (and year-to-date 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	5	5	0	0	0	0
Bore Consent	8	8	0	0	0	0
Coastal Discharge	16	8	3	3	0	2

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Coastal Permit	9	9	0	0	0	0
FDE – Discharge permit	11	11	0	0	0	0
FDE – Permitted activity	4	4	0	0	0	0
Land Discharge	35	27	2	2	0	4
Land Use Consent	42	33	4	4	0	1
Water Discharge	29	21	4	3	1	0
Water Permit	27	25	0	0	0	2
Water Take	192	122	37	5	0	28
Total	378	273	50	17	1	37
Percentage		72.2%	13.2%	4.5%	0.3%	9.8%
Year to date	378	273	50	17	1	37
Percentage		72.2%	13.2%	4.5%	0.3%	9.8%

Coastal

Monitoring of the Bay of Islands coastal structure permits for the 2022/23 financial year commenced. Stormwater discharge monitoring was undertaken at Norsand and Riverside Drive boat maintenance facilities.

An abatement notice was issued to the Kaipara District Council for discharging polypropylene material to the coastal marine area from exposed sandbags that are being used for erosion control at Baylys Beach. The sandbag seawall is authorised by resource consent. In response to our enforcement action, Kaipara District Council instructed its contractor to cover damaged bags to minimise further discharges. We have undertaken a follow-up site visit to confirm remedial works. The district council has until 3 November 2022 to remove all failed, damaged and broken sandbags, and to develop a permanent solution going forward.

We continued to undertake marine farm consent compliance follow-up and enforcement action following inspections that were undertaken in March 2022.

Water, Waste, Air and Land Use (WWALU) Compliance

Monitoring

- Contaminated Land Management*

Two incidents involving the discharge of hazardous substances and 15 enquiries regarding contaminated land were received and responded to. Four hundred and twelve kilograms of hazardous waste was disposed of at the amnesty day and eight sites were added to the Selected Land-Use Register.

- Municipal Wastewater Treatment Plants*

WWTP/Consent Status	Issues (August 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: UV system to be installed in 2022/2023 to reduce bacteriological concentrations

WWTP/Consent Status	Issues (August 2022)	Enforcement Action/Response
Hihi Expires 30 November 2022; replacement consent yet to be received	No recent issues	None currently
Kaeo Expires 31 October 2022; replacement consent application has been received	No recent issues	None currently
Kaikohe Expired 2021 (replacement consent application on hold)	Intermittent non-compliances with ADW flow, ammonia & bacteriological consent limits.	None currently Issues will be addressed in replacement consent
Kaitiāia Expired 2021; replacement consent application in progress	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 recent issues	None currently
Kohukohu Expired 2016; replacement consent application publicly notified 10 August 2022	Occasional issues with bacteriological conditions of consent	None currently
Opononi & Omāpere Expired 2019; replacement consent application on hold	Non-compliances with bacteriological consent limits	<u>Under AN</u> Issues will be addressed in replacement consent
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; <u>Under AN</u> for odour from Tokerau Beach pump station

WWTP/Consent Status	Issues (August 2022)	Enforcement Action/Response
Whangārei District		
Hikurangi Expires 2025	Intermittent issues with plant performance	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 Expires 2024	No recent issues	None currently
Waiōtira Expires 2030	No recent issues	None currently
Waipū Expires 2030	No recent issues	None currently
Whangārei City Expire 2022; replacement consent application publicly notified – 6 submissions received and being responded to	No recent issues	<u>Under AN</u> for odour from plant.
Kaipara District		
Dargaville Expired 30 June 2022; replacement consent application in progress	Non-compliances with WQ discharge volume consent limits	<u>Under AN</u>
Glinks Gully Expires 2024	No recent issues	None currently
Kaiwaka Expires 31 October 2022; replacement consent application has been received	No recent issues	None currently
Mangawhai Expires 2042	Odour complaints and occasional exceedances of TDS consent limit	<u>Under AN</u>
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

There was one environmental incident reported in July which resulted in a significant environmental impact. This was a smoke nuisance incident in Kaiwaka early in the year which involved the burning of a large pile of unpermitted materials including tyres. The investigation of the incident has been completed and the formal enforcement action in response to the incident is under consideration.

ENFORCEMENT

Abatement Notices, Infringement Notices and Formal Warnings

The following is a summary of the abatement and infringement notices issued:

Action Type	Number
Abatement Notice	10
Infringement Notice	2

Farm dairy effluent (FDE) monitoring

FDE inspections commenced on 22 July 2022. NRC staff and the FDE contractor will be visiting a total of 753 farms this monitoring season (four less than last year). To date approximately four percent of farms have been visited and reported on. Comparisons of this season's results so far with those for last season are given in the tables below. It is too early to put much weight on comparisons between years.

Consented farms (571 to do)

Full Compliance		Moderate Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
16	43	1	8	0	2
94%	81%	6%	15%	0%	4%

Non-consented farms (182 to do)

Full Compliance		Moderate Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
11	17	0	2	0	1
100%	85%	0%	10%	0%	5%

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 a Judge on 25 May 2022. The Judge convicted the defendant on two charges. Sentencing submissions have been filed as per timetable. The sentencing date has been set for 26 August 2022.
- Breach of enforcement orders - Kaitiāia**
 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 registrar adjourned the case until 22 August 2022.

- *Earthworks & vegetation clearance within a wetland – Teal Bay*
Charges were laid in the Whangārei 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 regarding one issue – whether wetland is a natural wetland or a constructed wetland. This issue is relevant for some of the charges. NRC expert evidence was filed by 15 July 2022 and the defendants' expert evidence is to be filed by 25 August 2022. If it is determined that the wetland is a natural wetland, then the four defendants will enter guilty pleas to all charges.
- *Farm dairy effluent - Hikurangi*
On 27 June 2022, charges were laid in Whangārei 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.
- *Discharge of contaminated water to stormwater - Whangārei*
On 14 July 2022, four charges were laid in Whangārei District Court against one defendant for offences relating to the discharge of contaminated water to stormwater that occurred in September 2021. First appearance date is 18 October 2022.

8.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Sustainable Hill Country and Regional Priorities

Milestones	Status
Farm Plans	The target for the 2021-22 is either 136 plans or a total of 34,030 ha covered by completed plans. Staff delivered 107 farm plans totalling 34,011 ha as at the end of June. Staff continue to prepare soil conservation plans for the 2022-23 year, which has the same target as the previous year.
Land treatments – Retirement fencing	Staff are preparing efund applications with a target area of 84ha of eroding pasture to be retired for forest planting by the end of the financial year. The 84ha is the target under the funding agreement with MPI. It should be noted that staff have substantially exceeded this target in the previous two years.

Poplar and Willow nursery

Objective	Status
Harvest	<p>This year's harvest was notable for the record demand and supply of trees. For the 2022-23 planting season NRC delivered orders for 8,440 subsidised poplar and willow trees, exceeding our 7000 target (120% of target achieved). With harvest complete, planning is underway to continue to improve the productive capacity of the current site. Main areas for work include:</p> <ul style="list-style-type: none"> • improving drainage • lower stool bed stocking • diversify cultivar mix • expand processing area • revising fertiliser programme • redesigning block layout taking account of works on new rail corridor.

Whangārei urban awa project

Key updates for this project:

- Y2 Reporting has been completed.
- Two fencing projects were completed in July totaling 209m.
- Two sites were planted in July totaling 1547plants.
- The information flyer was sent to recontact properties that did not reply to the initial round of contact.

BIODIVERSITY

FIF Dune Lakes Project

Objective	Status
Sediment and nutrient mitigation	Contract awarded and wetland feasibility study underway at Black Lake, Kai Iwi Lakes.
Pest fish and weed control.	Hornwort signs were produced for Lake Karaka and will be installed during the annual lakes survey week.
Year 5 Annual Report and Year 6 Work Programme	The annual report for Year 5 and the Year 6 Annual Work Programme was provided to MfE.

CoastCare

Dune planting continued in July. A planting day was held on Waipū Sandspit with the Department of Conservation (DOC). The Waipū Sandspit is an important breeding area for the critically threatened NZ Fairy Tern (tara iti) of which there are only around 40 individuals remaining. DOC were concerned about a blow-out across the spit which had been started by people walking through from the estuary and were keen to plant it to encourage the dune to build up. A small group of DOC volunteers walked the 4km out to the planting site, picking up litter as they went, and just over 600 spinifex and pingao plants were planted (provided through the NRC Environment Fund).



Wetlands

The Envirolink report on the design of a Northland wetland SOE monitoring programme was reviewed by Biodiversity staff and received from Manaaki Whenua Landcare Research. This report provides a framework for monitoring the ecological state and trend of freshwater wetlands and a set of 61 priority sites representative of Northland wetlands from which to develop a 5-yearly rolling monitoring programme. This monitoring framework has been developed to enable NRC to monitor wetland condition and trend and to identify any losses in wetland extent or values, to give effect to the requirements under the Essential Freshwater 2020 programme (NPS-FM, NES-FW).

NATURAL RESOURCES

Coastal/Water Quality Operations

- A trial exploring Kākahi (Freshwater mussels) and eDNA (Environmental DNA) is underway with Council, Wilderlab and supported by landowners. In turbid free waters, Kākahi can filter up to 1.5 litres per hour. It is considered that Kākahi would ingest a wide range of DNA from the water

body. It is hoped that this approach helps us use eDNA and understand species diversity in low flow environments.

Natural Resources Science

Air quality

- Investigations to identify new permanent air monitoring sites in Kaitiāia and Mairtown, Whangārei are underway. Both sites were identified as most suitable air monitoring sites for particulate matter in Northland airsheds during the environmental monitoring network review.
- The Ministry for the Environment, Waka Kotahi New Zealand Transport Agency, Te Manatū Waka Ministry of Transport and Manatū Hauora Ministry of Health have released the third edition of the Health and Air Pollution in New Zealand (HAPINZ 3.0) on 6 July 2022. The table below shows the estimated health impacts due to PM_{2.5} and NO₂ pollution from anthropogenic sources in the Northland region in 2016. The associated social costs are estimated at **\$460 million** (with \$176 million from PM_{2.5} and \$285 million from NO₂) for Northland.
[HAPINZ 3.0 FAQs.02 \(1\).pdf](#)

Health impacts for the Northland region in 2016 due to anthropogenic air pollution.

