

AGENDA

Council
Tuesday 27 September 2022 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 27 September 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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2.0A MINUTE’S SILENCE TO MARK THE DEATH OF HER MAJESTY THE QUEEN	
3.0 NGĀ WHAKAPAHĀ / APOLOGIES	
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10.7	Bonus Payment	

<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>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>IHEMP - Iwi/Hapū 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>MTAG - Māori Technical Advisory Group (a subgroup of TTMAC)</p> <p>NCCMC - 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>NPS-FM - National Policy Statement for Freshwater Management</p> <p>NZCPS - New Zealand Coastal Policy Statement</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>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>STV - Single Transferable Vote</p> <p>TAG - Technical Advisory Group</p> <p>TKoT - Te Kahu o Taonui</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 Māori Development)</p> <p>TWWAG - Tangata Whenua Water Advisory Group</p> <p>UNISA - Upper North Island Strategic Alliance</p> <p>WDC - Whangarei District Council</p> <p>WRC - Waikato Regional Council</p> <p>WSMP - Workplace Safety Management Practices</p>
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Tauāki ā roto

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

Haumie hui e
TĀIKI E!

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

Bring forth unity
Tis Done!

TITLE: Confirmation of Minutes - 23 August 2022


From: Meloney Tupou, Maori Governance and Engagement Support Admin

Authorised by: Chris Taylor, Governance Specialist, on 21 September 2022

Ngā mahi tūtohutia / Recommendation

That the minutes of the council meeting held on 23 August 2022, be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Confirmation of Minutes - 23 August 2022 [↓](#) 

Council Meeting
23 August 2022

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 23 August 2022, commencing at 10.30am

Tuhinga/Present:

Chairperson, Penny Smart

Councillors:

Terry Archer

Justin Blaikie

Jack Craw

Colin Kitchen

Amy Macdonald

Marty Robinson

Rick Stolwerk

Joce Yeoman (*via audio-visual link*)

I Tae Mai/In Attendance:

Full Meeting

Independent Financial Advisor

Pou Taumatua - GM Corporate Services

Pou Tiaki Taiao - GM Environmental Services

Pou Whakaritenga - GM Regulatory Services

Pou Tiaki Pūtaiao - GM Biosecurity-

Human Resources Manager

Governance Specialist

Part Meeting

Tumuaki - Chief Executive Officer

Pou Tiaki Hapori – GM Community Resilience

Finance Manager

Rivers and Natural Hazards Manager

Financial Accountant

Kai Whiri Iwituna – Rivers

Policy Specialist

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 (Robinson/Macdonald)

That the apology for delayed arrival from the Tumuaki - Chief Executive Officer and the apology for non-attendance from the incoming Tumuaki - Chief Executive Officer be received.

Carried

Council Meeting
23 August 2022

Secretarial Note: The incoming Chief Executive Officer did join the meeting during business with the public excluded.

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 Council Meeting Minutes 26 July 2022 and Emergency Council Meeting Minutes 3 August 2022. (Item 5.1)

Report from Meloney Tupou, Māori Governance and Engagement Support Admin

Moved (Craw/Stolwerk)

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

Carried

Receipt of Action Sheet (Item 5.2)

Report from Chris Taylor, Governance Specialist

Moved (Kitchen/Archer)

That the action sheet be received.

Carried

Secretarial Note: Prior to addressing the financial reports, it was acknowledged that it had been a disruptive year with unprecedented volatility. Appreciation was extended to staff, the Independent Financial Advisor and councillors for making sound decisions and retaining high standards of financial management.

Externally Managed Funds: 2021/22 Performance and Related Reserves (Item 6.1)

Report from Simon Crabb, Finance Manager

Moved (Blaikie/Stolwerk)

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.

Carried

Secretarial Note: Appreciation was again extended to staff for their work, given the number of variables, to produce 'an outstanding result'.

Council Meeting
23 August 2022

Request for Approval to Carry Forward Operational Budget from the 2021/22 Financial Year into the 2022/23 Financial Year (Item 6.2)

Report from Vincent McColl, Financial Accountant

Moved (Stolwerk/Robinson)

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.

Carried

Request for Approval to Carry Forward Capital Expenditure Budget from the 2021/22 Financial Year into the 2022/23 Financial Year (Item 6.3)

Report from Vincent McColl, Financial Accountant

Moved (Stolwerk/Kitchen)

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.

Carried

Council Meeting
23 August 2022

Secretarial Note: The Tumuaki - Chief Executive Officer arrived at 10.51am.

Draft Financial Result to 30 June 2022 (Item 6.4)

Report from Vincent McColl, Financial Accountant

Moved (Stolwerk/Craw)

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 New Zealand 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.

Carried

Secretarial Note:

- Clarification was provided that the \$305,602 of year end surplus would go into the Investment Growth Reserve (IGR) but would be held in the Opex Reserve .
- Assurance was provided that a robust process was in place to capture inflation changes for council assets.

Special Reserves at 30 June 2022 (Item 6.5)

Report from Vincent McColl, Financial Accountant

Moved (Stolwerk/Macdonald)

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

Carried

Regional Rates Collection 2021/22 (Item 6.6)

Report from Simon Crabb, Finance Manager

Moved (Macdonald/Robinson)

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

Carried

Council Meeting
23 August 2022

Consideration and adoption of the policies on the Remission and Postponement of Rates on Māori Freehold Land pertaining to the Kaipara and Whangārei districts (Item 7.1)

Report from Kyla Carlier, Corporate Strategy Manager

Moved (Robinson/Macdonald)

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.
4. That council authorise the Group Manager, Corporate Excellence, to make any necessary minor drafting, typographical, or presentation corrections to the rating policies prior to them being published on council's website.

Carried

Regional Software Holdings Limited Board (RSHL) Appointments (Item 7.2)

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

Moved (Craw/Kitchen)

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 Chief Executive Officer to notify RSHL of the appointments.

Carried

Council Meeting
23 August 2022

Otiria-Moerewa Flood Mitigation Spillway and Bridge for 1.5M Funding Shortfall (Item 7.3)

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

Moved (Stolwerk/Blaikie)

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.

Carried

Secretarial Note:

- *The recent severe weather events affecting Northland had highlighted the importance of this flood mitigation project.*
- *Appreciation was extended to staff for their engagement with the Otiria-Moerewa community.*
- *The Chair of the Regional Transport Committee (RTC) undertook to raise the design change and funding shortfall with the RTC.*

Chair's Report to Council (Item 8.1)

Report from Penny Smart, Chair

Moved (Smart/Archer)

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

Carried

Chief Executive's Report to Council (Item 8.2)

Report from Malcolm Nicolson, Tumuaki - Chief Executive Officer

Moved (Stolwerk/Macdonald)

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

Carried

Council Meeting
23 August 2022

Secretarial Note: Appreciation was extended to the Kaitiāia Area Manager who had been invaluable 'on the ground' during the recent severe weather event which had put the Kaitiāia flood scheme to the test.

Reporting on Long Term Plan 2021-2031 Performance Measures for the year ended 30 June 2022 (Item 8.3)

Report from Robyn Broadhurst, Policy Specialist

Moved (Macdonald/Stolwerk)

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.

Carried

Secretarial Note:

- *Appreciation was extended to the entire organisation, acknowledging the 'huge effort' that had been made to achieve the key performance indicators despite a challenging year.*
- *Staff to compare the results with previous years to ascertain whether there were any reoccurring themes.*

Legislative Compliance 1 January 2022 to 30 June 2022 (Item 8.4)

Report from Nicola Hartwell, Corporate Planner

Moved (Yeoman/Stolwerk)

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

Carried

Secretarial Note: Council's compliance with the Health and Safety at Work Act 2015 and the Public Records Act 2005 to be addressed at the Audit and Risk Subcommittee meeting in September to ensure there was continued vigilance in these areas with the incoming council.

Receipt of Committee Minutes (Item 9.1)

Report from Meloney Tupou, Māori Governance and Engagement Support Admin

Moved (Stolwerk/Kitchen)

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.

Carried

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

Council Meeting
23 August 2022

Working Party Updates and Chairpersons' Briefings (Item 9.2)

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

Moved (Macdonald/Robinson)

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

Carried

Secretarial Note:

- Representatives of each of the working parties provided a verbal update on key areas of focus.
- Appreciation was extended to Councillor Yeoman (who was finishing her tenure with council) for her expertise and input, particularly in relation to the planning and regulatory responsibilities of the organisation.

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

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
7.1	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 -.
7.2	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 Advisor be permitted to stay during business with the public excluded.

Carried

Council Meeting
23 August 2022

Secretarial Note: The meeting adjourned at 11.53am and reconvened at 12.03pm to address business with the public excluded.

Whakamutunga (Conclusion)

The meeting concluded at 1.12pm.

Unconfirmed Minutes

TITLE: **Receipt of Action Sheet**

From: Chris Taylor, Governance Specialist

Authorised by: Chris Taylor, Governance Specialist, on 20 September 2022

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 - September 2022 [↓](#) 

Council Actions as at 12/09/2022

Id	Meeting	Target Date	Description	Request Details	Most Recent Comment
6558	Council 23/08/2022	6/09/22	Otiria-Moerewa Flood Mitigation Spillway and Bridge for 1.5M Funding Shortfall	The Regional Transport Committee to address the design change for the Otiria-Moerewa Flood Mitigation Bridge and the 1.5M shortfall.	The spillway is still under consideration by FNDC. This matter will be addressed in the next triennium.
6561	Council 23/08/2022	6/09/22	Reporting on Long Term Plan 2021-2031 Performance Measures for the year ended 30 June 2022	Staff to compare the results with previous years to ascertain whether there were any reoccurring themes.	Staff have undertaken analysis. Given the September Audit and Risk Subcommittee has been cancelled, this matter will be raised in the new council governance structure.
6562	Council 23/08/2022	6/09/22	Legislative Compliance 1 January 2022 to 30 June 2022	Council's compliance with the Health and Safety at Work Act 2015 and the Public Records Act 2005 to be addressed at the Audit and Risk Subcommittee meeting in September to ensure there was continued vigilance in these areas with the incoming council.	The September Audit and Risk Subcommittee has been cancelled. This matter will be raised in the new council governance structure.

TITLE: Financial Report to 31 August 2022

From: Vincent McColl, Financial Accountant and Taka Skipwith, Financial Accountant

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

Whakarāpopototanga / Executive summary

This report is to inform council of the year to date (YTD) financial result to August 2022. Council has achieved a YTD surplus after transfers to and from reserves of \$1.2M which is \$597K favourable to budget.

Ngā mahi tūtohitia / Recommendation

That the report 'Financial Report to 31 August 2022' by Vincent McColl, Financial Accountant and Taka Skipwith, Financial Accountant and dated 15 September 2022, be received.

Background/Tuhinga

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$13,684	\$12,185	\$1,499
Expenditure	\$10,309	\$10,426	\$117
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$3,375	\$1,759	\$1,616
Transfer From (To) Special Reserves	(\$2,142)	(\$1,123)	\$1,019
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$1,233	\$636	\$597

SUMMARY GAINS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
As at end of August 2022			
Short Term Funds	\$364	\$114	\$250
Long Term Funds	\$1,695	\$647	\$1,048
TOTAL FUND GAINS/(LOSSES)	\$2,059	\$761	\$1,298
Transfer From (To) Special Reserves representing reinvestment	(\$1,259)	(\$161)	\$1,098
NET GAINS/(LOSSES) AFTER TRANSFERS FROM/(TO) RESERVES	\$800	\$600	\$200

Revenue

Year to date revenue is \$13.7M, which is \$1.5M or 12.3% above budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$80,764	1.1%	
User Fees and Sundry	\$35,636	1.8%	<ul style="list-style-type: none"> Higher than budgeted monitoring fees of \$67K Higher than budgeted navigational fees of \$72K Higher than budgeted sales of Biosecurity materials \$12K Offset by: <ul style="list-style-type: none"> Lower than budgeted bus fare box income of \$57K Lower than budgeted consent application fees \$41K Lower than budgeted tenant recovery fees \$18K
Grants and Subsidies	\$52,701	5.5%	Higher than budgeted subsidies for Predator Free projects of \$47K
Investment Interest Income	\$31,642	76.5%	Higher than budgeted interest on term deposit \$24K
Investment Property Income	\$500	0.1%	Higher than budgeted rent income on Council's properties \$500.
Long Term Fund Gains	\$1,047,570	161.8%	Actual August YTD returns of 2.7% are higher than the budgeted 1.01% (6.05% annualised).
Short Term Fund Gains	\$250,167	219.5%	Actual August YTD returns of 2.7% are higher than the budgeted 0.69% (4.15% annualised).
Total	\$1,498,980	12.3%	

Expenditure

Year to date expenditure is \$10.3M, which is \$117K or 1.1% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY					
	FAV / (UNFAV)		Commentary	Offset by:	
	\$	%		Subsidies	Reserves
Regulatory Services	\$63,221	8.8%	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Higher than budgeted expenditure relating to consent applications and monitoring Other small accumulated variances within this group 	(\$24K)	
Environmental Services	\$35,239	1.9%	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Higher than budgeted expenditure on the SHARP project Higher than budgeted expenditure on data management Higher than budgeted expenditure on KMR grants and project operating costs Higher than budgeted expenditure on biodiversity work Higher than budgeted expenditure on nurse management work Higher than budgeted expenditure on wetland mapping project Other small accumulated variances within this group 	\$16K (\$19K)	(\$62K)
Biosecurity	(\$13,659)	(1.1%)	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Higher than budgeted expenditure on Predatory Free BOI Higher than budgeted expenditure on projects - Deer Other small accumulated variances within this group 	(\$85K) (\$19K)	
Governance and Engagement	\$88,827	6.6%	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Other small accumulated variances within this group 		
Community Resilience	\$228,695	11.0%	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Lower than budgeted transport costs (timing of invoices) Other small accumulated variances within this group 	\$87K	\$75K
Corporate Services	(\$190,992)	(7.6%)	<ul style="list-style-type: none"> Lower than budgeted salaries due to recruitment issues Higher than budgeted building repairs & maintenance costs Higher than budgeted vehicle costs Higher than budgeted rates costs Higher than budgeted computer operation costs Higher than budgeted enterprise system costs Higher than budgeted strategic review costs Other small accumulated variances within this group 		(\$58K)
CEO Office	(\$93,904)	(15.1%)	<ul style="list-style-type: none"> Higher than budgeted salaries Higher than budgeted rates on investment properties Other small accumulated variances within this group 		
Total	\$117,427	1.1%		(\$43K)	(\$45K)

Salary Variances

Across council there is a \$472K favourable salaries variance predominantly due to the time to complete recruitment of positions identified in the LTP (Long Term Plan).

The salary variance is broken down below:

	August YTD
Gross salary variance	\$612K
Less: Subsidised work programmes	(\$16K)
Less: Annual leave earned not taken	(\$124K)
Net salary variance	\$472K

Transfers to reserves

For the year to date there has been a net transfer to reserves of \$2.1M compared to a budgeted net transfer to reserves of \$1.1M. This is predominantly due to:

- \$1.1M higher than budgeted transfers to externally managed fund reserves due to higher than budgeted gains on the short term and long-term funds.

Attachments/Ngā tapirihanga

Nil

TITLE: Adoption of the 2022 Annual Report

From: Simon Crabb, Finance Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 21
Group Manager/s: September 2022

Executive summary/Whakarāpopototanga

The Full 2022 Annual Report is attached as **Attachment One**. The final formatting and layout of this document is still being performed.

The independent member of council, Stuart Henderson, has performed a review of the 2022 Annual Report and has provided a written report summarising his observations, attached as **Attachment Two**.

Deloitte has issued clearance and prepared a report (refer **Attachment Three**) on the matters arising from their audit. The Deloitte engagement partner, Peter Gulliver will attend the September 2022 council meeting to present this report to council.

The final signed audit opinion will be released upon council's adoption of the 2022 Annual Report, and Deloitte receiving the signed letters of compliance and representation.

Recommendations

1. That the report 'Adoption of the 2022 Annual Report' by Simon Crabb, Finance Manager and dated 6 September 2022, be received.
2. That the council's audited Annual Report and financial statements for the year ended 30 June 2022 be adopted pursuant to section 98(3) of the Local Government Act 2002.
3. That the Chief Executive Officer and the Chair be authorised to sign the 2022 Annual Report compliance statement and letter of representation, and the letters of representation in relation to the: 2021/22 debenture trust deed report, and 2021/22 stock register report.
4. That the Chief Executive Officer be authorised to make any minor editorial and presentation changes to the 2022 Annual Report and Summary Annual Report if required.
5. That the Chief Executive Officer be authorised to approve the release of the 2022 Summary Annual Report pursuant to section 98(4) of the Local Government Act 2002.

Options

No.	Option	Advantages	Disadvantages
1	Adopt	Facilitate the adoption and public availability of the 2022 Annual Report and 2022 Summary Annual Report within the statutory timeframes set out in the LGA 2002.	None

No.	Option	Advantages	Disadvantages
2	Do not Adopt	The annual report can be amended if required	A special council meeting would need to be called before 31 October 2022 to adopt a revised 2022 Annual Report and comply with the Local Government Act 2002.

The staff's recommended option is 1.

Considerations

1. Climate Impact

This decision will have no impact on the ability of council to protectively respond to the impacts of climate change now or in the future.

2. Environmental Impact

This decision will not have an impact on any environmental risks.

3. Community views

Being a purely administrative matter council can make decisions relating to this report without undertaking further consultation or engagement.

4. Māori impact statement

This report relates to an administrative matter and therefore does not have a direct impact on Māori.

5. Financial implications

If any significant changes are required to the 2022 Annual Report or the 2022 Summary Annual Report, Deloitte would need to be re-engaged to review the changes and potentially charge additional audit fees

6. Implementation issues

Paragraph 98(3) of the Local Government Act 2002 stipulates that an Annual Report must be adopted by resolution within 4 months after the end of the financial year to which it relates. In council's case this deadline is 31 October 2022. Should the 2022 Annual Report not be adopted at the 27 September 2022 council meeting, then an extraordinary council meeting would be required prior to 31 October 2022 to adopt the Report and comply with paragraph 98(3) of the Local Government Act 2002.

7. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is of low significance when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long-Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tāngata whenua and/or individual communities, but that council can make decisions relating to this matter without undertaking further consultation or engagement.

8. Policy, risk management and legislative compliance

The recommendations in this report are consistent with sections 98 and 99 of the Local Government Act 2002 regarding the timeframes for adoption and public availability of the Annual Report and the requirement for an audit report to be included in both the full Annual Report and Summary Annual Report.

Background/Tuhinga


2021/22 Financial Result

Council posted a total comprehensive revenue and expense surplus for the 2021/22 financial year of \$18.979M. At the August 2022 council meeting, the draft net surplus after transfers from/(to) special reserves presented to council was \$44K.

The movement from the August draft result to the total comprehensive revenue and expense reported in the 2022 Annual Report is explained in Table One.

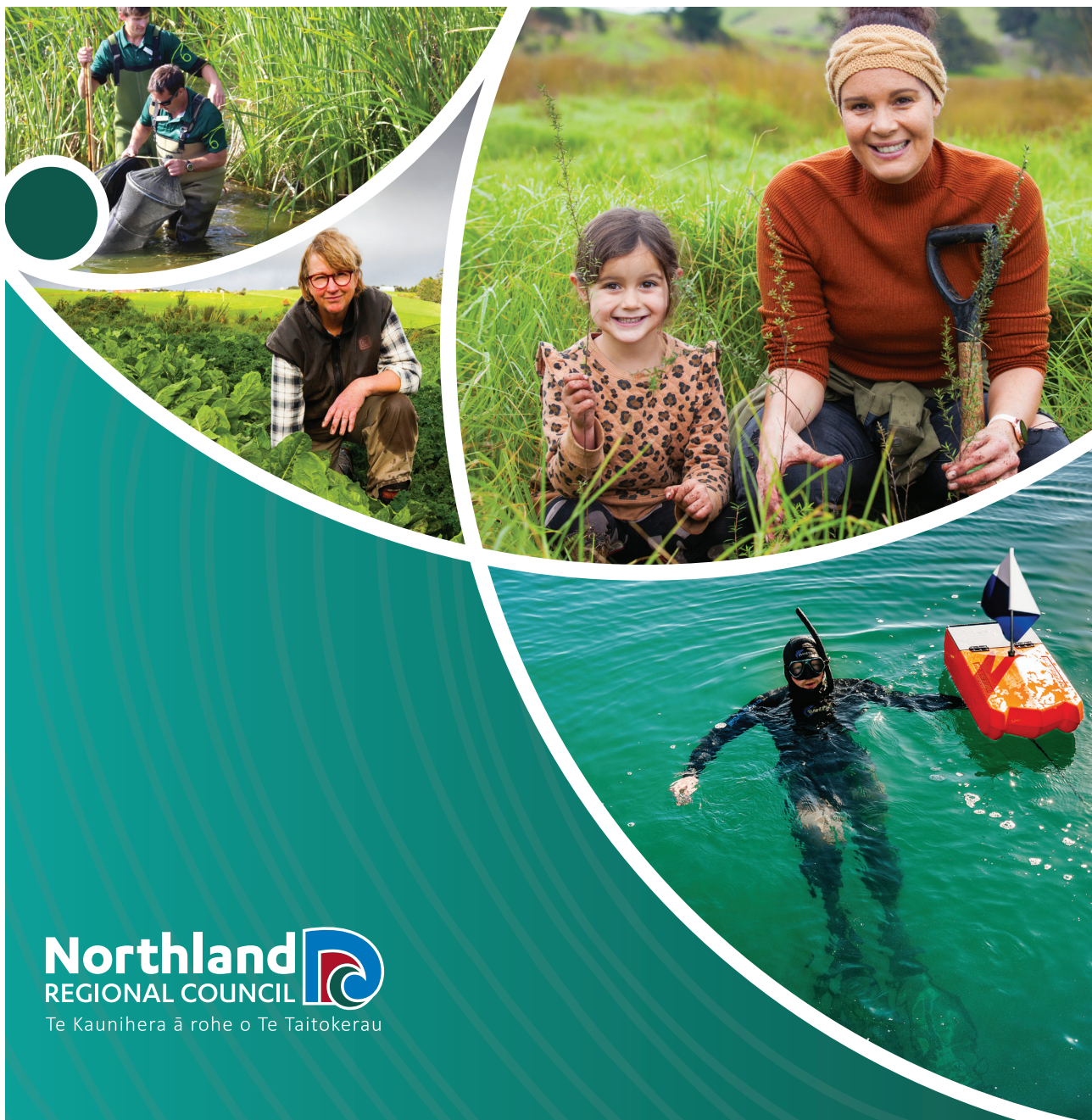
Table One	\$,000
2021/22 DRAFT Net Surplus after Transfers from / (to) Reserves as reported to Full Council in item 6.4 of August 2022 agenda	\$44
Add back the Transfers to Special Reserves as these do not form part of the statutory reporting format in the Annual Report	\$3,858
Add the non-cash gains(losses) on the revaluation of councils assets:	
+ Investment Properties	\$7,559
+ Owner occupied land & buildings	\$3,955
+ Infrastructure assets	\$2,734
+ Forestry holding	\$359
+ Carbon credits	\$568
+ NEST Loan interest	\$45
Less councils share of its combined Associates surpluses (losses): (Northland Inc. +\$59K surplus , Regional Software Holdings Limited -\$204 loss)	-\$145
Total Comprehensive Revenue & Expense - as reported on Page 67 of the 2021/22 Annual Report	\$18,979

Attachments/Ngā tapirihanga

Attachment 1: 2022 Annual Report [↓](#) 

Attachment 2: Stuart Henderson Review - 2022 Annual Report and Audit [↓](#) 

Attachment 3: Deloitte Report to Council [↓](#) 



Northland
REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

Pūrongo ā Tau 2022

Annual Report 2022

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Wāhanga tuatahi: Tirohanga whānui

Section one: Overview



Ngā karere mai i te Heamana rāua ko te Tumuaki

CEO and Chair's foreword

The 2021-22 year was the latest in a series of challenging years both for council and the wider Northland community, once again much of this could be attributed to the ongoing COVID-19 pandemic.

COVID-19 impacted widely across council's operations, affecting everything from the increased number of visiting boaties to decreased passenger numbers on buses, despite this staff and councillors alike continued to show remarkable adaptability to the new environment we have found ourselves working in. We've taken all practical and pragmatic steps to ensure we are serving our community as best and as sustainably as we can to offer the same standards of service as we did pre-COVID-19.

Both at a governance and operational level we have continued to develop and advance our relationships with tangata whenua and communities throughout Te Taitokerau.

We would like to recognise the continued environmental protection and restoration efforts of our various communities and tangata whenua throughout Te Taitokerau. Much of our work as a council would not be possible without the active support of a large number of individuals and groups.

A historic milestone for our council is the upcoming introduction of a new 'at large' Māori constituency – Te Raki – that will deliver two new representatives for Māori at this year's elections to be held in October. Alongside the other three councils in Te Taitokerau, we voted in favour of introducing Māori constituencies/seats. We are very excited to have tangata whenua representation engrained as part of our council moving forward. The perspectives, knowledge, skills, and networks these councillors will provide will be invaluable.

A focus for us in the immediate future is climate change. The ongoing climate crisis continues to affect our everyday way of life here in Te Taitokerau – rising sea-levels, coastal erosion, intense weather systems, flash floods, drought and other impacts are changing the way we live. Over the past year, we – along with the three district councils – developed the Te Taitokerau Climate Adaptation Strategy, which lays out a path toward effective and aligned adaptation in the region. Adopted in April, we are enthusiastic about the implementation of this strategy and the resiliency it will help foster as we face future challenges. Community adaptation plans, developed by communities with support from councils and setting out short and long-term local adaptation actions, will be at the heart of our work around the region in the next few years.

In our operational functions, we continue to face shortages of skilled workers due to the current global geopolitical climate. Health and Safety, engineers, water scientists and Māori engagement roles have been among those difficult to fill.

Great progress is being made by Kaipara Moana Remediation programme which – through an ambitious goal of planting 20 million trees – aims to restore the health and mauri of the Kaipara Moana, the largest natural harbour in the Southern Hemisphere.

As the role of council evolves from one of service delivery through to facilitation, we look forward to building the capacity and capabilities of community groups and tangata whenua throughout Te Taitokerau.

With the upcoming October elections and Malcolm Nicolson's impending retirement as chief executive of Northland Regional Council at the end of September, we would like to congratulate his successor Jonathan Gibbard and wish him well in his new role. We would like to thank and acknowledge the huge contribution to both council and Te Tai Tokerau Northland that Mr Nicolson has made over the past 10 years in the CEO role and wish him an enjoyable and well-deserved semi-retirement.