Health effect	Cases by source (number)				
	Domestic fires	Motor vehicles	Industry	Windblown dust	Total
Cases due to both PM _{2.5} and NO ₂					
Premature deaths (all adults)	24	68	0.2	6	98
Cardiovascular hospitalisations (all ages)	49	72	0.5	12	134
Respiratory hospitalisations (all ages)	38	200	0.3	9	274
Asthma prevalence (0-18 yrs)		288			288
Restricted activity days (all ages)	24,770	6,597	275	6,872	38,514

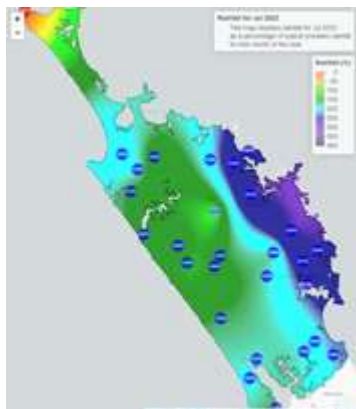
The stats are estimated in the table are annual for 2016. Data was averaged over 2015-2017 to account for annual variability

- Works related to LiDAR based high resolution digital river network (DRN) model for Northland are making good progress (Water Tech New Zealand Ltd is the service provider). The GIS deliverables for the Northern Wairoa catchment together with the rest of the region are currently being reviewed by NRC staff. The final report is due by February 2023.
- The NIWA contract on identifying potential drivers (water chemistry and biophysical characteristics) of benthic macroinvertebrate community pattern for Northland rivers has been finalised. The project will start in August 2022 and the final report is due in March 2023.
- The water quality data collected for Raumanga catchment investigation (February 2021 to March 2022) has been analysed and a draft report has been produced, which is currently under review. The final report will be available by September 2022.

Natural Resources Data

- The annual LAWA data refresh is well underway, starting with sites and data in the river, lake and groundwater quality programmes, as well as the recreational swimming programme.

Hydrology



Rainfall

- July 2022 was a wet month for Northland. All sites received above normal rainfall, with the east coast receiving significantly more rainfall than normal.
- Note that Cape Rēinga data is incomplete for the month so is displayed as low rainfall below



Rivers

- Most Northland rivers had above-normal to normal flow for July 2022.
- Low flows at Mangakahia at Gorge (red point below) are being investigated for truth.



Groundwater

- Recorded groundwater levels were above normal or normal in Northland aquifers.

POLICY AND PLANNING

Notified Subdivision application - Kapiro Road

Council lodged a submission on a subdivision resource consent application at Kapiro Road, Kerikeri. The application seeks to create 133 unserviced lifestyle lots (ranging from 3000m² to 5ha). Council's submission raised concerns over the potential impacts on wetlands and water resilience. These concerns were subsequently addressed by the applicant. Following the hearing on 29 and 30 June, the commissioners declined the application due to more than minor effects on natural character, rural landscape character, visual amenity and productive soils. The proposal was also considered to be contrary to some of the objectives and policies of the Far North District Plan. The applicants have subsequently lodged an appeal to the Environment Court.

National initiatives

In July council lodged submissions on:

- consultation on exposure drafts of changes to the National Environmental Standards for Freshwater (NES-F) and the National Policy Statement for Freshwater Management 2020 (NPS-FM), and
- the National Policy Statement for Indigenous Biodiversity (NPS-IB).

Copies of both submissions were circulated to TTMAC for feedback and information.

The exposure draft of the NES-F and NPS-FM was to address some technical issues and add further wetland provisions. Notably, the application of the NES-F to coastal wetlands was not addressed. The Ministry for the Environment have indicated that there will be a separate process for coastal wetlands in the next month or so.

The NPS-IB will be a new national policy statement. It will set out how councils manage biodiversity, including a requirement for district councils to map significant natural areas (SNAs) and to develop regional biodiversity strategies.

In July the government also released an exposure draft of the Water Services Entities Bill as part of its reform of New Zealand's drinking-water, wastewater and stormwater services ("three waters" services). The bill would create four publicly owned water services entities that manage water services in place of local authorities. The bill sets out the ownership, governance, and accountability arrangements – it also defines the geographic boundaries of the four entities, how they would operate and be accountable to the public. Each of the four water services entities would take on responsibility for delivering water services from 1 July 2024. The Bill is available here:

https://www.legislation.govt.nz/bill/government/2022/0136/latest/LMS534587.html?search=ts_act%40bill%40regulation%40deemedreg_water+services+bill_resel_25_a&p=1

Council did not lodge a submission on the Bill – the Select Committee is due to report back in the latter half of 2022.

Of note are concerns raised by the Attorney General raised in a submission on the Bill over accountability of the Water Services Entities given they are not councils or state owned entities and therefore cannot be held to account by ratepayers or Parliament. The Attorney General urged government to add a requirement for the entities to submit 10-year plans for auditing as is done with councils' Long-Term Plans. The submission by the Attorney General is available here: <https://oag.parliament.nz/2022/submission-water-services>

Review of the Regional Policy Statement

Barker and Associates are working on a draft report assessing the Regional Policy Statement (RPS) from a tangata whenua perspective. Staff are holding meetings with the Department of Conservation and the district councils to receive their feedback on the RPS in preparation for writing the review document.

Far North and Kaipara District Plans

Far North District Council released its Proposed District Plan on 27 July with submissions open until 21 October. Kaipara District Council are also due to release their draft District Plan for comment. A council workshop on both these documents is scheduled for 30 August 2022. Policy and Planning staff will review the documents and provide advice to council on making submissions at the workshop.

Freshwater Plan

NRC is arranging a full-day workshop for the August 2022 PSLG meeting to facilitate further feedback on NRC's freshwater plan change framework and process.

NRC staff attended the Annual Surface Water Integrated Management (SWIM) meeting in Wellington on 20 and 21 July. This provided the opportunity for council staff to share progress on implementing their freshwater plans, the challenges they are facing, and the available science information and tools to support the plan change.

NRC and ARC staff have had initial meetings to discuss opportunities to share their freshwater plan change approaches, including their approach to tangata whenua engagement. Particularly pertinent for the Kaipara catchment, where there is shared jurisdiction. On-going meetings are planned, along with sharing of information and exploring opportunities for synergies in the implementation of NRC's and ARC's respective freshwater plans.

The Tangata Whenua Water Advisory Group has been working on its recommendations to council and is due to provide its advice to TTMAC in August for endorsement to council on engagement with tangata whenua.

Council staff have also had an initial meeting with the Wai Māori Group (mandated by iwi leaders to work on the freshwater plan change).

The awareness campaign on the Freshwater Plan continues with, for example, the roll out of social media.

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 1A Aquaculture** - The provisions controlling aquaculture were appealed by a number of parties seeking both more and less restrictive provisions. Appeals were resolved without hearing with the Environment Court issuing a consent order on 20 July 2022.
- **Topic 1 – Capital dredging and Marsden Point Port Zone** – Parties reached agreement on appeals by Refining New Zealand / Channel Infrastructure in relation to rules controlling capital dredging and the extent of the Marsden Point Port Zone (MPPZ). Parties agreed to retain the rules adopted by Council for capital dredging without amendment. Minor amendments were made to the MPPZ, expanding the zone northward to include the current ship berthing area and east to cover an area where resource consent was granted to dredge for ship berthing. The Court accepted the parties' recommendations and issued consent documents on 21 July 2022.
- **Topic 15 Mangrove Removal** – 29 July parties provided court minor wording alterations to four rules as directed in the 29 June interim decision. We now await a final decision.
- **Topic 14 Fishing Control** – When the Court hearing closed on 6 August 2021, the Court indicated a decision would take longer than 6 months and parties were encouraged to work together to try and find a solution. This pause has allowed some iwi and hapū parties to reach an adjusted position on some aspects of the relief. There is also broad support from parties over the Minister of Primary Industries' decision to close the SCA 1 scallop fishery under the Fisheries Act 1996, and the protection this provides sensitive benthic habitats from scallop dredging disturbance. Progress and updated positions from all parties was recorded a joint memorandum lodged with Court 29 July. The parties have requested that the Court now make a decision

Other appeals and next steps

Staff continue to work towards resolving the remaining appeals on a range of topics. Key points arising since the last report are:

- **Topic 1 (Vehicles on Beaches)** – Parties attended mediation to discuss these appeals on 27 July. Productive and meaningful progress was made on resolving issues. While some issues remain outstanding, actions have been identified to continue to progress towards resolution. All parties indicated that the appeal was trending in the right direction and that resolution without a hearing was possible and desirable.
- **Other matters** - There are several other relatively minor appeals points that staff continue to work towards resolution with parties. The council is to provide a further report on progress on the remaining outstanding provisions by 30 September 2022.
- **Plan updates** - Staff continue rolling updates to the Proposed Regional Plan online as final decisions are issued by the Court.

8.2.6 BIOSECURITY

WILD ANIMAL CONTROL

An escaped hind which had been on the loose in the Paparoa area from a nearby deer unit was finally dispatched.

A fallow deer unit was located within the vicinity of the Waitangi Forest which had 8 fallow deer in it with no permit. This has been reported through to DOC who are to investigate.

Staff attended a multi-agency meeting with Auckland Council, DOC Wild Animal Management, and DOC from both the North Island and Auckland Regions.

A mature fallow hind and spiker were dispatched in the Puhipuhi area by an NRC contractor. These were located by one of our new contractors who knows this area well. He was notified by a landowner, located, and shot these animals within two days of this information.



FERAL PIGS

There are ongoing issues at Wharau and Furness Roads in Kerikeri with free range wild cross pigs getting into neighboring properties causing damage. There is an absentee owner, who has workers living on the property and who has limited control over the pigs. NRC staff have set up a trap in the area and are currently working to contact the farm owner and get a plan in place for control and removal of these pigs. In the meantime, the trapping and dispatching will continue on the adjoining properties, as they are located near the Waitangi Forest which has a healthy Kiwi population.



FRESHWATER PESTS

Koi carp presence/absence river surveillance netting fieldwork has been conducted along a flood drain network in Ruawai (site outside of koi carp containment zone).

Annual work planning for 2022-2023 has been ongoing, including finalizing operational projects/fieldwork calendar bookings for the new year, grass carp removal, river site presence/absence of koi carp outside the containment zone.

PARTNERSHIPS

July was a busy month for our Biosecurity Partnerships programmes with staff and community group coordinators analysing results and preparing annual reports. Some key achievements from the 21/22 financial year across our HVAs are highlighted below:

Kiwi Link High Value Area

This High value area (HVA) covers approximately 15,000 ha between Taranui and Glenbervie in eastern Whangarei and has had an outstanding year:

- An eightfold increase on NRC's \$100k investment, with private landowners contributing \$374,850 of unpaid labour
- Removal of 9,509 animal pests in 2021, with a grand total of 36,958 since 2017
- Boosted plant pest control, with new "weedy working bees" bringing landowners together to target problem sites
- Increasing native bird abundance, including kiwi, kākā and pāteke
- Increased communications and engagement, with a new dedicated website close to completion.

Whangārei Heads High Value Area

Kiwi Call Count Monitoring: Results show that good stoat control, through quality trapping and Kiwi Saver (1080) pulses, is leading to good kiwi chick survival and that responsible dog control is now ingrained by the vast majority of our community. Overall, results indicate:

- An approximate kiwi population of 1130 compared with 1090 last season and 80 back in 2001.
- A call rate of 10.8 calls/hour (analysed from 135 hours of listening at 18 sites), slightly down from 11.5 calls/hour last year.
- A total count of 226 males and 108 females compared with 218 males and 110 females in 2021.



Moth Plant Mob event at School Road. A working Bee on Ross property to support this community stalwart, the Moth plant competition.

Tutukaka High Value Area

Predator control: The total catch of cats and mustelids for the two months June-July was 26; roughly half that of the previous period. This is typical of the reduction in catch rates that occurs during winter. Planning for a 1080 Operation is also well underway with all bait stations having been deployed and the initial possum knockdown toxin laid.