Ina tere ngā kapua, he hau kei muri

Progress is built on applying shared values



Penny Smart
Chair

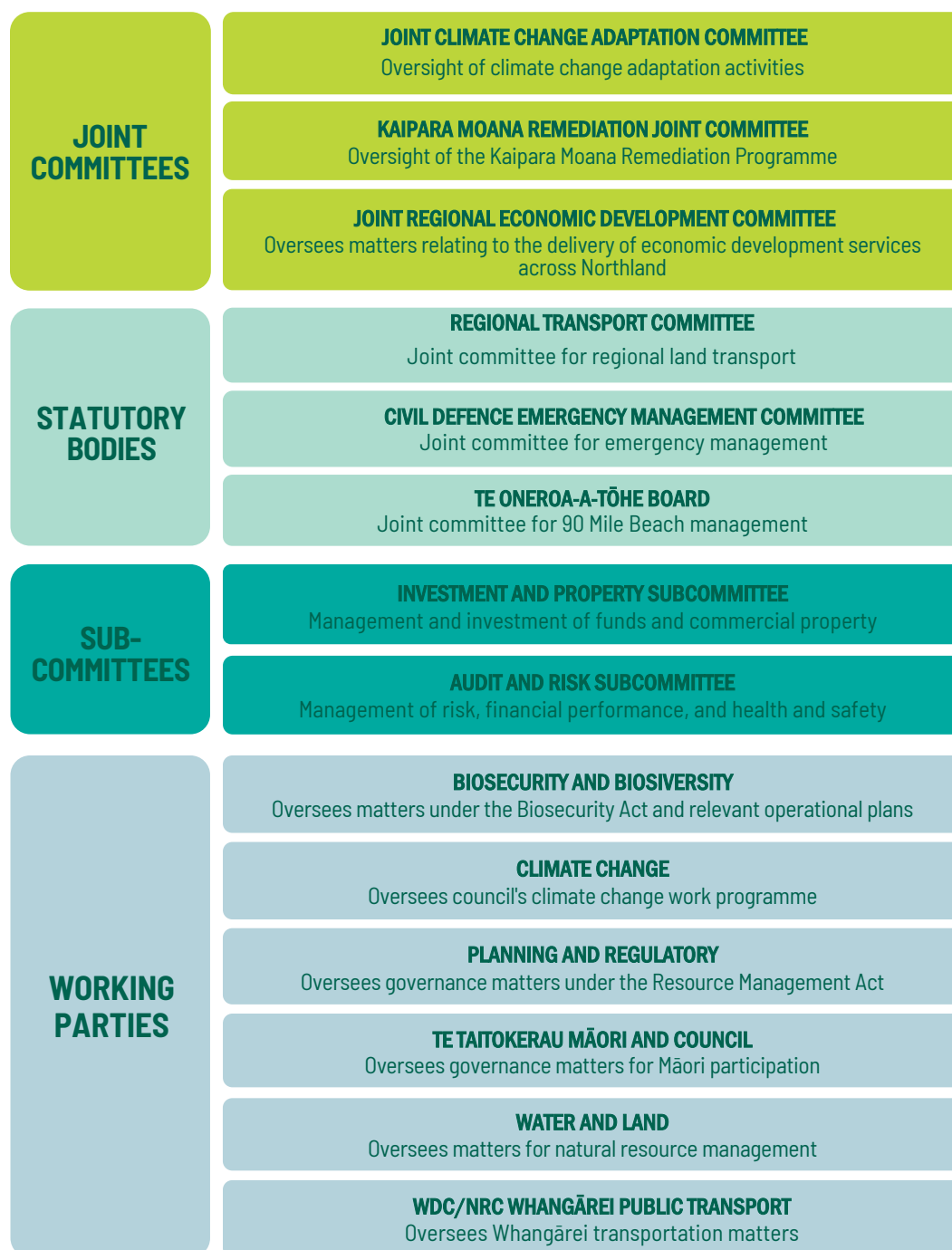


Malcolm Nicolson
Chief Executive Officer

Ō koutou Kaikaunihera Your regional councillors



Governance structure



Council membership, responsibilities and advisors

Regional council representation on committees and boards

Regional Transport Committee

Councillors Archer (Deputy Chair), Stolwerk (Chair)

This statutory committee brings together Northland's four councils and Waka Kotahi NZ Transport Agency, and oversees strategic transport planning and passenger transport functions for the Northland region.

Civil Defence Emergency Management Committee (CDEM Group)

Councillor Stolwerk as Chair (alternative Councillor Kitchen)

This joint committee brings together Northland's four councils (with Fire and Emergency and NZ Police in an observer capacity) and sets the strategic direction for the CDEM Group.

Te Oneroa-a-Tōhē Board

Regional council membership: Councillors Kitchen and Robinson

This Board is a statutory body as a result of Treaty Settlement and is a joint committee with Far North District Council (FNDC), Te Rūnanga o Te Rarawa, Te Manawa o Ngāti Kuri Trust, Te Rūnanga Nui o Te Aupouri Trust, Te Rūnanga o Ngāi Takoto. The Board consists of eight members as follows: one member appointed from each of the four Te Hiku iwi (settlement entities), two members appointed by regional council (being councillors holding office), and two members appointed by FNDC (being the mayor and a councillor holding office).

Joint Climate Change Adaptation Committee

Councillor Macdonald as Chair (alternative Councillor Craw)

NRC iwi/hapū representative

This joint committee provides direction and oversight of the development and implementation of climate change adaptation activities by local government in Te Taitokerau.

Kaipara Moana Remediation Joint Committee

Councillors Macdonald, Smart (Deputy Chair), Yeoman

This committee consists of six appointed Kaipara Uri entities, three elected members appointed by Auckland Council and three elected members appointed by NRC.

Joint Regional Economic Development Committee

Councillors Archer, Blaikie (Chair)

Two councillors each from both Kaipara and Far North District Councils

This committee oversees matters relating to the delivery of economic development services across Northland.

Council Subcommittees

Investment and Property Subcommittee

Councillors Archer, Blaikie, Craw, Kitchen, Smart (ex officio), Stolwerk (Chair), Independent Advisors (x2), and Independent Consultant

Audit and Risk Subcommittee

Councillors Kitchen (Chair), Macdonald, Smart (ex officio), Stolwerk, Yeoman (alternative Councillor Blaikie), and Independent Advisors (x2)

Council Working Parties

- Climate Change Working Party – Councillors Craw, Macdonald (Chair), Robinson, Smart (ex officio), Yeoman, and four members of Te Taitokerau Māori and Council (TTMAC) Working Party
- WDC/NRC Whangārei Public Transport Working Party – Councillors Archer (Chair), Craw, Stolwerk, and three Whangārei District councillors
- Planning and Regulatory Working Party – Councillors Blaikie, Kitchen, Macdonald, Smart (ex officio), Yeoman (Chair), and four members of Te Taitokerau Māori and Council (TTMAC) Working Party

- Biosecurity and Biodiversity Working Party – Councillors Blaikie, Craw (Chair), Robinson, Smart (ex officio), Stolwerk, and four members of Te Taitokerau Māori and Council (TTMAC) Working Party
- Te Taitokerau Māori and Council Working Party (TTMAC) – up to 30 members in total consisting of full council, and up to 21 appointed iwi and hapū members from Taitokerau Māori (one representative per iwi and hapū). The working party is co-chaired by Councillor Robinson and Pita Tipene, Ngātihiine representative
- Water and Land Working Party – Councillors Blaikie (Chair), Craw, Macdonald, Robinson, Smart (ex officio), Yeoman, and five members of Te Taitokerau Māori and Council (TTMAC) Working Party

Collaborative Community Working Groups

- Doubtless Bay Catchment Working Group – Councillor Kitchen
- Mangere Catchment Working Group – Councillor Yeoman
- Ngunguru Catchment Working Group – Councillor Macdonald
- Poutō Catchment Working Group – Councillor Smart
- Waitangi Catchment Working Group – Councillor Robinson
- Whangārei Catchment Working Group – Councillor Craw
- Whangārei Heads Pest Management Working Group – Councillor Macdonald
- Kāeo-Whangaroa River Working Group – Councillor Robinson (Chair)
- Kaihū River Working Group – Councillor Smart (Chair)
- Kerikeri River Working Group – Councillor Yeoman (Chair)
- Ruakākā River Working Group – Councillor Stolwerk (Chair)
- Taumārere River Liaison Working Group – Councillor Blaikie (Co-Chair)
- Urban Whangārei Working Group – Councillor Craw (Chair)
- Awanui River Working Group – Councillor Kitchen (Chair)

Councillor portfolios

- Appeals on Regional Plan – Councillor Yeoman
- Inter council working party on genetically modified organisms risk evaluation and management – no appointment until Regional Plan finalised

- Kaipara Moana Working Party (1a) – Councillors Smart and Yeoman
- Northland Conservation Board – shared across council
- Northland Sports Facilities Plan (Sport Northland) – Councillor Stolwerk
- Shareholder representative for Marsden Maritime Holdings Limited – Councillor Smart as Chair
- Shareholder representative for Northland Inc. Limited – Councillor Blaikie
- Shareholder representative on Regional Software Holdings Limited – Councillor Smart as Chair
- Upper North Island Strategic Alliance (UNISA) – Councillor Smart as Chair
- Zone One (LGNZ) – Councillor Smart as Chair (Councillor Yeoman as alternative)

Advisors

Auditors:

- Deloitte Limited on behalf of the Auditor-General

Bankers:

- ASB Bank
- ANZ Bank
- Bank of New Zealand

Solicitors:

- Brookfields Lawyers
- Buddle Findlay
- Chapman Tripp
- Cochrane Advisory
- Duncan Cotterill
- Karenza de Silva
- Lizzy Wiessing
- Marsden Woods Inskip & Smith
- SBM Legal
- Simpson Grierson
- Thomson Wilson Law
- Webb Ross McNab Kilpatrick
- Wynn Williams

Independent Advisors:

- Danny Tuato'o⁽¹⁾ - Audit and risk
- Eriksens Global - Investments
- Stuart Henderson - Financial
- PricewaterhouseCoopers - Treasury

Chief Executive Officer:

The Chief Executive Malcolm Nicolson is responsible for setting the direction of the council within the policy framework provided by councillors. The executive leadership team is accountable to him and he is accountable to the council. It is noted that the new Chief Executive, Jonathan Gibbard, will take position from 1 October 2022 following Malcolm Nicolson's retirement.



From left: current CEO Malcolm Nicolson, CEO designate Jonathan Gibbard, council Chair Penny Smart

¹ Danny Tuato'o resigned in April 2022

Council's strategic direction

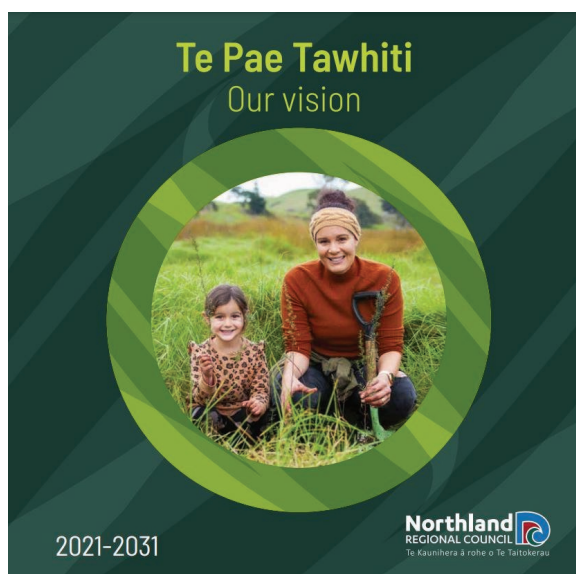
This is the first Annual Report following the adoption of the Long Term Plan 2021-2031 in June 2021. As part of developing the Long Term Plan, council gave careful consideration to the service we provide to our community, what we're working to achieve, and our priorities for making this happen. This is outlined as our strategic direction, which is driven by our vision: 'Our Northland - together we thrive'. Our strategic direction also sets out council's mission and community outcomes, which drive the activities and performance measures set out in the long term plan, and are reported on in this Annual Report.



Our year in review

Our Long Term Plan 2021-2031 is the roadmap for the next 10 years, to support Northland's growth and wellbeing, while navigating the unpredictable and changing world we now live in. Achieving environmental, social, economic and cultural wellbeing will only truly happen as we continue to build meaningful partnerships, with everyone from tangata whenua to individual landowners. Resilience is also key, and we must ensure that we're addressing issues such as flood protection, the increasing effects of climate change, and global financial volatility. One year on, and already we're making great progress towards serving Northland's diverse needs as we'd set out to in this plan.

The community outcomes that we want to achieve can be found in '[Te Pae Tawhiti - Our vision 2021-2031](#)', a document where we explain what council's long-term aims are for the region, and what we plan to deliver to make a real difference over the next three and 10 years.



Some of our progress is reported in this annual report, but it's just a snapshot – the progress is much wider. Here are some of our highlights from the year:

COVID-19

The COVID-19 pandemic has continued to impact on the home and work lives of people globally over the past year and we have not been spared from this. COVID-19 and the response regulations have had a direct impact, forcing a cancellation of events and delaying projects and rapid escalation of absenteeism due to illness. Council recorded almost 3180 hours

(equivalent to almost 85 weeks) of COVID-19 sick leave taken across its 282 staff between March and the end of June alone. Despite the ongoing COVID-19 disruptions caused – including a lockdown in August 2021 and offices closing in February 2022 – council has shown remarkable resilience. The services we deliver have been affected, especially when the Omicron variant began spreading, but we have been flexible and adaptable to ensure we focus on delivering our most important services to the high standards expected of us.

Skills shortages

Globally there is a trend for people to re-evaluate their priorities in the current climate, with staff turnover increasing as a result. Closing the country's borders has resulted in critical staff and skill shortages and record levels of vacancies and staff turnover. Aggressive employment policies by Central Government and the private sector to resource their reform programme has placed substantial upward pressure on salaries.

This has collectively resulted in a sharp increase in levels of workload pressure and stress on remaining staff. As with most organisations we have also found the number of people applying for some roles has declined. Health and Safety, engineers, water scientists and Māori engagement roles have been among those difficult to fill. In the month of June alone 17 vacancies were listed.

Natural environment

Kaipara Moana Remediation Programme

The Kaipara Moana Remediation Programme (KMR) is contracted by the Ministry of the Environment, through Jobs for Nature investment, and is part of a co-governance arrangement with Ngā Maunga Whakahi o Kaipara, Te Rūnanga o Ngāti Whātua, Te Uri o Hau, Northland Regional Council and Auckland Council.

Through an ambitious goal of planting 20 million trees, the programme aims to restore the health and mauri of the Kaipara Moana, the largest natural harbour in the Southern Hemisphere.

With a dual focus on reducing sediment flows into the Kaipara Moana and developing local people and businesses through nature-based training and employment, KMR will deliver wide intergenerational outcomes and benefits.

The focus of the programme for the past year continued to be on fencing land and planting native trees near waterways. During this time, KMR finalised 202 new sediment reduction plans or equivalent, covering nearly 52,000 hectares of land, which committed landowners to just over 380,000 plants and 235 kilometres of fencing. These results are a significant increase on the 2020/2021 year's delivery and exceed previous regional targets.

KMR also strengthened its focus on growing people into new 'green economy' jobs, and developed and rolled out several training courses across the catchment to upskill and accredit 38 local 'KMR field advisors', including tangata whenua, to work on-the-ground with landowners. KMR accredited 17 nurseries to ensure that they have access to quality, locally grown plants that match the ecological districts of the Kaipara catchment, and accredited 22 local contractors to support KMR-led growth in nature-based employment.

Given the span of KMR's geography and activities, by necessity they work with, and through, many partners. The past year saw a deepening of partnerships with Fonterra, the Forest Bridge Trust, the Ministry of Social Development and Kaipara Uri environmental operations. As the team head into the next year of the programme, further partnerships are in development to support ongoing scaling up of sediment reduction activities across the catchment.