Biodiversity and kiwi monitoring: Annual Kiwi Call counts are being collated. Kākā are being heard and sighted regularly in Tutukaka – usually just one or two birds at a time, and at dawn and dusk.

Weed Control: S.W.A.T has been taking a very well-earned winter break; and will resume operations in September.

Piroa Brynderwyn High Value Area

The Piroa Brynderwyn Landcare (PBL) has steadily expanded services with new areas and new functions as the organisation has morphed into a more sophisticated HVA project. Developing a mana enhancing agreement with iwi/hapū is also enriching the groups strategic planning and delivery as they move to formalise their organisation as a charitable trust. Some highlights from the year include:

- 23 groups now involved
- 3624 animal pests removed
- Over 4000 hours of trapping hours
- 320 new mustelid traps deployed
- Over 2000 hours of Volunteer Weed Action work

Breve Street Reserve - Mangawhai

One of our Volunteers is waiting until the track down to the water has been cut in so that the planting of native trees can be put in place. It is hoped work may begin as soon as possible so spraying and planting can take place, and before the storm water outlet erodes more of the stream banks. KDC have removed the dangerous pine trees from the reserve.

The local 'trackies' group is assisting KDC with reinstatement of the track.



King Road Reserve

A crew of four residents around King Road reserve have been meeting every week to weed around a wetland area there, and lay traps. They are just about to start planting native trees along the front of the section by the road, with a volunteer planting day scheduled for 20 June. There was a good write up on their work in the Mangawhai Focus. A sign was put up to inform the public of the work being done here.



Western Northland Pest Control

The Department of Conservation is coordinating an aerial 1080 operation in the Waipoua Forest on areas of public conservation land that have been agreed on in consultation with Te Roroa through their marae. This operation is scheduled for September and will benefit NRC CPCA's whose project area includes and/or is adjacent to the forest by reducing rat and possum numbers over the large landscape and providing secondary poisoning of mustelids which will remove trap shy animals. NRC's investment in infrastructure of bait station networks and funding of possum control through the Te Toa Whenua, Native Forest Restoration Trust, and Waipoua Forest Trust CPCA's will also help to slow the reinvasion of possums and stoats on the southern end of the forest. NRC has also agreed to support DOC by funding up to \$35,000 of additional ground control in the privately owned forests that adjoin Waipoua on the northern end to add to the overall outcomes of the project.

KDC Citizens & Environmental Awards ceremony

On 6 July the Kaipara Mayor awarded Pest Free Peninsulas Kaipara with the KDC environmental award 2022 for their pest control efforts on the Tinopai, Matakohē, Petley, Pahi and Te Pahi Kaipara Harbour peninsulas. The dedicated team of fourteen includes members of the Paparoa Lions club.

This KDC environmental award follows on from their Environmental action in pest management award at the NRC Whakamānawa a Taiao Environmental Awards 2021 held at Kerikeri.



PREDATOR FREE

Predator Free Whangārei

Both Whangārei and Pēwhairangi Whānui have had Project Lead staff commence mahi over June and July. The Whangārei field team have expanded their knockdown network area including all

areas of Taurikura, which means Working Block 2 is almost complete at 1/ha device density. Despite the stormy weather, the field team did not have a day off with high morale, which we are very proud and grateful for. A new full-time field officer has been recruited, who will begin their position in September. A plan to have Aki Tai Here to carry out the eradication plan in Pataua is currently being developed.

Predator Free Pēwhairangi (Bay of Islands)

For Pēwhairangi Whānui, multiple hui were held for each peninsula to help establish a co-governance structure and renew each project's contract. Senior team members led korero with other agencies (DOC, MPI and Biosecurity NZ) about effective co-governance with positive feedback received regarding collaboration and building relationships.

MARINE BIOSECURITY

Hull surveillance

A small number of hulls were surveyed by kaitiaki from Patuharakeke Te Iwi in Marsden Cove Marina this month. Kaitiaki use a pole camera to survey vessels recently arrived in the marina. This program has been successful so far to encourage vessel owners and the marine operators to keep vessels clean, thus protecting the rohe moana and the taio for the iwi, and creates a closer working relationship between iwi, industry, and regional council.

Table 1: Hull Surveillance Programme Results to 31 July 2022

Hull Surveillance Programme Results	Total this period	Total YTD
Pathways Plan Compliance if Moving*		
Number of vessels surveyed this period	30	30
% Pathways Plan Compliance if Moving (all vessels) *	93.3	93.3
Vessels found with Marine Pests		
<i>Sabella spallanzanii</i> (fanworm)	0	0
<i>Styela clava</i> (clubbed tunicate)	0	0
<i>Undaria pinnatifida</i> (Japanese kelp)	0	0
<i>Eudistoma elongatum</i> (Australian droplet tunicate)	0	0
<i>Pyura doppelganger</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.

Aquaculture On- Farm Biosecurity

During the last month NRC staff have represented New Zealand's regional councils and unitary authorities at a forum that aims to develop and recommend to the Ministry for Primary Industries (MPI) an approach to reach a future state of biosecurity best practice for the aquaculture industry. This includes developing processes, pathways, and timeframes for practical, implementable, and technically appropriate steps, to best practice biosecurity by 2025 and beyond. Outcomes will include a legislative framework that insures we have the necessary regulatory tools in place to better manage pest and disease pathways for both marine (coastal and ocean) and land-based farms.

NRC/MPI Investigations – Responding to public observations

NRC have been assisting MPI with investigations of two new observations of possible range extensions of non-indigenous marine species in Northland. These sightings have been reported by members of the public which demonstrates that messaging encouraging the public to report unusual sightings in the marine environment is effective. As part of these investigations, NRC has been connecting with hapu and local communities to involve them in the process of these investigations and gather local knowledge. The first investigation is in Rāwhiti, Bay of Islands and involves the Indo-

Pacific ascidian (*Symplegma brakenhielmi*). This species has been found in Whangārei harbour but is not known to be as far North as Rāwhiti. This investigation has also prompted conversation about ways central and local government communicate and work with hapū.

The other investigation is at Matapōuri estuary for the Australian flatback mangrove goby (*Mugilogobius platyynotus*), a small fish that was recently identified by experts from Te Papa Museum for the first time New Zealand in Ngunguru this April. NRC have been working with researchers that published the report to help plan a delimitation sampling exercise that will reduce the take of native fish species and cause minimal impact on local biodiversity. Hapū have also been engaged during this process in the hope they can be involved with on-going monitoring in the area if needed.

PEST PLANTS

- Annual reporting and budget applications were submitted to the Ministry for Primary Industries (MPI) for the work the Council manages on behalf of the National Interest Pest Response Programme for Manchurian wild rice. A budget increase for 2022-2023 was secured to help address the impacts of inflation and to allow further trials of alternative control measures to reduce time to eradication for small sites. The digger removal trial that commenced in 2020-2021 continues to show good results with very limited re-growth detected and an expanded trial is supported by MPI.
- Funding levels have also been agreed in principle for the 2022-2023 year of the National Wilding Conifer Control Programme. This will allow the continuation of work at priority control sites and commencement of work at Kaimaumau to support Jobs for Nature programme work already underway.
- The initial analysis was completed for drone survey work that was undertaken to trial the effectiveness of the technology at detecting spartina infestations. Two sites with difficult to access and known infestation sites were chosen to determine if there are unknown infestations in the vicinity of existing sites; at the first site multiple sites were identified for ground truthing, with varying degrees of confidence in the likelihood of spartina being present at these sites. At the second site, only two sites outside of the known infestations were identified as possible spartina infestation with low to medium confidence. Ground truthing will take place in spring to ascertain the reliability of the method.



Contractor operating drone to conduct spartina surveys at difficult to reach areas within the Whangārei and Kaipara harbours.



Video grid flight lines, and suspected spartina sites (yellow) at the second survey site

Preparations have been completed for the annual weed workshops which will start in early August. Five workshops are planned around the district, at Coopers beach, Kerikeri, Maungaturoto and two in Whangārei.

8.2.7 GOVERNANCE AND ENGAGEMENT

MĀORI ENGAGEMENT

Future Councillor Information Sessions

The Māori Relationships Team was out and about in the community over the past month supporting a number of future councillor information evenings. Alongside Whangārei District Council, Far North District Council, Election Services and the Electoral Commission and together with our own Governance and Communications specialists NRC has been well represented at Whangārei, Dargaville, Kawakawa, Kaikohe and Kaitia. We also had plans to attend marae hui at Te Kao, Whirinaki and Otiria however these were cancelled due to tangihanga and weather events. We did manage to get to the Taiamai ki Te Marangai Takiwa hui where we fielded many questions and were treated to the wonderful hospitality of Ngāti Rehia. These events have now drawn to a close as we prepare to move into the next phase of the Local Government elections.



Kaiārahi Tikanga Māori supporting the Future Councillors Information evening held recently at Te Kona in Kaikohe and attended by many interested locals.

Te Tiriti Health Check Update

The Te Tiriti Health Check is well underway. Independent reviewers from Buddle Findlay Whaia Legal and their teams have commenced a series of interviews and workshops that include councillors, TTMAC, tangata whenua members of TTMAC, MTAG ELT and hapū Kaitiaki. The logistics

alone has been a substantial undertaken made successful by the commitment and willingness of all parties and the tireless work of key administrative staff.

The Te Tiriti Organisational Review staff survey has also been completed. This data will be analysed the Pou Manawhakahaere GM Governance and Engagement and Kaiwhakahaere Hononga Māori - Māori Relationships Manager and provided to the independent reviewers. This will sit alongside the review of key documents and focus group workshops and interviews information. The next step will be to produce a draft findings and recommendations report that will be presented back to ELT, TTMAC, MTAG and council workshop before a final report is presented to council on 27 September.

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
REL	Repayment agreement signed by all parties.	Ensure payments are received as per agreement.
Extension 350	Attended final E350 evaluation group meeting.	Final evaluation report to be completed by 31 August.

Other Work Undertaken

- **Joint Regional Economic Development Committee (JREDC)** – JREDC meeting and workshop took place on 29 July.
- **Water Storage** – Council workshops/meetings to consider investment options to support the Mid-North water storage scheme being developed by Te Tai Tokerau Water Trust.
- **Walking & Cycling** – Presentation to council workshop on the implementation of the regional Walking & Cycling strategy.
- **TTMAC** – Organised an update on Te Purunga ki te Raki (Regional Skills Workforce Plan) developed by Regional Skills Leadership Group to TTMAC at their meeting on 14 July.
- **TTNEAP** – Delivered a presentation on the latest Economic Quarterly at the TTNEAP meeting on 28 July.
- **Regional Economic Development Strategy** – Attended the Steering Group's inaugural meeting and hosted the first discussion of the local government staff group.

ONLINE CHANNELS

Highlight: The Kaeo webcam now has a light installed to make the flood indicator board visible at night. This proved useful during the month of July with more than 18,000 page views of the Kaeo webcam during heavy rain events.

Most popular content on Facebook: Most popular content on Facebook: Facebook post on "Trains are back north of Whangārei Kiwirail are working on tracks between Kauri and Towai" (2 July 2022). Reaching 50,981 with engagement 4,648.