Renewal of partnership with Kiwi Coast

In mid-June 2022 the partnership between council and Kiwi Coast was renewed at ceremony in Tūtūkākā. In 2017, council signed a partnership with Kiwi Coast Trust that formally consolidated a strong working relationship for both parties. The trust provides a regional platform of support and coordination of grassroots conservation across Northland and as part of the partnership, council will contribute \$188,480 annually to Kiwi Coast over the next five years. Over 200 entities are currently linked into Kiwi Coast, 201 of which are community, hapū or iwi-led projects. Collectively, these groups and projects manage approximately 235,000 hectares.

Updated MOU with Department of Conservation

Council held a hui in Whangārei in early June 2022 to essentially 'renew its vows' by signing a revised and updated Memorandum of Understanding (MOU) between us and DOC. The MOU helps both organisations strengthen our whānaungatanga and opens the door for closer, ongoing collaboration and partnership with DOC.

Budget allocations for biosecurity programmes

The Clean Hulls Programme, which council is part of – alongside Auckland, Waikato and Bay of Plenty councils, Department of Conservation and the Ministry for Primary Industries – received \$5.5M over four years in the most recent central government Budget. The programme aims to prevent the spread of invasive marine species that can have significant impacts on the marine environment, marine based industries, aquaculture, and taonga species.

Council contractors checked 2000-plus boat hulls between October 2021 and June 2022. Marine biosecurity staff were encouraged with the overall standard of the fleet surveyed with 52.6% of vessels compliant (if moving between designated areas) with the rules as stated in the Regional Pest Management Plan. This represents a cleaner fleet than last season where 44.6% of vessels were compliant. The most prominent pest species found on vessels was the Australian droplet tunicate followed by the Mediterranean fanworm.

Two other Budget wins for conservation were predator removal and native forests, with deer and goats the focus in protecting native ecosystems.

Biosecurity staff worked with DOC representatives on the eradication of Sika deer at Russell and wider deer issues. Their contribution has helped grow the understanding of how important it is to keep some places in Aotearoa deer free. The kauri forests of Northland are being recognised as one of those special places.

Also on the biosecurity front, implementing the Northland Lakes Strategy continues to be a large project with expanding nutrient management, ecological monitoring, pest weed and fish control and weed surveillance on and around Northland's lakes. We continue to put a lot of resource into biosecurity through our kauri dieback and Predator Free programmes, with the previously mentioned 235,000 hectares of land now under pest protection management for kiwi and forest protection.

Predator free

The Predator Free 2050 projects we're coordinating across Whangārei and Pēwhairangi Whānui (Bay of Islands) have picked up pace over the last year with great work being put in by hapū, uri and community groups across the motu. The Whangārei project team is under way on the first two priority blocks and are busy servicing over 150 traps and 200 bait stations across the Te Whara, Taurikura and Kauri Mountain/Ocean Beach areas. Planning for expansion into other areas of Whangārei Heads in partnership with local hapū uri is well underway, and different

methods of eradication delivery are being explored. Mahi in Pewhairangi Whanui has focused on hapū and community group preparation for eradication commencement across the three project peninsular (Rakaumangamanga, Kororareka and Purerua) with delivery of these peninsular projects being community and hapū lead. Time and focus have gone into exploring effective governance partnership structures and preparing for the start of eradication.

Kauri Protection

The Kauri Protection Team has delivered eight kauri protection workshops, 10 school education presentations, taken 168 soil samples with only six positives, as well as completing three fencing jobs protecting 30 hectares of forest blocks, delivered 14 new hygiene stations and identified two new positive sites.

The Kauri Dieback Track Mitigation project – funded by \$2M from the Provincial Growth Fund to protect kauri along sections of the Te Araroa and other public trails – has continued and completion will be by 30 September 2022. To date five track sections have been completed; Kauri Mountain, Upper Kerikeri River, Puketotara Farm, Wrights Farm and Upper Puketotara (the remaining sections are Paparoa Bush Walk and Kaiwaka Domain). The project has faced challenges and has adapted accordingly and will exceed track distance targets set at the beginning of the project.

Regional Plan for Northland

Negotiations and hearings on the appeals to the Proposed Regional Plan continued over the year with nearly all points now resolved. Significant court decisions over the last year include the High Court decision confirming the application of the National Environmental Standards for Freshwater in the coastal marine area and the Environment Court issuing its final decisions on the provisions for mangrove removal and livestock exclusion from waterways.

Freshwater Plan

Work continues on the Freshwater Plan – a new set of policies and rules for the use of freshwater. The Freshwater Plan is council's response to the Government's 2020 'Essential freshwater' direction for improving freshwater. The Tangata Whenua Water Advisory Group and Primary Sector Liaison Group have been meeting regularly over the past year to input into the development of the Freshwater Plan. A draft of the plan will be released for public feedback mid-2023.

Environmental incidents

For the year ending 30 June 2022, a total of 946 incidents were reported to the Environmental Hotline. Of these 410 (43%) were air quality incidents, followed by 245 water quality; 181 land use; 64 coastal; 40 waste management and six water quantity incidents. Site visits were made to 64% of all incidents reported to council. Four hundred and thirty-three (46%) incidents were confirmed to be a breach of a rule, national regulations or a resource consent.

Community resilience

\$2.5M of Awanui flood works completed

A fourth construction season saw about \$2.5M of works carried out as part of the Awanui flood scheme over summer and autumn.

The work included a \$1.22M contract to increase the flood capacity of the Whangatane Spillway between State Highway 10 and Quarry Rd.

It involved 'benching' or shifting/reconfiguring stopbanks to create a wide, flat area on the inside of them which can carry extra floodwaters.

This year's work focused on maximising the capacity at Quarry Rd Bridge. Next year will focus on Donald Lane and SH10 Bridge capacity upgrades.

Meanwhile, another \$1.2M of work was also carried out from Switzer Bench to Bells Produce.

The goal of that work was to better split flood flows between the Whangatane Spillway – which will carry two-thirds of the water in a big flood – and the Awanui River, which will carry the remaining third. In normal, lower flow conditions all the water goes to sea via the river. However, in heavy rain the higher flows enter the spillway – built in the early 1900s – which cuts by 12 kilometres (and roughly halves) the length of the journey the floodwaters must take to reach the sea.

Finally, work was carried out at Bedgood Park and Dunn Street including stabilising an existing stopbank, benching, and topping up stopbanks.

The upgrade programme is designed to help future-proof the scheme – including predicted climate change impacts – as well as deliver a considerably higher level of protection for Kaitia and surrounding areas.

A \$12.5M grant from the government as part of its COVID-19 recovery response package – the bulk of it for the Awanui scheme – has slashed the time needed to complete the upgrade and reduced the cost to the community. It's now due for completion in just one more year instead of in 2027 as originally planned.

Otiria floodworks

More than \$6.5M of long-awaited staged works designed to substantially reduce flood risk to Otiria and Moerewa began in earnest in 2022.

Works are being carried out in three stages, starting with a 150 metre spillway from Pokapu Rd to where it meets the Waiharakeke River.

In a big flood, about 80% of the water from the Otiria Stream spills over nearby land as does 70% from the Waiharakeke Stream.

Council plans to restore the streams' natural flows by replacing the existing Pokapu Rd Bridge and in late 2022 building a new three-span, 60-metre-long single-lane bridge, including a footpath for safety. The works will reduce the severity of a typical flood by about 75%.

About \$2.8M of the project cost is being met by central government via Kānoa – Regional Economic Development and Investment Unit. This is part of the abovementioned \$12.5M grant.

Emergency management

The Northland Civil Defence Emergency Management Group reviewed and approved a new five-year plan that outlines the strategic direction of CDEM engagement, participation, planning, collaboration, response coordination and recovery. The group has commenced work to install new tsunami alerting systems across the region, having negotiated and agreed a contract to supply 96 sirens and hardware. A feasibility study and initial planning has also been completed for the multi-agency coordination centre. Over the Christmas and New Year period the CDEM professionals provided support to the Kaimaumau fire response, aiding the community.

Harbour safety and navigation

There were 193 maritime incidents logged this year. COVID-19 response and not being able to travel overseas increased recreational boating activity. There was a noted increase in vessel accidents and abandoned boats with decreases in bylaw offences, oil spills, aids to navigation and mooring incidents. Council approved the build of a new replacement work/pilot vessel for delivery in 2023.

Transport

The 2021/22 financial year was extremely difficult regarding the operating of passenger transport services and the Total Mobility Scheme in Northland, particularly during the height of the COVID-19

pandemic protocols, the availability of funding, and the increasing incidents of antisocial behaviour on the buses and at the bus termini.

However, there are some positives. The national and local funding assistance increases applied for through both Waka Kotahi and council were approved allowing for increased contracted passenger services in Whangārei. The planned increases have however been put on hold due to a national bus driver shortage being experienced.

Our passenger numbers on all services have slowly but steadily climbed to approximately 85% of pre-COVID-19 levels and have in fact exceeded budget in the last months of the financial year. Waka Kotahi assisted financially with the loss in farebox revenue due to COVID-19 related passenger reductions. When the government mandated half price fares on all contracted bus services and the Total Mobility Scheme, Waka Kotahi subsidised the reduced portion of the fare.

The CityLink customer satisfaction survey undertaken during June 2022 came out with an overall service satisfaction score of 93%.

The funding for a trial Total Mobility Scheme in the Far North was approved and the service commenced operation on 1 July 2022.

A financial and process audit was undertaken by Waka Kotahi in May 2022. The outcome of the audit was extremely positive for all areas covered.

Regional Leadership

New CEO

In mid-April 2022, senior council manager Jonathan Gibbard was appointed as Northland Regional Council's new CEO – Tumuaki. The five-year appointment comes as current CEO Malcolm Nicolson prepares to retire at the end of September, with Mr Gibbard's official start date 1 October 2022. Aged in his early 40s and the council's current Group Manager – Environmental Services, the new CEO was chosen from a shortlist of four applicants after a year-long intensive search. He lives at Tūtūkākā with his partner and their son.

Local body elections

At the local body elections in October this year we will formally introduce a regional Māori constituency (named Te Raki) for the first time, with two dedicated members to join council. Our decision to include a Māori constituency was formally made in October 2021 and collectively Northland has shown leadership by becoming the only region in New Zealand where all councils have adopted Māori constituencies/wards

and representation. We're looking forward to growing our cultural competency of Te Ao Māori as part of our council.

Tangata whenua

Council remains dedicated to fulfilling its obligations under Te Tiriti and our relationships with iwi and hapū grow and evolve at all levels across the organisation. Over the past three years adopting 50:50 representation on council's working parties has helped create further opportunities for effective decision making between council and hapū and iwi. We're working on implementing a partnership model with Māori and over the past year continued to build meaningful relationships with mana i te whenua.

Economic development

A major focus of work for 2021/22 was supporting the first year of the Joint Regional Economic Development Committee (JREDC). This was set up by council and the Far North and Kaipara district councils to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc which took effect 1 July 2021.

To support the long-term direction and work of the JREDC, Northland Inc has been directed and funded to develop a regional economic development strategy, Te Ōhanga Rautaki Whānui o Te Tai Tokerau. The co-designed and Te Tiriti o Waitangi based strategy will be intergenerational and developed in partnership with iwi and hapū, communities and industry sectors alongside local and central government. A steering group to guide the development of the strategy has been established. The aim is to complete the strategy by end of June 2023.

Council also developed a criteria and procedures for the allocation of funding from the Regional Projects Reserve, established in the Long Term Plan 2021-2031. It further supported the development of water storage schemes by Te Tai Tokerau Water Trust near Dargaville and Waimate North.

Council continued to lobby central government for improved infrastructure including digital connectivity, transport networks and renewable energy.

Scholarships 2022

Eight \$3000 Northland Regional Council scholarships designed to provide a springboard for future environmental leaders were awarded. We received 40 applications for the 'Tū i te ora Scholarships' which recognise, encourage and support students to undertake study, research or training that relates to our environment, whilst contributing to council's vision 'Our Northland – together we thrive'. Winners

were Tayla Bamber, Fern Donovan, Rosa Harper, Aya Morris, Josh Otene, Maria Secker, Shavonne Toko and Taiawhio Wati.

Environmental awards 2022

A group's community-focused approach to restoring waterways around Kaikohe, incorporating mātauranga Māori and providing opportunities for local youth saw it named supreme winner of Northland Regional Council's annual Whakamānawa ā Taiao – Environmental Awards. This award recognises the environmental work being carried out across Northland. As well as the supreme win, Te Kotahitanga e Mahi Kaha Trust, Project Ngā Wai Ora o Ngāpuhi also took out the awards' Environmental action in water quality improvement and highly commended in Kaitiakitanga. These awards – first held in 2019 – are an opportunity for Northlanders to be recognised and appreciated for their mahi across Te Taitokerau.

Construction of land-based finfish farm commenced in joint venture with NIWA

Council has committed to the construction of the Kingfish Recirculating Aquaculture System (RAS), involving land-based finfish farming, in a joint venture with NIWA at their property at Ruakākā, Northland. Council's role is limited to that of a 'building and core infrastructure investor' by way of a lease agreement, it is not involving itself in the research or the business risk. However, it is fully supportive of NIWA's project as this land-based system appears to be best at producing superior fish that can be grown sustainably and supplied all year round. The RAS works a lot like an aquarium – just bigger. Up to 99% of the water can be recirculated and reused after being filtered and treated to eliminate any impurities. With high environmental and quality certification standards, the control afforded by the RAS protects stock and insures the producer against climate variability and change. Sustainability goals for the project focus on animal welfare, a minimal footprint, sustainable feed, low water usage and energy efficiency. The Kingfish RAS construction is well underway with an expected commissioning in the first half of 2023.

Kaipara Service Centre opening

Our \$9.2M Dargaville complex – now catering for about 80 local authority staff from two different councils – officially opened in late April 2022.

Up to a dozen Dargaville-based Northland Regional Council staff moved into the new building in early May, followed by more than 65 mainly administrative Kaipara District Council (KDC) staff from across the district in early July (the district council's lease officially began 01 June 2022).

Council also intends to have Kaipara Moana Remediation Project staff based at the centre. Local iwi and hapū, as well as the regional economic development agency Northland Inc, have also shown interest in using hot desks there.

The Hokianga Rd complex took about 20 months to build, with the construction time extended by about three months due to COVID-19 related downtime.