*Engaged – number of people who 'reacted', commented or shared the post

Key Performance Indicators	Mar-22	Apr-22	May-22	Jun-22	Jul-22
WEB					
# Visits to the NRC website	35,900	37,900	31,600	26,946	50,527
E-payments made	14	7	11	14	77
# subscription customers (cumulative)	1,378	1,368	1,366	1,365	1,364
SOCIAL MEDIA (CUMULATIVE)					

# Twitter followers	1,564	1,570	1,580	1,590	1,591
# NRC Facebook followers	10,600	10,600	10,700	10,682	10,817
# NRC Overall Facebook Reach	189,900	62,700	44,000	102,991	117,053
# NRC Engaged Daily Users	8,442	3,838	3,507	5,011	8,692
# CDEM Facebook fans	26,300	26,300	26,300	26,305	26,717
# CDEM Overall Facebook Reach	103,300	111,100	37,000	6,569	203,071
# CDEM Engaged Daily Users	5,564	7,168	1,895	147	25,258
# Instagram followers	1,520	1,526	1,540	1,547	1,557

ENVIROSCHOOLS / EDUCATION

On tour with Enviroschools WaiRestoration

Teachers and Enviroschools Facilitators from the Manawatu and West Coast joined in a tour of six WaiRestoration projects happening in Whangārei and Dargaville. Birthed in Te Taitokerau, WaiRestoration is an Enviroschools project centred on engaging young people and local communities in the restoration of waterways and biodiversity. The tour was sponsored by Toimata Foundation and covered riparian planting on farms (Kokopu School) and public land (BestStart Kindy), working with community to clear pest plants (Renew School), fencing off waterways (Whangārei Boys' High), growing native plants (Dargaville Intermediate) and integrating WaiRestoration learning and action into the curriculum (Tangiteroria School).

Planting with Young Farmers

The NRC-led planting morning at the Young Farmers Grand Final saw contestants and whanau plant 200 riparian plants alongside Te Hihi stream. Land Management and Education staff worked together to help the contestants leave a legacy for the Whangārei community.

WaiFencing assessment

Whangārei WaiFencing students were assessed on fence construction and repair, temporary electric fencing and associated theory work. The day also included a hikoi to a waterway currently unfenced on a lifestyle block. Land Management staff talked about where to put the right type of fence to keep stock out of the waterway.

University of Auckland pest control study

The University of Auckland interviewed council staff as part of its investigation entitled: Ethics, education and eradication: A transdisciplinary study of challenges to Predator Free 2050 in schools. The investigators are connecting with schools and teachers, curriculum designers, interest groups, and others with expertise on this subject to find out about their preferred approach to teaching predator control in NZ schools and beyond the classroom.

Enviroschools' sustainability milestones celebrated

One of our Councillors officiated at Whangārei Primary School's Enviroschools Silver celebration. They are actively involved in the wider Whangārei community planting riparian areas, growing their own native plants and their own kai. The school looks forward to hot composting, eco-sourcing and propagating for wetland planting and whole school learning and action around the Enviroschools theme area 'Water for Life'.

Another Councillor joined in Kiwi Kids Early Learning Centre's Enviroschools Bronze celebration. The tamariki enjoy a twice-weekly bush programme, re-using water for gardens and collecting rubbish found in the community. The centre is enjoying how excited its whanau is about being part of the Enviroschools Programme and looks forward to getting involved in animal and plant pest control.

On 20 July, GM Governance and Engagement connected with Giggles Learning Centre over their Enviroschools Bronze celebration. This community embraces Te Ao Māori in all that they do, is active in learning and action around conserving water and the impact of rubbish on water quality. The centre is committed to developing a māra rongoā, using the māramataka and strengthening Enviroschools mahi and joy with its youngest members.

Enviroschools communities facilitated

Despite the school holidays, during July Enviroschools Facilitators held specific interactions with 64 school and early childhood communities.

COMMUNITY ENGAGEMENT

Communications

Content created in July included:

- Media release on the return of weed workshops
- Story on the winners of our Water Quality Enhancement Award at the Ballance Farm Environment Awards
- Story on the Waimā Waitai Waiora and Te Kawa Waiora projects on Maunga Huruiki
- [Coastcare e-newsletter](#)
- [From Hills to Harbour e-newsletter](#)

Biosecurity Week

To mark biosecurity week, we ran a series of posts on social media highlighting the work we do with community groups in High Value Areas as well as our wilding pines mahi.

LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Total LGOIMAs	July 2020 to July 2021	July 2021 to July 2022
	26	10
Number of LGOIMAs not responded to within 20 working days		0

CUSTOMER SERVICES

Telephone inbound call statistics and enquiries

	May	June	July
Call volume via Customer Services	2072	1558	1959
Average wait time	5.4 secs	9 secs	9.6 secs

Telephone call volume over the last three years

	2019-2020	2020-2021	2021-2022
Call volume via Customer Services	20812	30566	23669

Other work undertaken

Customer Services has now taken on the role of receiving the hotline calls instead of the monitoring team. The system set up is working well for both monitoring and customer services.

Mailroom email processing performance

	May	June	July
Mail processed	913	677	741

Satisfaction monitoring

Two feedback cards have been received. The complaints have been resolved.

Feedback cards, compliments, and complaints

Compliments received	Total
<ul style="list-style-type: none"> Monitoring Zivana Pauling Consents 	1 1
Total compliments recorded	2

Complaints received	Total
<ul style="list-style-type: none"> Total Mobility 	2
Total complaints recorded	2

One complaint was referred to A1 Cabs which has now been resolved, and the other was resolved.

8.2.8 COMMUNITY RESILIENCE

TRANSPORT

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
June 2022	1269	\$25,343	\$25,000	+\$343	\$246,477	\$300,000	-\$53,523

Total Mobility Figures

When comparing the 2021/2022 against the 2020/2021 financial period, there was a:

- \$21,868 increase in fares collected; however
- 4377 less trips operated.

In September, October, and November 2021 there was a drop in trips due to COVID-19 and NZ moving through the different alert levels, level 4, 3, and then level 2, the new protection framework (Traffic lights) for COVID-19 started in December 2021, however people appeared still too nervous to travel.

The Government then announced the 50% public transport initiative, which also included 50% discount on Total Mobility fares from Friday 1 April 2022. Total Mobility clients were travelling

further taking advantage of this discount, going on longer trips, but not as often. Hence the increase in fares, but still less trips, these fares are 100% claimable from Waka Kotahi.

Total Mobility Scheme – Far North

The Far North Total Mobility Scheme went live on Friday 1 July 2022, the service has started out in the Kerikeri area. The approved Transport Operator – Driving Miss Daisy (DMD), based in Kerikeri, had equipment installed to take the Total Mobility electronic swipe cards that are linked to the system “Ridewise.” There are currently 99 active clients, the signing up of Total Mobility clients to this scheme will be an ongoing process.

We will increase the maximum fare from \$15 to \$30 on 1 September, this will encourage more people to sign up to the scheme due to the cost of the current fares to get around Kerikeri (so a better discount) this will also depend on budget restraints and will be closely monitored.

ROAD SAFETY UPDATE

Road Trauma Update

Road Fatalities Statistics for the period **1 January 2021 – 29 July 2021**

Fatalities Jan – June 2021	Far North	Whangārei	Kaipara	Northland	National
Local roads	2	2	2	6	101
State highways	5	3	7	15	88
TOTAL	7	5	9	21	189

Road Fatalities Statistics for the period **1 January 2022 – 29 July 2022**

Fatalities Jan – June 2022	Far North	Whangārei	Kaipara	Northland	National
Local roads	3	4	0	7	110
State highways	9	3	2	14	101
TOTAL	12	7	2	21	211

Motorcycle Safety - Ride Forever (R4E) Rider Training Update 2021/2022 Year End (Another Covid affected year)

- R4E – 2019/2020 – 240 riders completed courses for that financial year.
- R4E – 2020/2021 – 186 riders completed courses for that financial year.
- R4E – 2021/2022 – 182 riders have completed courses for this financial year just completed.
 - Bronze Course – 78
 - Silver Course – 50
 - Gold Course – 54

Government restrictions and lockdowns around COVID-19 have been consistent during the last two years affecting the Ride Forever Training. It is hoped this next 12-month period will at least see a return to figures similar or better to 2019/2021 financial year period.

Motorcycle Safety Awareness Month

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. Motorcycle safety awareness month is September and planning is underway for promoting this.

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

The government has recently announced that half price fares on contracted bus services and the Total Mobility Scheme will continue until 31 January 2023.

Rose Street Bus Terminus Upgrade

The Rose Street Bus Terminus was officially opened by her Worship the Mayor of Whangārei on Monday 18 July 2022.

Commencement of bus operations at Rose St are due to commence from Monday 25 July and this was slightly delayed due to the inclement weather over the last few weeks which meant minor works and road marking could not be completed in time.

Once the roadworks are complete and the site cleared the works to upgrade the Rose Street Terminus office will commence.





Waka Kotahi & NZ Police Road Safety Promotion/Media themes

For July 2022 the theme was Speed and Safe Vehicles.

National Radio Media Awards 2022

Northland road safety through Mediaworks was again very successful at the recent New Zealand Radio Awards. Three Awards were won, two for the 'Bits & Pieces' road safety creative for best commercial production and best single commercial and one award for the Road Safety Strategy best commercial campaign.

The Mediaworks creative team have won awards at the last seven NZ Radio Awards with road safety radio creative produced for Northland Regional Council/Northland Transportation Alliance.

It is important that road safety continues to include material influenced by Northland's challenging transport environment rather than the often-generic metropolitan focussed messaging.

You can listen to 'Bits & Pieces' by clicking the link below -

<https://www.facebook.com/nrsnrcnz/posts/pfbid02aV53SdWzPKJkKUgn6Sd7MZm3wEougpqHeCvQKR1AZJeMqXYuCYuLyh6ibZortpKkl>

EMERGENCY MANAGEMENT

From the evening of Sunday 24 and through Monday 25 and Tuesday 26 July 2022 the Northland CDEM Duty Officer, Duty Controller, support PIM and Emergency Management Specialist- Whangārei responded to a severe weather event which saw several road closures from fallen trees, flooding and slips across the region.

The coordinated response was well supported by key stakeholders and partner agencies including the Northland Transportation Alliance, Northpower, Top Energy, Fire and Emergency (FENZ), Far North and Whangārei District Councils.

Technical expertise from Northland Regional Council Rivers and Hydrology departments and community intelligence from Community Response Group Coordinators across the region was also highlighted as being integral to developing situational awareness and informing a successful response. Overall, stakeholder and community feedback has been positive.

A multi-agency debrief was held on 3 August and the debrief outcomes and opportunities for improvement will be reported to the next Northland CDEM Coordinating Executive Group (CEG) meeting.

The next CDEM Group and Coordinating Executive Group meetings are scheduled for 6 September 2022.

At the end of the month staff attended the 2022 Disaster and Emergency Management conference on the Gold Coast. This is Australasia's premier annual industry event.

MARITIME

There were 14 maritime incidents logged in July, the majority of which were aids to navigation light failures, largely due to the heavy rain/limited sunlight causing batteries to run flat.

Following the completion of the tender process, a contractor has been selected to remove the remaining 10 beacons in Kioreroa reach, Upper Whangārei Harbour which have been in situ for many decades. These will be replaced by 10 plastic buoys. Work is due to be completed by 31 March 2023.

This month staff attended the National Navigation Safety Group annual meeting in Wellington which proved to be valuable. It was agreed that Harbourmasters will collectively write to the Minister regarding the urgent need to update Maritime Rule part 91. Additionally, following successful lobbying by the group, Maritime New Zealand have re-organised the port state control system and now has designated port state control officers whose task is to inspect all shipping for safety purposes under the Tokyo MOU, a Pacific wide treaty. It is hoped that this change will improve foreign flag vessels, in turn raising standards and safety on New Zealand's coast. It was also acknowledged that there is a national problem surrounding abandoned/derelict boats and work to tackle this will be ongoing.

The Maritime team is back up to full capacity now with successful recruitment of a maritime officer joining the Opua office.

RIVERS AND NATURAL HAZARDS

RIVERS

Awanui	<p>July's wet weather gave a good low-level test to the works already completed. No flooding was reported, and the scheme performed well.</p> <p>Earthworks have been stopped over winter. Planting planned for several completed areas and local (Māori-owned) contractors being lined up for this work. A planting day is scheduled for 12 August.</p>
Otiria/Moerewa	<p>Stage 1 is now complete. The team has shortlisted a contractor for the Stage 2 Bridge construction. The budget has increased from \$5.1 million to \$6.6 million mainly due to inflation and re-design of the bridge from a 42-meter-long bridge to 60-meter-long bridge due to road safety concerns. Staff will take a paper (Item 7.3) to the August council meeting for approval to continue the project.</p> <p>The landowner agreement has been signed and has been submitted to the Māori Land Court.</p>
Kerikeri	<p>The job has been winterized and has performed well with the small rain event that we experienced in July.</p>

NATURAL HAZARDS

Work Streams	Status	Comments
Whangārei (CBD) River Catchment Flood Model	80% complete	Nothing new to report
Website Natural Hazards Portal	97% complete	The portal will include a 'property viewer' option; click on any address and all potential hazards will be identified. One step ahead of today's (3/8) announcement by our environment minister that it needs to be made available on LIMS. The latter being a lot more comprehensive of course.
Raupo Drainage Scheme – Coastal Flood Hazard Analysis & Mitigation Options	93% complete	An external peer review has just been completed This project will support the pilot project under the Te Taitokerau Climate Adaptation Strategy (TTCAS) in which scoping, and planning process is underway.
Natural Hazards technical and planning support to District Councils on Plan Changes and Rules	Ongoing	Nothing new to report
Te Taitokerau Climate Adaptation Strategy (TTCAS): Professional Services Panel	Ongoing	A total of 27 suppliers have been selected and were informed on 26 July 2022. Kaipara District Council has indicated that their first 2 projects will be going out to category specific panel members over the next 2-3 weeks.
Natural Hazards Work Programme 2022-23	Ongoing	New task added below <ul style="list-style-type: none"> Scoping out the need for a Regional River Flood Risk Management Strategy following the completion of the new nationwide flood maps and in relation to the above point.

NORTHLAND WIDE LIDAR SURVEY

Work Streams	Status	Comments
Regional LiDAR Survey	In progress	Final dataset has been received and we are working with LINZ on final payment and hosting of the data.

CLIMATE CHANGE RESPONSE

The workstreams for the Climate Change team are broadly derived from our two Strategies:

1. Ngā Taumata o te Moana: our strategy for tackling climate change 2021 (NTotM)
2. Te Taitokerau Climate Adaptation Strategy 2022 (TTCAS)

The council Climate Change Strategy and Implementation Plan (NTOTM) touches every aspect of Council business, so progress is ongoing. 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.

TTCAS was adopted in April 2022 (see www.catt.org.nz) and priority actions continue to be implemented. There are 46 'priority actions' listed in TTCAS. Coordinating and reporting on these actions will happen through the JCCAC (Joint Climate Change Adaptation Committee). Implementation on many actions is ongoing.

Work continues to produce a consistent and useful reporting framework that support each of the above strategies.

MITIGATION

Toitū carbon inventory and audit

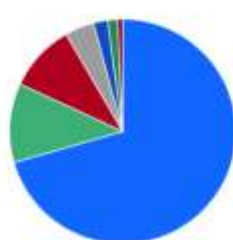
Work is progressing on getting all the required data into the Toitū software. Discussions are being had across Council with relevant staff and departments and the Zero Carbon Transition Advisor is working with Toitū staff to ensure appropriate baseline, reporting and organizational boundaries are set.

The initial audit for this piece of work is set for early October. After that we will be able to form a clear emissions reduction pathway and begin work in earnest on our corporate climate positive transition plan (Project 18 of NTOTM Implementation Plan).

Emissions reporting

The Climate Change team has taken over emissions reporting from Council's science team. Air New Zealand now require us to purchase data from them to input into our emissions inventory and so we are still waiting on EOFY data from Air New Zealand to complete reporting for Q2. Q1 data is summarised below:

2022 Q1:



Northland Regional Council CO2e



By Source Type	%	kg CO2e
Diesel	71.6%	60560
Petrol - Unleaded 91	11.4%	9595
Electricity	9.6%	8147
Travel - Domestic Air (NZ - New Zealand)	4.0%	3357
Petrol - Unleaded 95	1.8%	1486
Waste - Office (Gas Recovery)	1.2%	995
NRC Paper_Cardboard	0.5%	384

Going forward, staff will report emissions on a quarterly basis to align with data availability, reduce reporting burden, improve efficiency, and enable better data analysis and storytelling.

ADAPTATION

- Current focus is on supporting district councils to begin to undertake their Community Adaptation Planning projects (Action 30). Kaipara District Council are progressing ahead of the pack in this regard. Recruitment and procurement activities are underway within all partner councils to support this work.
- The Water Resilience Fund (Actions 35, 36) has funded two projects over 2021/22: **Waikotihe Puna and Te Kotahitanga Marae and Community Water Proposal**; submitted by the Te Kotahitanga E Mahi Kaha Trust:

Project Summary:

- Improving water resilience to a community immediately
- Te Kotahitanga Marae/Squires Lane Community on the SW of Kaikohe, including 15 homes and a marae, church and kohanga reo.
- Prioritisation based on local knowledge of community and participation in the 2019-20 drought response.
- Providing tanks, water treatment and associated plumbing and minor repairs.
- Provider: Te Kotahitanga E Mahi Kaha Trust, experienced and trusted community services provider with recent water tank project experience and access to contractors.
- Project cost: Estimate \$150,000 (ex GST).

Tūtū Te Wai; Te Rūnanga o Whaingaroa:

Project Summary:

- Improving water resilience to some eight Whaingaroa communities, including 95 homes and two marae and benefiting 350 people (this is around Mangonui, Kaeo etc.)
 - Prioritisation based on Te Rūnanga O Whaingaroa and connected social services data and knowledge of community.
 - Providing tanks, water treatment and associated plumbing and minor repairs.
 - Provider: Te Rūnanga O Whaingaroa, a mandated Iwi organisation, experienced and trusted community services provider with good project management capability and access to contractors.
 - Project cost: Total \$270,450 (ex GST).
- The publication of the National Adaptation Plan and implementation programme will require consideration by the Climate Adaptation Te Taitokerau (CATT) collective from an alignment perspective. This was considered in the original drafting of the TTCAS, and any amendments identified will be worked into the schedule.

ENGAGEMENT

- Staff continue to engage with tamariki and rangitahi via EnviroSchools to socialise NRC's climate work, highlight the climate crisis and actions that can be undertaken to affect change.
- An EV Expo is planned for Whangārei Farmers Market on 20 August. NZ's first electric ute will be on display and staff will support EV enthusiasts to identify barriers to uptake and opportunities to overcome those barriers.

- Climate change has also been identified as a central issue in the development of the Regional Economic Development Strategy being led by Northland Inc. The new Strategy presents several opportunities for Te Taitokerau and its communities.

POLICY UPDATES

The government has released the first **National Adaptation Plan** which sets out how Aotearoa New Zealand will adapt to climate change over the next six years. The plan focuses on establishing the foundations. It sets out what the Government will do to enable better risk-informed decisions, drive climate-resilient development in the right locations, help communities assess adaptation options (including managed retreat) and embed climate resilience into the Government's work. It includes over 120 actions designed to respond to risks identified in the climate change risk assessment in 2020.

From 30 November 2022, councils will be required to 'have regard to' the National Adaptation Plan when making or changing regional policy statements or regional or district plans, including direction for councils to use existing powers to '*drive climate resilient development in the right places*' and to use the recently updated climate scenarios when exercising their resource management functions. The National Adaptation Plan is to be updated every six years following new risk assessments prepared by the Climate Change Commission. The National Adaptation Plan is available here: <https://environment.govt.nz/assets/publications/climate-change/MFE-AoG-20664-GF-National-Adaptation-Plan-2022-WEB.pdf>

MfE has also released an update to the 2017 **coastal hazards and climate change guidance** for local government. This update reflects the latest information on sea level rise arising from the Intergovernmental Panel on Climate Change's (IPCC) 6th Assessment Reports and new, New Zealand specific information about how changes in land level (Vertical Land Motion) can also affect relative sea level rise along our coastline – the NZSeaRise project. Staff have yet to do a detailed assessment of how the new Guidance compares to our existing coastal hazards maps.

The new Guidance can be found here: <https://environment.govt.nz/assets/publications/climate-change/Interim-guidance-on-the-use-of-new-sea-level-rise-projections.pdf>

Locally specific sea level rise information can be explored via this portal: <https://searise.takiwa.co/>

Amendments to the **Resource Management Act** made in 2020 will require regional councils to have regard to both the emissions Reduction Plan and National Adaptation Plan from 30 November 2022. This will have implications for consent processing, regional policy statement and regional plan.

Staff are also in discussions across council departments (land management, biodiversity, policy, biosecurity) about the interaction of Council activities with the Emissions Trading Scheme (ETS). Staff are also in contact with the Ministry for Primary Industries about potential changes to the ETS and forestry and specifically about where NRC can provide additional evidence or support. It should be noted that the Government indicated in late July that changes to the permanent forest category of the ETS were unlikely to change in early 2023

8.2.9 KAIPARA MOANA REMEDIATION

Over the reporting period, KMR has focused unapologetically on maximising winter planting, leading to solid results from the Foundation Planting campaign. We also ramped up external communications, with a focus on primary sector and iwi/hapū engagement, and profiling our delivery partners, including in te reo.