It was officially opened with a blessing by Te Kuihi, Te Roroa, Te Uri o Hau and Ngāti Whātua attended by about 60 people.

Enterprise project roll-out

Legislation has increased council's obligations around environmental work, information management, health and safety and data management. The result is

Enterprise, the most significant digital project council has rolled out in the past 10 years and we are excited to see the benefits the new system will bring. Council leveraged some of the work previously done by Waikato Regional Council and Wellington Regional Council to select a modern Enterprise System. The Infor solution was selected in July 2021, subject to securing funding through the Long Term Plan 2021-2031. The Infor solution provided the best functional fit against the requirements, provided a modern cloud technology solution and presented the ability to establish a long-term strategic relationship. Council started implementation with the project in October 2021 and it's scheduled for completion around May 2023. Phase 1 has been completed, on time and on budget.



Stage One of the Otiria floodworks taking shape. From left, observers Pamela-Anne Ngohe-Simon and Danny Baker-Renata with Rivers Project Manager Meg Tyler.

Achievement of key performance indicators

Natural environment » Total 16



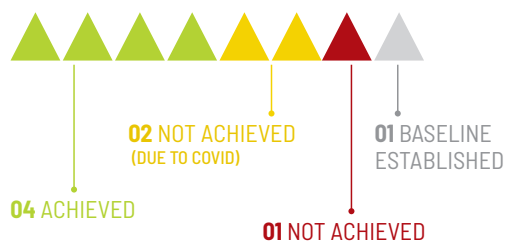
For more info see page 33

Community resilience » Total 07



For more info see page 44

Regional leadership » Total 08



For more info see page 54

Partnerships and meaningful relationships with Māori



Tokotoko belonging to Kaiārahi Tikanga Māori at a council pōwhiri event

Council is committed to building meaningful relationships that are reflective of a Te Tiriti o Waitangi partnership. Consequently, council is working proactively to strengthen, resource and adapt structures and processes to develop relevant responses for iwi and hapū to engage with council. These relationships enable council to deliver tangible benefits that build a resilient and prosperous region.

Highlights for July 2021 – June 2022 year are:

Māori representation (Māori constituencies)

As the first council in Te Taitokerau to vote for Māori seats this was a significant milestone in council's commitment to ensure that iwi and hapū has representation at the decision-making table and council goes some way to reflecting the population of

Te Taitokerau. Consequently, the 2022 local body elections ushers in a new era of local government and includes two dedicated Māori seats for council and a total of nine for Te Taitokerau councils collectively.

Te Taitokerau Māori and Council Working Party (TTMAC)

TTMAC consists of all nine councillors and up to 21 iwi and hapū representatives mandated by their respective iwi authorities and hapū entities co-chaired by Hapū Leader and Ngātihiine representative, Pita Tipene and Councillor Marty Robinson. TTMAC has a Māori Technical Advisory Group (MTAG) that has provided robust technical advice and expertise. As such, TTMAC has been pivotal in achieving meaningful outcomes for the region. The TTMAC working party's Strategic Intent 2021-2040 (nrc.govt.nz/maoripartnership) articulates its vision, mission and key whāinga of "Tino Rangatiratanga and Kawanatanga working together for the well-being of the Taiao".

Seven TTMAC formal meetings were hosted across the region during the 2021/22 year, however in response to the risk of COVID-19, virtual meetings were substituted for three regional marae-based workshops. These meetings included a number of respected leaders and experts on topics of climate change, economic development, innovative projects, and Māori representation, to help inform and provide expertise on exemplars of Te Ao Māori methodologies. The only kānohi ki te kānohi regional marae-based workshop was held at Moria Marae, hosted by Te Hikutu Hapū and focussed on impacts of climate change and how hapū can respond to these.

Additionally, tangata whenua members have been represented on the Joint Climate Change Adaptation Committee signalling the importance of the Climate Change Strategy for Te Taitokerau "Ngā Taumata o te Moana".

Other council working parties

Tangata whenua members also have equal membership of 50:50 representation on council working parties to create further opportunities for effective decision making between council, hapū and iwi. This includes 50% representation on the following working parties:

- Climate Change
- Planning and Regulatory

- Biosecurity and Biodiversity
- Water and Land

Regional marae-based hui at Mōria Marae in Whirinaki – climate change

On Thursday 1 July, TTMAC held their regional hui at Mōria Marae in Whirinaki. Presentations included Climate Change by Mike Smith, Chair of the National Iwi Climate Change Forum, who spoke about bringing a Te Ao Māori Kaupapa or lens to global warming.



Northland Regional Council's Climate Change Resilience Coordinator and Natural Hazards Advisor spoke about Ngā taumata o te Moana – Our strategy for tackling climate change at the hui. The name of the Climate Change Strategy – Ngā taumata o te Moana – was provided by Pita Tipene (Ngāti Hine), co-chair of TTMAC. The whakataukī 'Titiro atu ki ngā taumata o te moana', was first uttered by the Ariki of Ngāti Hine, Te Ruki Kawiti immediately after the battle of Ruapekapeka in Jan 1846. It means 'Look to the horizons of the ocean' and encourages us to think strategically and maintain a global outlook while appreciating the ground upon which we stand.

Topics discussed were Significant Natural Areas, Resource Consents, and an update on the Three Waters Reform. A common theme at the hui was to ensure that we work together to make a real tangible difference in preserving our taonga and resources in Te Taitokerau.

Co-governance and Te Kahu o Taonui

Co-governance in Te Taitokerau has continued to gain strength. Te Oneroa-ā-Tohe/Ninety Mile Beach Board (TOATB) sets out priority actions from the beach management plan, which is being implemented by the TOATB technical steering group.

The Kaipara Moana Remediation programme continues important mahi over large areas of natural taonga.

Iwi and hapū representatives from across Northland continue to join with council on TTMAC, ushering in a new era that builds on a commitment of co-governance and a range of environmental projects.

Council also has a Memorandum of Understanding with Te Kahu o Taonui (a collective of 12 Te Taitokerau iwi) "Whanaunga ki Taurangi" and continue to work with iwi chairs and chief executives to address the significant challenges and opportunities that exist in the region.

Te Whāriki Māori responsiveness policy and framework

Council has been developing its core cultural competency framework, known as Te Whāriki, into a more holistic programme of change that embraces Te Tiriti o Waitangi. The core cultural competency framework was established and implemented in 2019 to build the capabilities of council staff to engage with iwi and hapū. In July 2021, the first Level 2 workshop was held at Terenga Paraoa Marae in Whāngarei and these continue as an integral component of the overall training programme for staff and councillors.

The workshop outcomes included:

- Continue to build a deeper understanding of the Treaty of Waitangi and Te Tiriti o Waitangi, the differences between the two versions and their application for local government.
- Evaluate and review staff training and competencies including application of tikanga, te reo Māori and Te Tiriti o Waitangi in their work practices.
- Initial understanding of He Whakaputanga o te Rangatiratanga o Nu Tirenī, Declaration of Independence of the United Tribes of New Zealand 1835.

By the end of June 2022, nine staff and councillor workshops were held with two Tiriti o Waitangi trainings for councillors facilitated by a variety of external experts and facilitators.

Te Tiriti o Waitangi Noho Marae for councillors and the Executive Leadership Team

A significant milestone was achieved with a Te Tiriti o Waitangi two-day wānanga being held at Terenga Paraoa Marae for the purpose of building council and Executive Leadership Team (ELT) capability and capacity to engage in authentic and meaningful partnerships with Māori. Iwi, hapū leaders and Te Tiriti o Waitangi experts were invited to provide their advice and expertise that honours Te Tiriti o Waitangi within

the Te Taitokerau Landscape, and how council can give effect to Te Tiriti o Waitangi from a tangata whenua, hapū and iwi leader perspective.



Councillors, Executive Leadership Team, iwi and hapū leaders and Treaty experts at the Treaty of Waitangi / Te Tiriti o Waitangi two-day workshop.

Te Tiriti o Waitangi organisational review (Health Check)

Council's Te Tiriti Health Check was included in the Long Term Plan 2021–2031 following input and advice from the tangata whenua caucus members of TTMAC. The Te Tiriti Health Check utilises the Te Arawhiti Māori Crown Relations Capability Framework as a basis to measure council's performance against key benchmarks. The MTAG set out a programme of work that identified six key areas for council to prioritise in Year 1 (as part of an ongoing annual review that will focus on different areas each year):

- Governance: Understanding of Māori council relations priorities
- Relationships with Māori: Relationship management
- Relationships with Māori: Engagement, partnerships, and empowerment
- Relationships with Māori: Procurement
- Structural: Addressing institutional racism
- Policy and services: Evaluation

Council recognises the importance of a Te Tiriti framework that holds accountability for its partnership with Māori and has an ongoing commitment to implement tangible outcomes resulting from recommendations of an independent report (in partnership with iwi and hapū). As such, Buddle Findlay and Whaia Legal have been contracted to provide an independent report and will be guided by TTMAC iwi and hapū representatives. This is the first time that council has undertaken such a comprehensive approach to Te Tiriti o Waitangi and as such, it is an iterative process involving key

stakeholders working towards the long-term vision of building enduring relationships with tangata whenua, which is captured in Te Pae Tawhiti 2021–2031.

Tāiki e!

Tāiki e (council's Te Tiriti Strategy and Implementation Plan) denotes the intent to a collective commitment that "we come together to get the mahi done". This endorses the partnership with TTMAC as Tāiki e aligns with council's commitment to Te Tiriti o Waitangi and strengthens partnerships with tangata whenua and council's 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.

Tāiki e includes actions that commits council in a partnership with TTMAC (and other key stakeholders) to a series of tasks that have resourcing implications (financial and staffing) and is another milestone that has recently been adopted by council.

Building capability and capacity

Council has increased staff across the organisation and within the Māori Relationships team to build capabilities to respond appropriately to the needs and aspirations of tāngata whenua. This includes a new Manager of the Māori Relationships team.

Ongoing mahi

Additionally, council remains committed to and continues to:

- Respond to resource consent issues being raised by hapū and iwi and how we can work to improve our responses when challenged by hapū and iwi regarding council policies and processes.
- Review and allocate a contestable fund for hapū/iwi environmental monitoring plans to enable iwi and hapū to create and/or review plans that identify cultural values and taonga that must be recognised by council in their policy, plan and regulatory functions.
- Supporting Mana Whakahono-ā-rohe agreements to ensure more opportunities for tangata whenua and hapū in resource management processes.
- Allocating four of eight regional Tū I te ora Scholarships for Māori scholars, supporting students to undertake study, research or training aligned to council's vision and mission.

- Partnering with tangata whenua on freshwater improvement and biosecurity projects.
- Investing in GIS tools and mapping projects to

ensure council develops a better understanding of rohe boundaries and respective marae, hapū and iwi representatives in Te Taitokerau.

Mā te huruhuru, ka rere te manu

Adorn the birds with feathers and they will fly



Council Chair Penny Smart pictured with Mike Smith

Climate change resilience

The climate crisis is our generation's biggest challenge, and it's already an issue in Te Taitokerau. We must respond by transforming how our society and economy operate.

Northland Regional Council acknowledges the urgent need to respond to the climate change crisis. We are living in te ao hurihuri, the ever-changing world, where the historic and ongoing release of greenhouse gases is already altering the environment that supports us, threatening to cause severe social and environmental disruption. In the interests of unborn generations, our communities and our precious taonga, we must act now.

Northland Regional Council's Ngā Taumata o te Moana

Here at council, we've developed Ngā Taumata o te Moana: our strategy for tackling climate change, which was adopted in July 2021 along with the implementation plan for this strategy. Both documents guide council's work in this area and we've divided our work programme up into the three pou of the climate change crisis: adaptation, emissions reduction, and carbon removal. During the recent process of developing the Long Term Plan 2021-2031, while climate change was identified as one of the key issues driving our work programme, we were explicit about the need for community values to drive place-based adaptation actions.

The Te Tai Tokerau Climate Adaptation Strategy

Te Taitokerau councils celebrated a unique milestone in April 2022 after the adoption of New Zealand's first region-wide climate adaptation strategy, one that is at the heart of our efforts to increase Northland's resilience and works alongside our own climate change strategy above.

The Te Tai Tokerau Climate Adaptation Strategy was developed by Climate Adaptation Te Tai Tokerau (CATT), a joint council working group under the governance of the Joint Climate Change Adaptation Committee. The strategy was formally adopted in April 2022 by the Northland Regional Council, Whangarei District Council, Kaipara District Council and Far North District Council, in a move that will allow the alignment of climate adaptation work across Northland. It will also drive the delivery of place-based community adaptation plans.

The strategy is the culmination of four years of collaborative mahi with iwi and hapū representatives, elected members and council staff from across Northland.

Looking ahead

Northland communities are particularly exposed to climate change with many of our settlements, town centres, and roads sitting on coastal floodplains, exposed to sea level rise, and increased flooding. With coastal erosion and inundation becoming more prevalent along our region's coastline, difficult but important discussions about how to deal with those challenges are needed. Those discussions will need to canvas all options to manage risk, from holding the line through to moving away from hazardous areas.

We are working with communities, whānau and partner organisations to undertake adaptive planning processes that recognise and allow for the uncertainty inherent in our shared climate future.

Council's newly formed Climate Change team has recently begun work on project planning and tracking the progress of Ngā Taumata o te Moana and Te Tai Tokerau Climate Adaptation Strategy and determining exactly how we're going to achieve what we've set out to so that we can start to see our progress, and importantly, report on this.

Over the past year, we've also worked on a range of projects including:

- Partnering with Kaipara District Council on the region's first community adaptation planning project in Raupō and Ruawai, where work has commenced and the first community events have been undertaken.
- Engaging Toitū to measure and verify our climate impact. This will provide us with a verified emissions baseline and drive emissions reduction action across council and its operations with a focus on priority areas.
- Funding two community housing projects under the Water Resilience Grant Fund Programme. Following on from the 2020 drought, this programme allows vulnerable communities to apply for funding to install new drinking water infrastructure to ensure greater resilience during times of need.
- Completing a climate risk assessment for our lifeline utilities. This work identifies current and future threats to the critical pieces of infrastructure that provide water, power, and transport connectivity. Council have also contributed to a risk assessment and adaptation planning work with the Northland District Health Board.