Further to our earlier preliminary reporting, we now have a full set of unaudited year end results for Year 2 compared to the contracted annual Key Performance Indicators (KPIs):

KMR Activity	Year 1 Actuals	Year 2 Actuals (Unaudited)	Year 2 KPI target	Comment
Sediment Reduction Plans (Number)	63 Plans	205 new Sediment Reduction Plans (or equivalent) delivered A further 48 Plans rolled over from Year 1 A total of 253 Sediment Plans were 'live' in Year 2	248 Plans (Achieved)	A further 32 Plans were in development at year-end
Area covered by Sediment Reduction Plans (Hectares)	11,413 Ha	51,939 hectares of land were covered by a KMR Sediment Reduction Plan (or equivalent) in Year 2	50,000 Ha (Achieved)	40,526 Ha of that total was newly delivered in Year 2
Fencing (kms)	93.57 km of fencing was either completed or committed in Plan: <ul style="list-style-type: none">• 11.63 km was completed• 81.94 km was committed	238 km of fencing was completed or committed in Year 2 Plans	168 km (Achieved)	
Planting	156,606 plants were planted or committed in Plan	380,466 plants were planted or committed in Year 2 Plans	650,000 (Not achieved)	The Year 2 total exceeds relevant totals in each region (Northland previous highest annual total of ~130,000 plants, Auckland ~75,000 average annual target)
Jobs As a <i>Jobs for Nature</i> investment, KMR aims to create new, nature-based employment	N/A	In total, KMR Year 2 delivered or committed 94,000+ hours of work (~60 FTE) in Year 2 Plans 60,000 hours of work (~39 FTE) was delivered in Year 2. A further 34,000+ hours of remediation work (~21 FTE) is committed in Year 2 plans	74,155 hours of work (~48 FTE) (Achieved)	

These results reflect the work of many partners and supporters across the catchment. The KMR team and the funder are both pleased with the results, which were achieved despite a very challenging year of restricted community engagement due to COVID-19 traffic light settings, Auckland/Northland border closures which affected KMR engagement and nursery deliveries in the Rodney eco-district, and the impacts of COVID-19 and other winter sickness on the KMR team and

delivery partners. The KMR team would like to thank the NRC and in particular the Chair and CEO for their support and advice at the KMR Governance table

While current KMR activity is generally tracking well against the Annual Work Plan, we are seeing some minor slippage in timelines in the digital tools area (not material to overall programme or Work Plan delivery), as well as some delays in the Workforce Development area due to capacity constraints and evolving design of the proposed Employment Hub. Following KMR Joint Committee advice in July, we are reviewing the scope of this work programme.

In the next quarter, KMR will focus strategic and operational effort on:

- clarifying and progressing the workforce development programme
- ramping up mentoring and technical support to our Field Advisor trainees (our ‘boots on the ground’ with landowners)
- developing the remaining KMR foundational policies and plans (Soil Conservation; Kōrero Tuku Iho).
- varying the Deed of Funding to reflect a ten-year plus programme setting.

Attachments/Ngā tapirihanga

Nil

TITLE: Reporting on Long Term Plan 2021-2031 Performance Measures for the year ended 30 June 2022

From: Robyn Broadhurst, Policy Specialist

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 10
Group Manager/s: August 2022

Whakarāpopototanga / Executive summary

This report presents the results of council's key performance indicators, as adopted in the Long Term Plan 2021-2031, for the financial year 1 July 2021 to 30 June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Reporting on Long Term Plan 2021-2031 Performance Measures for the year ended 30 June 2022' by Robyn Broadhurst, Policy Specialist and dated 6 July 2022, be received.

Background/Tuhinga

The Long Term Plan 2021-2031 includes 31 key performance indicators, each of which provides a sample of the activity's performance, that measure aspects of council's service provision across three activity areas:

- Te Taiao | Natural environment
- Manawaroa te hāpori | Community resilience
- Hautūtanga ā rohe | Regional leadership

Of the 31 measures, 20 have been achieved, eight have not been achieved, one has the final results delayed, and two have established a baseline. It is important to note that a number of the measures not met were impacted by the ongoing effects of COVID-19. A summary of all measures is set out in the table below, with a brief explanation for those measures that were not achieved. The full results will be in the final annual report, which is scheduled to be presented to council for adoption in September this year.

Te Taiao | Natural environment

1.1 Science		
1.1.1 Information on water quantity and water resources, including rainfall, river flow, groundwater and flood levels, is made available		
1.1.2 Information on the life-supporting capacity of water (fresh and marine) is made available		
1.1.3 Information on the standards for ambient air quality is made available		
Performance measure	Target	2021/22 result
Percentage of time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made available to the community	100%	100% – achieved
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results made available to the community	100%	100% – achieved
Percentage of time that continuous monitoring of air sheds is achieved,	100%	100% – achieved

with any exceedances of National Environmental Standards reported and made available to the community		
Percentage of data from routinely monitored sites that meets quality standards and is made available to the community within 12 months of collection	90% or more	95.9% – achieved
1.2 Catchment management		
1.2 Improved water quality is advanced through advice and funding to support sustainable land management		
Number of subsidised poplar poles provided for erosion-prone land by the council-owned nursery	2021/22: 5,000	8030 – achieved
The percentage of Environment Fund allocation (in dollar value) that proceeds to completion of successful projects that meet council objectives	95% or more	83% – not achieved There were several issues farmers faced this year – COVID-19, price rises, and supply chain hold-ups – all of which all impacted the number of projects completed. This result is calculated on general environment fund allocation and does not include contributions towards central government funded projects.
Successful delivery of Kaipara Moana Remediation Project workplan milestones through the contribution of financial, governance, staff and technical support	100% of milestones (as set out in the project workplan)	100% – achieved
Percentage of routinely monitored river sites with a Water Quality Index (WQI) score of 'Excellent' or 'Good'	Maintain or increase	37% – baseline established As this is a new measure, the data collected from this period establishes the baseline. Data collected from 1 July 2015 to 30 June 2020 shows a result of 38%, so there is a slight downward trend when compared to this.
1.3 Biodiversity		
1.3 Indigenous biodiversity and ecosystems are maintained and enhanced, particularly around our rivers, lakes, wetlands and coastal margins		
Number of plants provided through CoastCare programme	2021/22: 14,000	12,290 – not achieved COVID-19 restrictions in July and August 2021 meant several planting events couldn't go ahead. Planting was also lower than normal in May/June 2022 due to availability of contractors required to undertake animal and plant pest control prior to planting; weather

		restricting both pest control work and planting; and the ability of schools to attend planting days with staff sickness.
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management ¹ with stock excluded	20 lakes	19 lakes – not achieved Due to COVID-19 restrictions, one of 20 lakes listed in the Northland Lakes Strategy did not have its LakeSPI monitoring carried out in the time period, and therefore did not meet the criteria of active management.
1.4 Biosecurity		
1.4.1 Community involvement in pest management is promoted in both urban and rural environments through successful implementation of initiatives in the regional pest management plan		
1.4.2 The introduction and spread of marine pests is slowed through inter-regional management		
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	5,000ha annually	7345ha – achieved
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2,000 hulls annually	2061 hulls – achieved
1.5 Planning and policy		
1.5 Good management of Northland's environment is supported by up-to-date legislative planning documents based on sound evidence and processes		
Percentage of environmental planning legislative requirements achieved each year	100% of requirements met	100% – achieved
1.6 Consents		
1.6 Processing and administering of resource consents is efficient and effective		
Percentage of all resource consent applications that are processed within the statutory timeframes	100%	99.92% – not achieved One out of 1,201 consents was not processed within the statutory timeframes due to an administration error that has now been rectified.
1.7 Compliance monitoring		
1.7 Compliance monitoring of resource consents, and response to reported environmental incidents, is timely and effective		
Percentage of consents that are monitored as per the council's consent monitoring programme	90% or more	95% – achieved
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	80% or more resolved within 30 working days	80% – achieved

¹ Active management includes basic care standards for lakes: nutrient management, ecological monitoring, submerged weed surveillance, and weed and pest control if necessary

Manawaroa te hapori | Community resilience

2.1 Flood protection		
2.1 Life and property are protected by the building, monitoring and maintenance of flood schemes		
Performance measure	Target	2021/22 result
Number of flood events occurring as a result of failures of flood protection systems below specified design levels, for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes	Zero	Zero – achieved
2.2 Climate change resilience		
2.2 Council provides proactive and coordinated planning for projected climate change and adaptation responses		
Development, delivery and implementation of key regional climate change plans and documents	2021/22: • NRC climate change strategy complete with high-level vision • Regional climate change risk assessment and adaptation strategy developed	100% – achieved
2.3 Emergency management		
2.3 Communities are supported to understand, plan for and manage hazards and risks		
Percentage of engaged communities subject to significant hazards that are supported to develop community response plans to guide their responses	100%	100% – achieved
2.4 Oil pollution response		
2.4 An efficient and responsive oil pollution response is maintained		
Maintain a regional oil spill response plan, including a minimum of 30 up-to-date trained responders	Maintain a minimum of 30 responders at all times	30 responders – achieved
2.5 Harbour safety and navigation		
2.5 Regional navigational safety is maintained, and marine activities are safely managed		
Marine activities are safely managed, with nationally compliant Harbour Safety Management Systems that comply with the Port and Harbour Marine Safety Code operational safety management system ²	100%	100% – achieved
2.6 Transport		
2.6 A resilient transport network is planned for and implemented, including passenger transport services		
Percentage of passengers surveyed on the Whangārei, Kaitiāia and Mid-North bus services that are satisfied with the overall service provided	90% or more from 3/3 measures	Overall – not achieved (93% for CityLink Whangārei – achieved 0% for both Far North Link and Mid North Link – not achieved) As both the Far North Link and the Mid North service were being retendered in 2021/2022, passenger satisfaction surveys were not undertaken.

² Compliance with the Port and Harbour Marine Safety Code is measured by conducting an annual self-assessment and periodic peer review

Achievement of key Northland Transport deliverables, measured as an aggregated score, for: - road safety - capital works programmes - maintenance programmes - response to customer services requests	Aggregated score for achievement of deliverables is greater than 75%	Awaiting results The delay in obtaining these results is outside of councils control as they are sourced externally from the Northland Transport Alliance.
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Hautūtanga ā rohe | Regional leadership

3.1 Governance		
3.1 Council maintains effective, open and transparent democratic processes		
Performance measure	Target	2021/22 result
Percentage of official information requests that are responded to within 20 working days	100%	94.1% – not achieved This measure is reported on quarterly, and the above result is therefore the average of all four. While details of individual information requests are reported monthly through the CE's report, it is noted that in most cases the reason for the breach was either an administrative error or simply the time/resource to obtain the information requested. On two occasions, hard copy files had to be found and retrieved, one of which was during a lock down.
Percentage of time that elected members attend council meetings	90%	93.2% – achieved
3.2 Māori relationships		
3.2 Provide information on water resources including rainfall, flood levels and ground water		
An independent Treaty health check is completed annually	Annual completion	Incomplete – not achieved Te Tiriti health check was completed by the Māori Technical Advisory Group on behalf of TTMAC to identify priority areas for independent consultants to prepare a report utilising the Te Arawhiti Treaty Framework. Staff capacity, delays in procurement, and impacts of COVID-19 means the independent report will not be presented to council until the end of August 2022, therefore outside of this reporting timeframe.
All councillors and executive leadership team participate in annual core cultural competency training	100% compliance	100% – achieved
3.3 Economic development		
3.3 Northland's economic wellbeing is enhanced by the coordination and delivery of economic development services, activities and funding across Northland		
Percentage of key performance indicators set out in Northland Inc's	100%	88% – not achieved

draft annual report that are achieved by 30 June each year		14 of the 16 KPIs set for Northland Inc for 2021/22 were met. The two not met relate to the number of inward delegations hosted and the number of high impact projects that are implemented. Business disruptions caused by the on-going COVID-19 pandemic has been the primary reason for this.
3.4 Community engagement		
3.4 Communities are well informed about council's work, know how to get involved, and are engaged in council processes		
Percentage of residents surveyed who are satisfied with overall communication, community involvement and engagement	Maintain or increase	33% satisfied – baseline established
3.5 Customer services		
3.5 Council provides efficient and meaningful customer service		
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	Maintain or increase	68.9% – achieved (Baseline: 58%)
3.6 Corporate excellence		
3.6 Corporate systems and investment are efficient and forward-thinking to support council activities		
Key project milestones for the council's technology solutions are met as per the project plan	2021/22: 40% of enterprise system modules implemented	54% achieved – achieved

Attachments/Ngā tapirihanga

Nil

TITLE: **Legislative Compliance 1 January 2022 to 30 June 2022**

From: Nicola Hartwell, Corporate Planner

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 08
Group Manager/s: August 2022

Whakarāpopototanga / Executive summary

This report presents the findings of council's legislative compliance programme for the six-month period 1 January – 30 June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Legislative Compliance 1 January 2022 to 30 June 2022' by Nicola Hartwell, Corporate Planner dated 25 July 2022, be received.

Background/Tuhinga

The Office of the Auditor-General encourages local authorities to apply a systematic process to managing the legal risks that might arise in relation to the functions and activities that they are responsible for.

Council's current legislative compliance framework provides assurance for compliance with legislation that is fundamental to council's operations and/or poses significant legislative risk (**the core legislation**). The core legislation includes:

- The Local Government Act 2002
- The Local Government (Financial Reporting and Prudence) Regulations 2014
- The Non-financial Performance Measures Rules 2013
- The Local Government Borrowing Act 2011
- The Local Government (Rating) Act 2002
- The Local Government Official Information and Meetings Act 1987
- The Local Authorities (Member's Interests) Act 1968
- The Resource Management Act 1991
- The Health and Safety at Work Act 2015
- The Holidays Act 2003
- The Employment Relations Act 2000
- The Biosecurity Act 1993
- The Building Act 2004
- The Civil Defence and Emergency Management Act 2002
- The Land Transport Act 1998
- The Maritime Transport Act 1994
- The Fire and Emergency New Zealand Act 2017

There are several other pieces of legislation that also have relevance to council operations, but compliance is managed via other internal processes and procedures.

Legislative compliance reporting is completed six-monthly by group managers. Reporting requires group managers to confirm and declare compliance (or otherwise) with the core legislation and identify action that has been carried out to ensure council is aware of any new legislation or regulations.

Reporting has been completed for the six-month period 1 January – 30 June 2022.

Reporting indicated that compliance with the core legislation was achieved by council, with five exceptions, as set out below.

A Resource Management Act 1991. Part compliance achieved. There was one breached consent condition in the Freshwater Improvement Fund Dune Lakes programme – an accidental kill of vegetation. This breach is currently under investigation by the Environmental Protection Authority. Notification of the breach has been provided to council via email and CEO report.

B Privacy Act 2020. Technical part-compliance was achieved, due to the transit of some private information through NRC systems. There were no consequences as a result of the minor non-compliance, and no reporting requirement. NRC's privacy requirements are being addressed by way of updates from central government, the Employers and Manufacturers Association and NRC's lawyers, with ongoing staff training, strengthening IT security policies, and continuous updating of forms across the organisation, as they become known, to ensure the inclusion of a privacy statement.

C Fire and Emergency New Zealand Act 2018. Part compliance was achieved due only to 120 Dent Street undergoing a change in Trial Evacuation Plan. Compliance is otherwise achieved with Building Warrant of Fitness for all that qualify (2 story and/or lifts etc), with programmed Fire Safety equipment checks. Regular fire drills are undertaken with Fire Wardens in all Council occupied offices. Fire Wardens carry out annual training. A professional fire safety consultancy service is engaged for investment and occupied Council owned properties.

D Health and Safety at Work Act 2015. Part-compliance achieved. There remain parts of NRC's Traffic Management Plans which are potentially non-compliant in relation to NRC's contractors - this area is still in development. NRC otherwise remains updated with advice from central government, the Employers and Manufacturer's Association, lawyers and NRC's Health and Safety Committee and Representatives.

E Public Records Act 2005. Part-compliance achieved. Consent files are stored off site in a certified storage facility and some physical records remain stored in non-certified facilities, such as hydro cages. Some farm dairy effluent files remain on council's premises following digitisation, and there may be additional information that has been added to these files post digitisation, requiring audit. Council's information asset register needs to be completed and information management policies updated and approved. Council minute books remain in onsite storage, requiring removal to archive compliant storage.

Staff training and an external review has shown information management maturity levels are low within council. A Protective Security Group has been established to assist and support implementation of policies, a strategy and action plan (roadmap) as per RISK R00229, with a Retention and Disposal project currently under scope.

F Council's own rules, policies and bylaws. Part compliance achieved. The actions resulting in non-compliance at A and B above were also non-compliant with council's own bylaws/policies.

No new legislation requiring consideration of implementation was reported by group managers. The group managers have continued to stay informed via ListSrvs, national steering groups, parliamentary alerts, legal advice, advisors, and audit processes.

Attachments/Ngā tapirihanga

Nil

TITLE: Receipt of Committee Minutes

From: Meloney Tupou, Maori Governance and Engagement Support Admin


Authorised by Meloney Tupou, Maori Governance and Engagement Support Admin, on 18
Group Manager/s: August 2022

Ngā mahi tūtohutia / Recommendation

That the unconfirmed minutes of the:

- Te Oneroa-A-Tōhē Board – 1 July 2022.
 - Joint Regional Economic Development Committee – 29 July 2022.
 - Regional Transport Committee – 2 August 2022.
- be received.

Attachments/Ngā tapirihanga

Attachment 1: Te Oneroa-A-Tōhē Board Minutes [↓](#) 

Attachment 2: Joint Regional Economic Development Committee Minutes [↓](#) 

Attachment 3: Regional Transport Committee Minutes [↓](#) 

Te Oneroa-a-Tōhe Board
1 July 2022

Ngā Minitī O Te Poari O Te Oneroa-A-Tōhē

Te Oneroa-A-Tōhē Board Minutes

Meeting held in the Conference Room, Te Ahu Centre (and via zoom)
cnr State Highway 1 & Matthews Ave, Kaitaia
on Friday 1 July 2022, commencing at 10.00am - 2.00pm

Tuhinga (Present):

Haami Piripi	Te Rūnanga o Te Rarawa - (Chair)
Cr Mate Radich	Far North District Council - (Dep Chair)
Graeme Noho	Ngāti Kuri Trust Board
Waitai Petera	Te Rūnanga Nui o Te Aupouri Trust
Cr Marty Robinson	NRC Councillor
Mayor John Carter	Far North District Council
Wallace Rivers	NgaiTakato

I Tae Mai (In Attendance):

Huihuinga i te katoa (Full Meeting)

Auriole Ruka	NRC - GM, Strategy, Governance & Engagement
Kim Peita	NRC – Kaiwhakahaere Hononga Māori
Sheila Taylor	Kaiārahi Kaupapa Māori
Robert Nathan	NRC – Kaiārahi Tikanga Māori
Theresa Burkhardt	FNDC – Policy Planner
George Riley	Te Rūnanga o Te Rarawa
Kerry Shanta	Te Araroa Northland Trust
Meloney Tupou	NRC – Kaiāwhina Tari

Huihuinga i te wahanga (Part Meeting)

Gary Hooper	Chief Executive - Aquaculture New Zealand
Casey Gannon	FNDC

The Chair declared the meeting open at 10.35am.

Karakia Timatanga and Whakatau Graeme Noho

Ngā whakapahā/Apologies (Item 1.0)

Moved (John/Haami)

That the apologies from Councillor Colin Kitchen for non-attendance be received.

Carried

Te Oneroa-a-Tōhe Board
1 July 2022

Nga whakapuakanga (Declarations of Conflicts of Interest)

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

Confirmation of Minutes - April 2022 (Item 4.1)

Report from Meloney Tupou, Maori Governance and Engagement Support Admin

Moved (Haami/Mate)

Ngā mahi tūtohutia / Recommendation

That the minutes of the Te Oneroa-A-Tōhē meeting held on Friday 22 April 2022, be confirmed as a true and correct record.

Carried

Financial Report (Item 5.1)

Report from Kim Peita, Maori Relationships Manager

Moved (Marty/Mate)

THAT the report 'Financial Report' by Kim Peita, Maori Relationships Manager and dated 28 June 2022, be received.

Carried

Local Government Elections Update (Item 5.2)

Report from Kim Peita, Maori Relationships Manager

Moved (Marty/Mate)

Ngā mahi tūtohutia / Recommendation

That the report 'Local Government Elections Update' by Kim Peita, Maori Relationships Manager and dated 28 June 2022, be received.

1. That the report 'Local Government Elections Update Local Government Elections update' by Kim Peita, NRC and Casey Gannon, FNDC be received.
2. That the Te Oneroa-ā-Tōhe Board provide advice in regard to engagement with iwi and hapū in the local government elections.

Carried

June 2022 Technical Steering Group Update (Item 5.3)

Report from Kim Peita, Maori Relationships Manager

Moved (John/Mate)

1. That the report 'June 2022 Technical Steering Group Update' by Kim Peita, Maori Relationships Manager and dated 28 June 2022, be received.

Carried

Te Oneroa-a-Tōhe Board
1 July 2022

AGREED ACTIONS

- Technical Steering Group Speed (TSG) Limits to be fully adopted and the Board stand by this.
- Monitoring of speed limits is very difficult. People need to be educated and research to be bought together collaboratively to ascertain the issues and priorities so they can be addressed.
- Agricultural Association – code of conduct needs to be passed onto Aquaculture New Zealand and protocol adhered to.
- Staff to look at what Auckland has done with Muriwai Beach model.
- TSG is putting out communication strategy related to speed changes.
- In relation to research TSG task is to research science partners to work alongside Aquaculture New Zealand.

Karakia Mutunga Waitai Petera

Whakamutunga (Conclusion)

The meeting concluded at 12.22pm.

Presentation Workshop: 1.04pm

Secretarial note: Presentation from Ministry for the Environment Team (MFE) for Iwi Board members

Te Oneroa-a-Tōhe Board workshop with iwi members MFE Team - on the reforms and how the Treaty settlement redress will be upheld. .

Joint Regional Economic Development Committee
29 July 2022

Joint Regional Economic Development Committee Minutes

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

Tuhinga/Present:

Chairperson, Councillor Justin Blaikie
Councillor Anna Curnow
Councillor John Vujcich
Councillor Peter Wethey

I Tae Mai/In Attendance:

Full Meeting

Economist (NRC)
Economic Policy Advisor (NRC)

Part Meeting

Chair of the Board of Directors (NINC)
CEO (NINC)
Business Analyst (NINC)
Portfolio Manager, Action Plan (NINC)
Kaiwhakatere – GM Māori (NINC)
GM, Investment & Infrastructure (NINC)
Project Lead, Extension 350 (NINC)
Team Leader – Policy (FNDC)
Governance & Engagement GM (NRC)
CEO (NRC)
Administration (NRC)

The Chair declared the meeting open at 10.05am.