- Sending submissions on several key policy changes, including proposed changes to the Emissions Trading Scheme, the National Policy Statement on Indigenous Biodiversity, the Emissions Reduction Plan, and the National Adaptation Plan. Staff also wrote a submission in support of Renewable Energy Zones for Northland.
- Continuing work on the CoastCare programme with our coastal communities to encourage greater coastal resilience.
- Releasing updated coastal and riverine flood hazard maps, which are beginning to be incorporated into district council planning regimes.
- Continuing to invest in low or zero emissions technology to support our operations, including additional solar panels on the Water St office and an increase in the number of electric vehicles for operations.
- Changing our procurement policy, council reports, and business case planning to encourage alignment with climate goals.
- Providing funding to Whangarei, Kaipara, and Far North District Councils towards planning for adaptation pilot projects.



Drought conditions, Takou Bay area

Compliance statement

Northland Regional Council

Annual Report

For the year ended 30 June 2022.

Statement of Compliance

The council and its officers are responsible for preparing this report and financial statements, including the statement of service performance, and confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

In our view, this Annual Report fairly reflects the financial position and operating results of the council and its subsidiaries for the year ended 30 June 2022.

Penny Smart
Chair

Malcolm Nicolson
Chief Executive Officer

Date: 27 September 2022



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NORTHLAND REGIONAL COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of Northland Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Peter Gulliver, using the staff and resources of Deloitte Limited, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 27 September 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 66 to 131:
 - present fairly, in all material respects:
 - the Regional Council's and Group's financial position as at 30 June 2022;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 135 to 136, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan;
- the statement of service performance of the Regional Council on pages 32 to 60:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;



- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 32 to 60, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's long-term plan; and
- the funding impact statement for each group of activities on pages 32 to 60, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 61 to 63, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council and Group's audited information and, where applicable, the Regional Council's long term plan.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council and the Group or there is no realistic alternative but to do so.



Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Council Activities, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.



- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 24 and 138 to 150, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit we have carried out engagements with respect to a limited assurance report pursuant to the Council's Trust Deed, and maintenance of the register of security stock. We have also provided a fraud and corruption risk assessment, an assessment of the internal audit function's maturity, an agreed procedures report in relation to the Kaipara Moana Remediation project, and a review of certain rates revenue collection processes and controls. These services have not impaired our independence as auditor of the Council. Other than these engagements we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.

[signature of Appointed Auditor]

Peter Gulliver
For Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
27 September 2022

Wāhanga tuarua: Ngā mahi ā te kaunihera Section two: Council activities

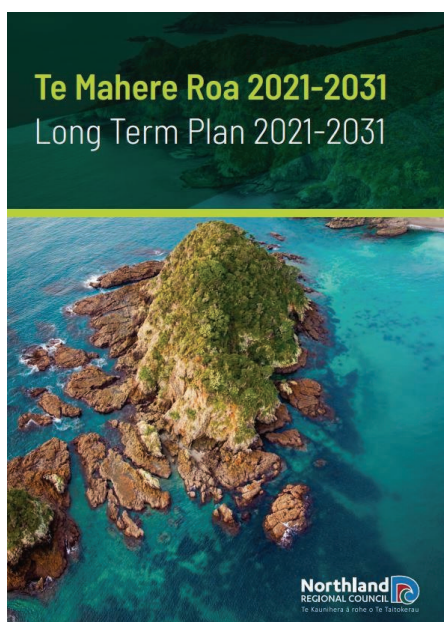


Overview of our activities

Northland Regional Council is required by law to deliver a range of core services, and strives for excellence in delivering these. There are other services that we deliver outside of our legal requirements.

We do this where we can (within legislative mandate) to respond to requests from our communities, address issues that arise, and make the most of opportunities, where the service or activity contributes to achieving good outcomes across the region.

In 2021 council approved the [Long Term Plan 2021-2031](#), which set out the range of services we intend to deliver during the next 10 years.



These services are broken down into activities and are grouped as follows:

- **Natural environment** - science, catchment management, biodiversity, biosecurity, planning and policy, consents, and compliance monitoring
- **Community resilience** - flood protection, climate change resilience, emergency management, oil pollution response, harbour safety and navigation, and transport
- **Regional leadership** - governance, Māori partnerships, economic development, community engagement, customer services, corporate services.

The Long Term Plan 2021-2031 identified the significant aspects of each service and set performance measures and targets for these to enable the level of service to be assessed

These performance measures and targets are reported on for the first time in this Annual Report 2022.

Te Taiao

Natural environment

Tiakina te taiao, tiakina te iwi e

We look after the environment, the environment looks after us

This group includes the following activities:

- Science
- Catchment management
- Biodiversity
- Biosecurity
- Planning and policy
- Consents
- Compliance monitoring.

These activities contribute to the following council community outcomes:

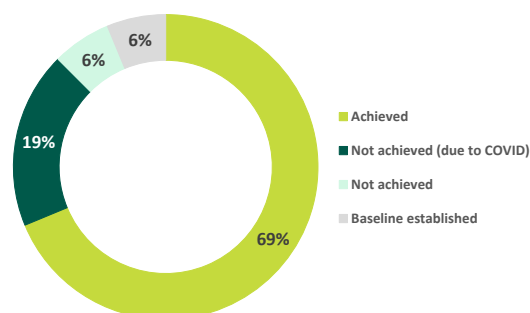
- Healthy waters for the environment and our people
- Protected and flourishing native life
- Resilient, adaptable communities in a changing climate
- Meaningful partnerships with tangata whenua.

Northland's natural resources are critical to the wellbeing of the region and its community

The range of activities required to manage our natural resources is captured in this natural environment group of activities: it combines our focus on quality data and science, programmes of protection and enhancement, and management via council's regulatory and planning responsibilities. Our natural environment work relies on collaboration with other agencies, communities and landowners to achieve great outcomes.

Changes to level of service

In the Natural environment group, the levels of service within each activity remained the same. Performance measures and targets have not all been achieved, with 11 of 16 performance targets met. Of the four targets not met, three of these were due to effects of the ongoing COVID-19 pandemic, such as events being cancelled, one was an administrative error, and one established a baseline given this is the first annual report following the Long Term Plan 2021-2031.



What we did

Environmental science and monitoring

The Natural Resources teams has been hard at work over the past 12 months:

- Modelling Northland airsheds to work out where future monitoring will be required.
- Assessing the impact of forestry on water allocation, with the report findings available on our website.
- Assessing the impact of the 2020 drought on Northland rivers, with the report finding available on our website.
- Completing studies on significant ecological areas in Waipu, Mangawahi and Ipipiri.
- Completing the installation of 25 monitoring stations that measure water quality continuously.

- Additional to the above, 10 new sites are now operational and visited monthly with water samples taken and sent for laboratory testing. These new sites are part of the suite of improvements recommended after the recent review of the environmental monitoring network.
- Providing funding and support to SKY TEM, which is a joint iwi, community and council project using remote sensing technology to map the Aupouri aquifer, significantly increasing the spatial knowledge of the system to support better decision making and management of the resource.
- Completing the upgrade to the flood warning system.

In addition to the monitoring carried out and recorded as performance measures in this report, the monitoring teams have:

- Trialled and are now implementing SWIM SAFE, which is a predictive model developed by Auckland Council to warn swimmers of potential risk before they enter the water.
- Begun trialling a new radar system for tracking storms in a collaborative project with the three district councils of Northland.

Another key area of focus has been making more data available to the public after collection. The upgrade to the council environmental data hub has been completed, which now displays an additional 543 sites.

Council now collects 14.4M data points per year and each point must be quality checked. A project to automate the checking begun in June 2022, with the tool aiming for completion by June 2023. This will process 5.5M data points per year, automating around one third of the current checks.

Catchment management

More than \$530,000 from the Environment Fund (along with Central Government-funded projects) was spent across Northland outside of the Kaipara Harbour catchment (around two thirds of Northland). This work included fencing to exclude livestock from riparian, wetland and bush areas, planting and soil conservation works.

Whangārei Urban Awa project

The Government-funded Whangārei Urban Awa project has just completed two full years. This project is helping to fund stock exclusion fencing and riparian planting in the catchments of four waterways running through central Whangārei (the Raumanga, Kirikiri, and Waiarohia streams, and the lower Hātea River).

While the strong uptake of the fund by landowners in the first year slowed down in the second year, the project did achieve a further 5.6km of fencing bringing the total so far to 13kms. The planting area achieved to date is 2800m². The target area will be expanded to include the Otaika catchment for the final year of the project, with the aim of achieving all deliverables for fencing length and riparian planting area.

Waimā Waitai Waiora project

The Waimā Waitai Waiora project is a five-year programme co-funded by the Ministry for the Environment and is in its final year. The final year of the project supported the planting of a further 70,000 native plants throughout the Northern Waiora catchment, in addition to the completion of Te Kawa Waiora (mātauranga Māori research project). The programme demonstrates the importance and value of working together as partners with tangata whenua with the common purpose of improving freshwater quality.

Kaipara Moana Remediation Programme

In October 2020, a joint Memorandum of Understanding was signed between the Crown, Kaipara Uri (Te Uri o Hau, Ngā Maunga Whakahī o Kaipara and Te Rūnanga o Ngāti Whātua), Auckland Council and Northland Regional Council, recording an agreement to work in partnership for the remediation of the Kaipara Moana as part of a multi-year \$300M programme. The subsequent Deed of Funding outlined a \$200M remediation programme, over a six-year period, focusing on reducing the level of sediment entering the Kaipara Moana. Within the Deed of Funding, the Crown committed \$100M, Auckland Council and Northland Regional Council committed \$10M respectively, and the remaining \$80M is to be funded through landowner contributions to remediation activities, and from other sources.

The 2021-2022 year has seen Kaipara Moana Remediation Programme build on the momentum of the previous year, substantially upscaling its support for landowners to fence off and plant waterways through the delivery of approximately \$2.1M in grant funding. This has helped pay for 235km of fencing and the planting of just over 380,000 native plants within the Kaipara catchment. This mahi has been facilitated by way of training and mentoring to support local employment, and landowner and community engagement, throughout the rohe. In total, 202 sediment reduction plans or equivalent were finalised in the year, covering nearly 52,000ha of land.

Biodiversity

Terrestrial and general

Advice and biodiversity plans have been provided to landowners. A large multidisciplinary survey and report was undertaken in the council Mt Tiger (Taika) Forest with mana whenua and other teams such as biosecurity and regulatory. As a result, recommendations from the report, such as additional pest and weed control, and fencing, are being actioned. Forest plots were undertaken with mana whenua, and permanent plots and methods are being investigated before the next pine harvest is carried out. Significant support and biodiversity technical advice has been provided to several council programmes, along with terrestrial fencing projects involving a total of 8.2km of fencing for seven forest blocks funded through the Environment Fund (\$47,548).

CoastCare

CoastCare groups and projects have continued to be supported to achieve protection and restoration of dune systems across Northland, with just over 12,000 plants provided through the CoastCare programme for 14 sites. This included restoration advice, organising, and attending planting days. Plant and event numbers were reduced this year due to ongoing effects of COVID-19. Key CoastCare messages have been promoted through newsletters, social media campaigns, signage, and other communications. Council also provided support and funding to the Far North Kaitiaki Ranger programme on the Karikari peninsula. Dune vegetation monitoring was undertaken by staff and local kaitiaki at 12 sites, and made publicly available. In addition, a pilot study was started in collaboration with Patuharakeke Te Iwi Trust Board and NorthTec to monitor fauna at Bream Bay dune sites. The information gained through monitoring helps to inform our management of the dunes and working with iwi, hapū and community groups helps improve understanding of dune systems.

Wetlands

Advice and restorations plans were provided throughout the year to landowners to support wetland projects. Five Top Wetlands were fenced (7.16km) with Environment Fund funding (\$38,628). A further 6.82km of fences bordering other wetlands was undertaken by Land team projects. The number of managed wetlands monitored by Wetland Condition Index Monitoring was increased to over 30 and the four tranches of monitoring since 2011 was completed for most wetlands last summer. Wetland mapping was progressed with an external provider and will be a key focus over the coming year. Staff worked with Manaaki Whenua Landcare Research on a draft report

on Monitoring of Northland Wetlands to deliver the requirements of the National Policy Statement for Freshwater Management. Biodiversity staff have given advice around several wetland compliance matters and are involved in one ongoing prosecution case.

Lakes

COVID-19 related postponements of the annual ecological monitoring, including five-year NIWA LakeSPI (Submerged Plant Index) monitoring, has pushed the programme out to winter 2022. Sixteen lakes will be visited in July, with eight LakeSPI surveys scheduled. Lake Taharoa at Kai Iwi received the annual weed surveillance checks with no target pest weeds detected.

FIF Lakes

Intensive pest fishing was undertaken in Lake Kapoai with 107 tench removed and one possible lake wide eradication. Eleven grass carp were removed from Roto-otua and 22 were removed from Lake Heather. Net mesh sizes have to be very precise for the size of target fish, which is why less fish were caught than anticipated, however more nets have been purchased for next time. An automated fish feeder is being developed to help increase catches next summer.

Several herbicide operations using both Reglone and Aquathol K targeting hornwort were undertaken in collaboration with landowners and/or iwi at Lake Tutaki, Tutaki Pond and Lake Egg (Poutō) throughout summer 2021 and autumn 2022, and at Mt Camel North Lake with the landowners. Monitoring and control operations are continuing. An accidental dieback on some small areas of wetland was recorded as a non-compliance and is being investigated by the Environmental Protection Authority.

Two dune lake education days were held with kura and one marae based Noho Taiao event was supported by delivering interactive freshwater modules. Several events were cancelled due to COVID-19.

A contract to undertake sediment mitigation at Kai Iwi Lakes to improve water quality was signed and the works will be carried out in Summer 2022.

A three-day wānanga for dune lakes held at Kai Iwi Lakes, organised by Te Roroa and council, was well attended by around 50 people from eight iwi. Māori facilitators did a great job in leading discussions on aspirations, needs to support kaitiakitanga, future projects and council-iwi partnerships. In addition, there were talks and workshops incorporating western science and mātauranga Māori, field visits led by landowners and mana whenua, and a night snorkel in the beautiful Waikare. All participants felt the

wānanga was an excellent start point towards a true partnership and another wānanga next year was requested.