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

That the apologies from Councillor David Clendon for non-attendance be received.

Carried

Secretarial Note: The Joint Committee members collectively agreed to accept the apology without the need for a mover and seconder.

Joint Regional Economic Development Committee
29 July 2022

Confirmation of Minutes - 29 April 2022 (Item 4.1)

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

Moved (Peter Wethey / Anna Curnow)

That the minutes of the Joint Regional Economic Development Committee meeting held on 29 April 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 (John Vujcich / Justin Blaikie)

That the action sheet be received.

Carried

Secretarial note: That an action be noted regarding a request to hold the September Joint Regional Economic Development Committee meeting and quarterly workshop with Northland Inc in the Kaipara district.

Secretarial note: That an update be provided to the Joint Committee on the Regional Economic Development Strategy in a form that can be passed on as an update to their respective councils .

Northland Inc Limited: Statement of Intent 2022-25 (Item 6.1)

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

Moved (Peter Wethey / Anna Curnow)

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.

Carried

Secretarial note: That a letter be prepared by staff and sent by the Chair to Northland Inc on their final Statement of Intent 2022-2025.

Whakamutunga (Conclusion)

The meeting concluded at 11.10am.

Regional Transport Committee
2 August 2022

Regional Transport Committee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 2 August 2022, commencing at 11.00am

Tuhinga/Present:

Chairperson, Northland Regional Council, Councillor Rick Stolwerk
Far North District Council, Councillor Ann Court
Whangārei District Council, Councillor Greg Martin
Kaipara District Council, Councillor David Wills
Waka Kotahi, Representative Steve Mutton (online)
Northland Regional Council, Deputy Chair, Councillor Terry Archer

I Tae Mai/In Attendance:

Full Meeting

Northland Regional Council - Group Manager, Victoria Harwood (NRC)
NRC Secretariat, Nicky Hansen
Far North District Council - CEO, Blair King (FNDC)
FNDC, Glenn Rainham
NZ Police, Anne-Marie Fitchett
Northland Transportation Alliance, Nick Marshall (NTA)
NTA, Shawn Baker
NTA, Greg Monteith
NTA, Chris Powell
NTA, Jeff Devine
NTA, Dawn Spence
NTA, Nicole Korach
NTA, Ian Crayton-Brown (online)
RoadSafe Northland, Ashley Johnston
Northland Road Safety Trust, John Williamson
Waka Kotahi, Lou Mutu (online)
NRC, Michael Payne

Part Meeting

ACC, Craig Crawford (online) 12.05pm

The Chair declared the meeting open at 11.01am.

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Moved (Terry Archer / Greg Martin)

That the apologies from Penny Smart, Chair Northland Regional Council; Councillor Andy Finch, Far North District Council; Calvin Thomas, Northland Transport Alliance; Jacqui Hori-Hoult and Brian Palalagi, Waka Kotahi for non-attendance be received.

Regional Transport Committee
2 August 2022

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.

Confirmation of Minutes - 7 June 2022 (Item 4.1)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Ann Court / Rick Stolwerk)

That the minutes of the Regional Transport Committee meeting held on Tuesday 7 June 2022, be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 4.2)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Rick Stolwerk / Greg Martin)

That the action sheet be received.

Carried

Response from the Minister (Item 5.1)

Report from Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience

Moved (Rick Stolwerk / Terry Archer)

That the report 'Response from the Minister' by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience and dated 29 June 2022, be received.

Carried

Action:

1. *RTC is to be represented at associate transport Minister Kieran McAnulty's visit. It is important the visit aligns with current RTC members, not after 2022 elections.*
2. *Steve Mutton, Waka Kotahi to advise on dates of Minister's regional visit to Northland.*
3. *All questions are to be sent to GM Community Resilience Victoria Harwood before the Minister visits.*
4. *GM Community Resilience prepares any questions from the committee for Minister McAnulty's visit.*
5. *RTC legislative responsibilities to be highlighted in an agenda item along with how much funding was allocated to Northland through the NLTP for Road Maintenance and compare to all funding being used from the funding bucket on all initiatives outlined by Minister Woods in his responses to the RTC's questions.*

Secretarial Note: Councillor Ann Court would like the 4 laning project to remain as Northland RTC's top priority.

Regional Transport Committee
2 August 2022

Road Safety (Item 5.2)

Report from Ian Crayton-Brown, Transport Projects Officer

Moved (Rick Stolwerk / Greg Martin)

That the report 'Road Safety' by Ian Crayton-Brown, Transport Projects Officer and dated 15 July 2022, be received.

Carried

Action: Councillor Ann Court asked for the causes of motorcycle DSIs in Northland and that this trend is monitored moving forward in the road safety statistics. Can these statistics be compared to National statistics of motorcycle DSIs?

Secretarial Note: Councillor Rick Stolwerk commented that these Road Safety reports are appreciated and thanked the road safety team for all their work.

Funding Uptake Report (Item 5.3)

Report from Chris Powell, Transport Manager - Northland Transportation Alliance

Moved (Terry Archer / Rick Stolwerk)

That the report 'Funding Uptake Report' by Chris Powell, Transport Manager - Northland Transportation Alliance and dated 29 June 2022, be received.

Carried

Secretarial note: Chris Powell updated that this is the last funding uptake report for 2021 and 2022. Colour coding will start in the new funding year.

Regional Land Transport Plan for Northland 2021/2027 - Three Year Review - Update (Item 5.4)

Report from Chris Powell, Transport Manager - Northland Transportation Alliance

Moved (Rick Stolwerk / Terry Archer)

That the report 'Regional Land Transport Plan for Northland 2021/2027 - Three Year Review - Update' by Chris Powell, Transport Manager - Northland Transportation Alliance and dated 29 June 2022, be received.

Carried

Waka Kotahi Northland Activity and Funding Update (Item 5.5)

Report from Steve Mutton, NZTA - Director Regional Relationships Upper North Island

Moved (Rick Stolwerk / Greg Martin)

That the report 'Waka Kotahi Northland Activity and Funding Update' by Steve Mutton, NZTA - Director Regional Relationships Upper North Island and dated 29 June 2022, be received.

Carried

Action: Chris Powell asked Waka Kotahi to amend page 54 Northland Project Updates, 2018-21 NLTP, second column dates.

Regional Transport Committee
2 August 2022

Towai Rail Crossing and Kawakawa Railway Line (Item 5.6)

Report from Steve Mutton, NZTA - Director Regional Relationships Upper North Island

Moved (Ann Court / Rick Stolwerk)

That the report 'Towai Rail Crossing and Kawakawa Railway Line' by Steve Mutton, NZTA - Director Regional Relationships Upper North Island and dated 11 July 2022, be received.

Carried

Action:

1. Write to KiwiRail and cc in Waka Kotahi asking what are their intentions on maintaining the corridor 5metres either side of the tracks and to put forward their maintenance programme.
2. Ask KiwiRail what is the acceptable level of service and budget for the maintenance.

Compensation for Damages on Northland State Highways (Item 5.7)

Report from Steve Mutton, NZTA - Director Regional Relationships Upper North Island

Moved (David Wills / Greg Martin)

That the report 'Compensation for Damages on Northland State Highways' by Steve Mutton, NZTA - Director Regional Relationships Upper North Island and dated 12 July 2022, be received.

Carried

Action: Councillor Ann Court discussed the fact that Northland claims applications are nine times higher than anywhere else in NZ, and requested this issue be continued as an ongoing action point.

Whakamutunga (Conclusion)

The meeting concluded at 12.42pm.

TITLE: Working Party Updates and Chairpersons' Briefings

From: Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on date 18 August 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 14 July 2022. The topics for discussion included:

- Economic development: Te Purunga ki Te Raki
- Tāiki ē NRC Te Tiriti Strategy and Implementation Plan
- TTMAC advice to incoming council
- Local Elections 2022 update
- Te Tiriti Health Check
- Tangata Whenua Water Advisory Group (TWWAG) Update
- TTMAC working arrangements with TWWAG during election period

Following discussion, TTMAC provided advice on the following next steps:

- That the Tāiki ē NRC Te Tiriti Strategy and Implementation Plan be taken to council for adoption at the July 2022 council meeting.
- That a survey of iwi and hapū members of TTMAC be undertaken and that the Māori Technical Advisory Group (MTAG) analyse the results which will form the basis of a report and recommendations to the TTMAC September meeting, for the purpose of presenting to the incoming council.
- That the Te Tiriti Health Check programme and survey questions form the basis of an independent report and recommendations to council, reflecting council's commitment to giving effect to Te Tiriti o Waitangi.
- That the meeting schedule for TTMAC be updated as follows:

Date	TTMAC meeting
11 August	Formal meeting/Workshop
8 September	Formal meeting
13 October	No meeting (council recess)
10 November	No meeting (council recess)

- That Rihari Dargaville be confirmed as Alan Riwaka's replacement TTMAC member on TWWAG, and that Mira Norris be appointed as the new TTMAC proxy on TWWAG.
- That TTMAC members provide nominations (including short bios) to council staff for a replacement for Millan Ruka on TWWAG, and then follow the usual selection process.
- That a sub-group of TTMAC non-elected members be established to work with TWWAG to review and endorse (as appropriate) the TWWAG Stage 2 Report on behalf of TTMAC (until such time as the incoming council confirms its future governance structure).

Joint WDC-NRC Whangārei Public Transport Working Party (Chairs: Cr Archer and deputy Cr Stolwerk)

The Joint WDC-NRC Whangārei Transport Working Party (WPTWP) met on 2 August 2022. The topics for discussion included:

- CityLink Bus Service - Update

Following discussion, the working party provided advice on the following next steps:

- Explore possibilities with Police regarding use of bus shelter camera footage, who can use it?
- Meeting with Intermediate and High School principals, Police, Ministry of Education and Emily Henderson MP, to discuss antisocial behaviour and roles and responsibilities.
- Cr Murphy suggested proposal to WDC for additional Māori Wardens / CitySafe for Rose Street.
- Legal opinion is to be sought to establish our responsibility of all parties (NRC/WDC, schools, parents).
- Investigate incentives for bus drivers for school buses.

Planning & Regulatory Working Party

(Chair: Cr Joce Yeoman)

The working party met on 2 August 2022. The topics for discussion included:

- Regulatory Services Work Report
- Planning & Policy Work Programme
- Proposed Regional Plan – Appeals Update

Following discussion, no further action was required on any of the agenda items.

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
10.1	Confirmation of Confidential Minutes 26 July 2022 and Extraordinary Confidential Council Minutes 3 August 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	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 -.
10.3	Human Resources Report - July 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).
10.4	Regional Projects Reserve: Investment proposal for Marsden Maritime Holdings	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 Advisors be permitted to stay during business with the public excluded.
-

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.