Biosecurity

Biosecurity partnerships

Biosecurity restoration partnerships with communities controlling established pest animals have continued to grow and flourish across our Biofund, Community Pest Control Area and High Value Area programmes. In addition, we've been working in partnership with the Kiwi Coast Trust formally since 2017, providing a regional platform of support and coordination of grassroots conservation across Northland. There are now over 200 entities linked into Kiwi Coast, 201 of which are community, hapū or iwi-led projects. Collectively, these groups manage over 235,000 hectares. The momentum shows no signs of slowing down as more Northlander's get involved in actively caring for their native forests and wildlife. Kiwi Coast has continued to strategically support predator control in key areas, linking projects and building continuous trapping networks across landscapes, to boost kiwi survival and allow their safe dispersal into new areas. Monitoring results demonstrate the strength of Kiwi Coast's collaborative approach. Data collated from trap catch shows that 591,584 pest animals were caught in traps by groups and projects involved in Kiwi Coast over the last nine years, since records began.

Marine biosecurity

The 2021-2022 hull surveillance season concluded with 2061 vessels inspected and all incidents responded to promptly and successfully. In addition, the marine biosecurity team continued to grow partnerships with iwi/hapū, local and central government agencies, local communities, and the science and education sector.

The Ōpua Sabella eradication continued with significant gains made both in suppressing the population and subsequent spread of this species, as well as strengthening partnerships and advancing Northland's capacity to respond to and manage marine pest incursions.

Finally, the development of the Clean Hull Plan (a proposed National Marine Pathway Management Plan) progressed considerably, with the draft proposal ready for formal consultation. The Clean Hull Plan has been developed by the Top of the North Marine Biosecurity Partnership (Northland, Waikato and Bay of Plenty regional councils, Auckland Council, the Ministry for Primary Industries, and the Department of Conservation) over several years. It aims to reduce the risk of moving vessels spreading marine pests within New Zealand's waters. It builds on a significant

program of behaviour change, education, and science to create a simple structure that will be easier for the boating community and those working in marine infrastructure and services to understand and implement. This year has seen an exciting develop with Central Government committing \$5.56M over the next four years to advance the Clean Hull programme as a pilot in the Top of the North regions, which captures 70% of New Zealand's vessel fleet.

Pest plants

In addition to supporting the community led pest plant work, the High Value Area and Community Pest Control programmes, over 2000 property inspections and control visits were completed for the Exclusion, Eradication and Progressive Containment species programmes. Extended surveillance work, including drone surveillance, continued to better delimit infestations areas, with a significant number of new sites detected. One new site of the Exclusion species, Climbing Spindleberry (*Celastrus orbiculatus*), was also identified and controlled. Council also managed the delivery of the Ministry for Primary Industry's Manchurian Wild Rice National Interest Pest Response programme and the National Wilding Conifer programme for Northland. Over 74,800 wilding conifers were removed from key habitats.

Predator Free 2050

The Predator Free 2050 projects coordinated across Whangārei and Pēwhairangi Whanui (Bay of Islands) have picked up pace over the last year with great work being put in by hapū, uri and community groups across the motu. Two new staff have joined the team as Predator Free Programme Managers for both projects respectively, and are leading valuable relationship building on mahi.

The Whangārei project team are underway on the first two priority blocks and are busy servicing over 150 traps and 200 bait stations across the Te Whara, Taurikura and Kauri Mountain/Ocean Beach areas. While trail cam footage has shown many resident possum and kiwi images, they are currently observing large quantities of bait being consumed by rats. Planning for expansion into other areas of the Whangārei Heads, in partnership with local hapū uri, is well underway and different methods of eradication delivery are being explored.

Mahi in Pēwhairangi Whanui has focused on hapū and community group preparation for eradication commencement across the three project peninsula's (Rakaumangamanga, Kororareka and Purerua), with delivery of these projects being community and hapū led. Time and focus have also gone into exploring effective governance partnership structures and preparing for the start of eradication. It's looking like

the flow-on from recent collective korero could be a steppingstone for other collaborative environmental and community work.

There is a buzz amongst the groups involved with the Predator Free kaupapa and a keenness to be involved to make a real difference for the future health of our native flora and fauna.

Kauri protection

The Kauri Protection team have delivered eight kauri protection workshops, 10 school education presentations, taken 168 soil samples with only six positives, as well as completing three fencing jobs protecting 30ha of forest blocks, delivered 14 new hygiene stations, and identified two new positive sites.

The Kauri Dieback Track Mitigation project – funded by \$2M from the Provincial Growth Fund to protect kauri along sections of the Te Araroa and other public trails – has continued and completion will be by 30 September 2022. To date, five track sections have been completed, being Kauri Mountain, Upper Kerikeri River, Puketotara Farm, Wrights Farm, and Upper Puketotara, with only Paparoa Bush Walk and Kaiwaka Domain remaining. The project has faced challenges, has adapted accordingly, and will exceed track distance targets set at the beginning.

Deer eradication

Preparations are underway to conduct a large-scale DNA survey using sika faecal pellets over the Russell Forest in October–November this year. The goat population is high in some parts of the forest, and because the faecal pellets of both goats and sika are very similar in appearance, it's difficult to differentiate between them. To ensure efficiency and cost effectiveness of the sika DNA survey, we carried out two goat cull operations with support from the Ministry of Primary Industries, the Department of Conservation, and local hapū in February and March this year. One-hundred-thirty-seven goats were removed from the sika habitat.

An unpermitted deer farm in Ruawai holding 46 deer was destocked by Biosecurity staff and contractors.

There were also several incursions during the year, which resulted in five fallow and seven red deer being destroyed.

Freshwater pests

Red eared slider turtle requests totalled 13 across Northland, ranging from Houhora to Mangawhai. Five slider turtles were rehomed and one euthanised, with the remaining seven requests active as a result of

turtles not being detected on follow up or requiring further notifications from requestors monitoring nearby sites where the turtles were observed.

Drone surveillance work at Lake Taharoa was carried out in May 2022 to determine its potential at detecting koi carp, following a koi carp sighting in the lake in February 2021. Although no koi were detected along shallow margins of the lake, the approach has potential and additional trial work is planned.

Gill and fyke netting work, along with eDNA sampling to determine the presence/absence of koi carp within the Awanui, Karemuhako, Mangatete and Parapara Rivers (Kaitaia) outside koi containment zones, was carried out. This was in collaboration with the Department of Conservation as a follow up to reported sightings of koi carp within these rivers. Although no koi were captured, goldfish often were, suggesting these may have been mistaken for koi. However, among some sites, the eDNA results suggest the presence of koi and follow up netting is planned to confirm this.

Additional, netting operations for grass carp in Lake Swan (Poua) and Lake Heather (Kaitaia) saw 33 fish removed, with a further 107 tench removed from Lake Kapoai (Poua) in a combined effort between the Pest fish and the Biodiversity (FIF Funded) team. To further increase fishing success, floating automatic and stationary fish feeder systems are being developed to attract fish to bottleneck areas in these lakes where netting can be more effective. Similarly, specialty gill and trammel nets have been ordered from overseas to increase capacity to deliver incursion responses for a range of pest fish species (tench, rudd, perch, koi carp, grass carp), and fish sizes (juveniles, sub adults and adults), as well as nets that can cover both shallow (rivers) and deep-water environment (lakes) depth ranges. This will ensure council has the capacity to deliver responses to small, or if required, larger incursions of pest fish throughout Northland.

Planning and policy

Regional Plan for Northland

Negotiations and hearings on the appeals to the Proposed Regional Plan continued throughout the year with nearly all points now resolved. Significant court decisions over the last year include the High Court decision confirming the application of the National Environmental Standards for Freshwater in the coastal marine area and the Environment Court issuing its final decisions on the provisions for mangrove removal and livestock exclusion from waterways. Updates to the appeals version of the plan have been published on a regular basis on our website www.nrc.govt.nz/newregionalplan

Freshwater Plan

Work continues on the Freshwater Plan – a new set of policies and rules for the use of freshwater. The Freshwater Plan is council's response to the Central Government's 2020 'Essential freshwater' direction for improving freshwater. The Tangata Whenua Water Advisory Group and Primary Sector Liaison Group have met regularly over the past year to input into the development of the Freshwater Plan. A draft of the Freshwater Plan will be released for public feedback mid-2023.

Consents

A total of 1201 consent application decisions were made during the financial year:

- Coastal permits – 178
- Discharge permits – 236
- Land use consents – 306
- Water permits – 481

There were appeals on 24 of the consent application decisions, being the Aupouri groundwater take applications. These applications were jointly processed and decided on by Independent Commissioners. The appeals on these application decisions are still before the Environment Court.

Compliance monitoring

In addition to the compliance monitoring carried out and recorded as performance measures in this report, council also received 248 notifications under the National Environmental Standard – Plantation Forestry and carried out 110 site inspections.

Council took the following enforcement actions in relation to non-compliance with resource consent conditions, regional rules, or national regulations:

- 92 infringement notices (93 in 2020/21)
- 200 abatement notices (210 in 2020/21)
- Nil enforcement orders (four in 2020/21)
- Two prosecutions initiated (3 in 2020/21)

1.1 Science

Performance measures and targets

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, with any exceedances of National Environmental Standards reported and made available to the community	100%	100% - achieved
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

Performance measures and targets

1.2 Improved water quality is advanced through advice and funding to support sustainable land management

Performance measure	Target	2021/22 result
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

Performance measures and targets

1.3 Indigenous biodiversity and ecosystems are maintained and enhanced, particularly around our rivers, lakes, wetlands and coastal margins

Performance measure	Target	2021/22 result
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.

Performance measure	Target	2021/22 result
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 Lake Submerged Plant Index monitoring carried out in the time period, and therefore did not meet the criteria of active management.

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

1.4 Biosecurity

Performance measures and targets

1.4.1 Community involvement in pest management is promoted in 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

Performance measure	Target	2021/22 result
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	5000ha annually	7345ha – achieved
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2000 hulls annually	2061 hulls – achieved

1.5 Planning and policy

Performance measure and target

1.5 Good management of Northland's environment is supported by up-to-date legislative planning documents based on sound evidence and processes

Performance measure	Target	2021/22 result
Percentage of environmental planning legislative requirements achieved each year	100% of requirements met	100% – achieved

1.6 Consents

Performance measure and target

1.6 Processing and administering of resource consents is efficient and effective

Performance measure	Target	2021/22 result
Percentage of all resource consent applications that are processed within the statutory timeframes	100%	99.92% – not achieved

Performance measure	Target	2021/22 result
		One out of 1201 consents was not processed within the statutory timeframes due to an administration error that has now been rectified.

1.7 Compliance monitoring

Performance measures and targets

1.7 Compliance monitoring of resource consents, and response to reported environmental incidents, is timely and effective

Performance measure	Target	2021/22 result
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

Te Taiao | Natural environment

Funding Impact Statement

For the period ending 30 June	Long Term Plan 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	275
Targeted rates	15,960	20,346	20,735
Subsidies and grants for operating purposes	330	6,345	6,272
Fees and charges	2,408	2,640	3,164
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	6
TOTAL OPERATING FUNDING	18,698	29,331	30,452
Applications of operating funding			
Payments to staff and suppliers	17,245	27,224	24,573
Finance costs	-	14	-
Internal charges and overheads applied	6,072	8,754	9,005
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	23,317	35,992	33,578
Surplus/(deficit) of operating funding	(4,619)	(6,661)	(3,126)
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	-
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	332	398	374
to replace existing assets	2	117	72
Increase/(decrease) in reserves	-	(548)	1,972
Increase/(decrease) of investments	(4,953)	(6,627)	(5,544)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(4,619)	(6,661)	(3,126)
Surplus/(deficit) of capital funding	4,619	6,661	3,126
FUNDING BALANCE	-	-	-

Major variances compared to Year 1 (2021/22) of the Long Term Plan 2021-2031

Operating Funding

Operating funding is \$1.12M more than the long term plan predominantly due to:

- Higher than planned rates income
- Higher than planned consent monitoring income

Application of Operational Funding

Applications of operating funding is \$2.41M lower than the long term plan predominantly due to:

- Lower than planned salaries due to vacancies
- Lower than planned costs on software projects
- Lower than planned costs on predator free project costs
- Lower than planned Freshwater Improvement Fund project costs
- Lower than planned environment fund grants

Manawaroa te hapori Community resilience

Hei aha te mea nui i tenei Ao? He tangata, he tangata, he tangata

What is the greatest thing in the world? It is people, it is community

This group includes the following activities:

- Flood protection. This is required as a group of activities on its own under the Local Government Act, but is included here as part of the community resilience package. It has a separate funding impact statement at the end of this section.
- Climate change resilience
- Emergency management
- Oil pollution response
- Harbour safety and navigation
- Transport.

These activities contribute to the following council community outcomes:

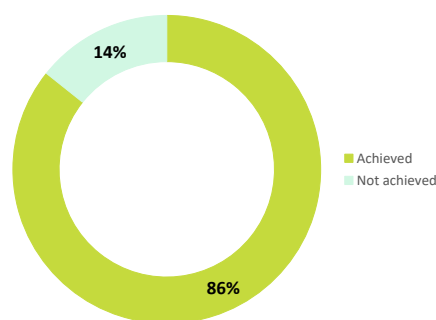
- Resilient, adaptable communities in a changing climate
- Safe and effective transport networks connecting our region.

Northland's awe-inspiring geography provides us with places to visit, play and make a living, but it also makes us vulnerable to high-intensity rainfall, drought and other hazards. The region covers a significant area, on land and out on the water. Council is continually working to improve Northland's safety and resilience, and stay one step ahead of the next challenge we're likely to face.

Our community resilience group of activities pulls together different aspects of resilience. This mahi involves our efforts to keep people safe on the roads and on the water; identifying, assessing and providing information on natural hazards, in particular working to protect Northland communities from flood hazards; preparing for climate change and emergency situations, and responding when we need to. All these activities rely heavily on collaboration with our communities, tangata whenua, other agencies and landowners to achieve shared goals.

Changes to levels of service

In the Community resilience group, the levels of service within each activity remained the same. Performance measures and targets have been largely achieved with six of seven performance targets met. The one target not met was due to a retendering of two public transport services, which meant the customer satisfaction survey was not undertaken.



What we did

Flood protection

Awanui flood scheme upgrade

We're in year two of the three year accelerated works programme and as a result of COVID-19 affecting contractor staff during summer's earthworks season, we lost approximately three weeks. Both contractors have mitigated this by working longer hours and weekends, and as a result, the Awanui Contract 21/05 - Northern Stopbanks are approximately 80% complete. All completed sites are seeded and fenced. The outstanding sites are programmed to commence Sept/Oct 2022.

Contract 21/09 - Switzer Bench is approximately 50% complete. The earthworks and rock revetment at the rear of Bell's Produce is now 100% complete (the most difficult part of the contract). The outstanding sites are programmed to commence Sept/Oct 2022.

Contract 21/10 – Rugby Club earthworks are 100% complete. The rock revetment is phased to continue into winter (materials availability and river levels permitting) and has the advantage that we have rock storage on hand, so less risk from wet weather. A timber floodwall is also under construction and programmed to be completed within the winter period.

Primary School bench is now 100% complete and the community is incredibly happy with the reinstatement of the A&P showgrounds areas. A comprehensive planting programme is underway. The Far North District Council shared path is fully concreted and in use. The path ties in very nicely with council reinstatement.

Design and procurement for the final year of the Provincial Growth Fund programme is ramping up and it's hoped we can complete some low-impact work, such as timber floodwalls, during the coming winter period.

Planting is underway on several completed areas and local contractors are employed for this work. This will enhance the new river pathway that loops around the Te Ahu Centre and the new Te Hiku Sports Hub that is under construction, adding a fantastic feature for the community as an exercise loop.

Otiria-Moerewa flood mitigation spillway and bridge

We're approaching practical completion of the Stage 1 Contract. The Stage 2 (Bridge Replacement, including footpath) tender has closed, and staff are evaluating tenders. The Stage 3 design is completed and will commence in September 2022. Replanting at Turntable Hill has been completed, although we have experienced delays due to wet weather and COVID-19 impacts.

Regional work

Region-wide flood maps have been completed and this data is live on our website, giving access to the most up-to-date flood hazard information in Northland. This will inform future development and is Northland's best tool to adapt for future climate change. These maps complement the Priority Rivers flood maps, meaning we now have river flood maps coverage for the whole region.

The Coastal Flood and Erosion Hazards Zone maps have been completed for all of Northland, particularly in relation to potential climate change impact, for example Sea Level Rise (SLR) current predictions.

The upgrading of the Whangārei hydraulic flood model (and related maps), in collaboration with Whangārei District Council, is nearing completion. This will

incorporate the latest LiDAR and flood risk management works, and Central Business District stormwater networks, in the Whangārei catchment.

The hydraulic flood modelling for the Waima Catchment has also commenced, with deliverables like the above-mentioned Region-wide flood maps.

Climate change

Our work on climate change is outlined in section one of this report titled 'Climate change resilience'.

Emergency management

All Civil Defence Emergency Management (CDEM) groups are legislatively required to operate under Group Plans, which must be reviewed every five years. The Northland Civil Defence Emergency Management Group recently reviewed and approved the 2021-2026 plan, which outlines the strategic direction of CDEM engagement, participation, planning, collaboration, response coordination and recovery.

Work has commenced on the Tsunami Siren Upgrade project, which will see the installation of 96 new tsunami warning sirens across the region. The \$5M project is being funded by all four of Northland's councils through their long term plans and will take place over an estimated three years. Twenty potentially suitable locations for the first tranche of sirens to be installed in Year 1 of the programme have been identified, and community and stakeholder engagement is underway.

The development of a Multi-Agency Emergency Coordination Centre for Northland is commencing. This will provide a central, purpose-built facility that will allow for improved collaboration between CDEM staff, emergency services and other agencies during responses. Site investigations, a feasibility study and initial planning has been completed.

The group continued to support the All-of Government response to COVID-19 as well as a series of other regional events. Over the Christmas and New Year period, the CDEM professionals provided support to the community impacted by the Kaimaumu fire response in the Far North, the Aranga fire in Kaipara, and in late January 2022 responded to the tsunami impacts in the Tutukaka Marina that occurred as result of the Hunga Tonga-Hunga Ha'apai underwater volcanic eruption in Tonga. There have also been several moderate weather events that required monitoring by on call staff.

Harbour safety and navigation

There were 193 maritime incidents logged this year. COVID-19 response and not being able to travel overseas increased recreational boating activity.

There was a noted increase in vessel accidents and abandoned boats with decreases in bylaw offences, oil spills, aids to navigation and mooring incidents. Council approved the build of a new replacement work/pilot vessel for delivery in 2023.

A continued campaign to improve navigation safety outcomes in the Far North once again proved successful and the identification of the need for another Honorary Enforcement officer for the Far North is being implemented.

Summer safety patrols continued around Northland again and play an essential role in managing on water issues over the busy summer period.

Aids to Navigation work was completed in many of the Far North harbours over the past year. Planning is underway for the replacement of the old beacons in the Kioreroa reach with new buoys.

The Maritime team have been assisting Maritime New Zealand with the transition at Marsden Point of the Refinery to Channel infrastructure and a new Tier 1 plan. This has included training new staff in field and command centre positions for dealing with a local oil spill incident.

Regional transport

Planning

Both the Regional Land Transport Plan for Northland 2021-2027 and the Regional Public Transport Plan for Northland 2021-2031 were completed and implemented in 2021.

The release of the 2021-24 National Land Transport Programme was three months late, resulting in a number of projects having late starts due to funding uncertainties.

Contracted bus services and Government funding assistance

In an effort to allow contracted bus services to fully operate during the 2021/2022 financial year, the Government continued to subsidise lost farebox revenue at 50%. In addition, they introduced a 50% fare incentive scheme to get more people on buses and to assist people struggling financially. The Government has covered the discounted portion of the fare at 100%.

CityLink Service

Passenger figures have taken a 43,530 drop from the 2020/2021 (326,894) to 2021/2022 (283,364) financial years. This has been directly attributed to the large

swing from adult passengers to scholars carried, which results in a dramatic drop in passengers traveling during the school holiday periods.

In addition to the above, incidents of anti-social behaviour at the Rose Street Bus Terminus and on the buses have continued unabated. Staff continue to work with the bus operator, schools, Whangarei District Council, CitySafe and the New Zealand Police in an attempt to find a solution to this problem.

The planned introduction of individual school-only buses operating directly to/from the schools in an effort to keep the students apart has had to be delayed due to a shortage of bus drivers.

SuperGold Card passengers also remain hesitant to use the service due to the fear of COVID-19 and the antisocial behaviour experienced, and therefore remain using the Total Mobility Scheme.

In June 2022, a Passenger Satisfaction Survey was conducted on the CityLink service over a period of 4 days, with 199 passengers interviewed. Of these, 93% rated their overall experience of the public transport system as Good to Extremely Good.

Hikurangi Link service

Staff continue to actively work with community groups to identify various options to continue to grow the service and if feasible, expand it. Passenger figures have however, remain low.

Whangārei Heads Link service

Following a period of increased promotion for this service and no increase in passenger numbers, this service was withdrawn at the end of January 2022.

Far North Link/Mid North Link/Hokianga Link service

Following an extensive feasibility/viability exercise into the above services, both the Far North Link and Mid North Link services were retendered. The Mid North Link tender was awarded to the Kaikohe Bus Company, being the only tenderer. The Far North Link tender has yet to be awarded.

National bus driver shortage

There is presently a national bus driver shortage, which is having a growing impact on the ability of operators to meet their contractual obligations. This in turn is negatively impacting passenger numbers. It's anticipated that this problem will continue to grow over the next financial year.

Total Mobility

Total Mobility scheme – Whangārei

When comparing the 2021/2022 against the 2020/2021 financial year, there was a \$21,868 increase in fares collected, however 4377 fewer trips operated.

There was a drop in trips in September, October and November 2021, due to COVID-19 and New Zealand moving through the different lockdown levels. When the new protection framework (traffic light system) commenced in December 2021, clients were still too nervous to travel.

On 1 April 2022, the Government introduced the 50% public transport initiative, which included 50% discount on Total Mobility fares. This resulted in Total Mobility clients travelling further but not as often hence the increase in fares collected, but still fewer trips.

A total of 1259 Total Mobility scheme clients are registered on the database. This is a decrease of 57 compared to the previous financial year's total of 1316 clients.

Total Mobility scheme – Far North

The Far North Total Mobility scheme commenced on 1 July 2022 in the Kerikeri area. The approved Transport Operator, based in Kerikeri, has installed the relevant equipment to allow use of the Ridewise electronic Total Mobility card system. All Health and Safety requirements have been met/signed off and all drivers have been trained in the Waka Kotahi NZ Transport Agency unit standards 01748 and 15165 to allow them to carry Total Mobility clients.

Northland Transportation Alliance staff have undertaken 95 eligibility assessments and have entered all 95 into the database. This will be an ongoing process.

Plans are in place to increase the maximum subsidy from \$15 to \$25 (or \$30) in November/December 2022. This will hopefully encourage more people to sign up to the scheme and any increase will be closely monitored to ensure costs do not exceed budget.

Regional road safety

Regional Road Safety partners continue collaborating using evidence-based approaches to targeting road safety risk. Key themes include restraints, impairment, distractions, and speed – otherwise referred to as 'RIDS'. In addition, the Safe System Approach targets – Safe Roads & Roadsides, Safe Speeds, Safe Vehicles, Safe Road Use. This also includes targeting motorcycles and heavy vehicle safety.

The Government's 'Road to Zero Strategy' has a target of a 40% reduction in deaths and serious injuries by 2030. Road Safety promotion includes advertising – print and radio, social media promotion, digital, websites, bus backs, roadside billboards etc. – to support initiatives of police and roading engineers to reduce deaths and serious injuries on the region's roads. Ongoing advocacy with Waka Kotahi continues regarding safety improvements on all Northland state highway and local road corridors.

During the 2021/2022 financial year, provisionally there were 28 deaths and 166 serious injuries on Northland roads. To achieve a 40% reduction in death and serious injuries over the next 10 years (or 4% per annum) is going to be exceptionally challenging in these on-going uncertain COVID-19 and funding restricted times.

2.1 Flood protection

Performance measure and target

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

Performance measure and target

2.2 Council provides proactive and coordinated planning for projected climate change and adaptation responses

Performance measure	Target	2021/22 result
Development, delivery and implementation of key regional climate change plans and documents	2021/22: <ul style="list-style-type: none"> • NRC climate change strategy complete with high-level vision • Regional climate change risk assessment and adaptation strategy developed 	100% - achieved

2.3 Emergency management

Performance measure and target

2.3 Communities are supported to understand, plan for and manage hazards and risks

Performance measure	Target	2021/22 result
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

Performance measure and target

2.4 An efficient and responsive oil pollution response is maintained

Performance measure	Target	2021/22 result
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

Performance measure and target

2.5 Regional navigational safety is maintained, and marine activities are safely managed

Performance measure	Target	2021/22 result
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 ⁽¹⁾	100%	100% - achieved

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

2.6 Transport

Performance measures and targets

2.6 A resilient transport network is planned for and implemented, including passenger transport services

Performance measure	Target	2021/22 result
Percentage of passengers surveyed on the Whangārei, Kaitiaki 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.
Achievement of key Northland Transport deliverables, measured as an aggregated score, for: <ul style="list-style-type: none"> ● road safety ● capital works programmes ● maintenance programmes ● response to customer service requests 	Aggregated score for achievement of deliverables is greater than 75%	80.9 - achieved

Manawaroa te hapori | Flood protection Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	54
Targeted rates	4,050	4,387	4,388
Subsidies and grants for operating purposes	-	-	4
Fees and charges	-	-	-
Internal charges and overheads recovered	4	5	18
Local authorities fuel tax, fines, infringement fees and other receipts	36	37	42
TOTAL OPERATING FUNDING	4,090	4,429	4,506
Applications of operating funding			
Payments to staff and suppliers	1,454	1,451	1,821
Finance costs	582	452	335
Internal charges and overheads applied	984	554	769
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	3,020	2,457	2,925
Surplus/(deficit) of operating funding	1,070	1,972	1,581
Sources of capital funding			
Subsidies and grants for capital purposes	-	3,940	5,620
Increase/(decrease) in debt	2,354	2,469	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	2,354	6,409	5,620
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	2,429	6,703	4,666
to replace existing assets	1,220	-	-
Increase/(decrease) in reserves	1,218	5,205	2,085
Increase/(decrease) of investments	(1,443)	(3,527)	450
TOTAL APPLICATIONS OF CAPITAL FUNDING	3,424	8,381	7,201
Surplus/(deficit) of capital funding	(1,070)	(1,972)	(1,581)
FUNDING BALANCE	-	-	-

Major variances compared to Year 1 (2021/22) of the Long Term Plan 2021-2031

Flood Protection

Sources of Capital Funding

Sources of capital funding is \$789K lower than the long term plan predominantly due to:

- Not requiring borrowing on flood infrastructure work during the year. This was due to more than planned grants for flood infrastructure works from the PGF.

Capital Expenditure

Capital Expenditure is \$2.03M lower than the long term plan predominantly due to:

- Delays on some flood works programmes

Manawaroa te hapori | Community resilience

Funding Impact Statement

For the period ending 30 June	Long Term Plan 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	76
Targeted rates	4,183	6,142	6,231
Subsidies and grants for operating purposes	2,539	3,780	4,330
Fees and charges	1,899	1,550	1,129
Internal charges and overheads recovered	-	-	16
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL OPERATING FUNDING	8,621	11,472	11,782
Applications of operating funding			
Payments to staff and suppliers	7,629	10,031	9,187
Finance costs	-	-	5
Internal charges and overheads applied	1,927	1,744	1,685
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	9,556	11,775	10,877
Surplus/(deficit) of operating funding	(935)	(303)	905
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	-
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	-	-	-
to replace existing assets	26	1,201	446
Increase/(decrease) in reserves	(54)	(59)	299
Increase/(decrease) of investments	(907)	(1,445)	160
TOTAL APPLICATIONS OF CAPITAL FUNDING	(935)	(303)	905
Surplus/(deficit) of capital funding	935	303	(905)
FUNDING BALANCE	-	-	-

Major variances compared to Year 1 (2021/22) of the Long Term Plan 2021-2031

Operational Funding

Operating funding is \$310K more than the long term plan predominantly due to:

- Cost recoveries from the Northern Transport Alliance not in the long term plan
- Higher subsidies for council public transport services than in the long term plan

Application of Operational Funding

Applications of operating funding is \$898K less than the long term plan predominantly due to:

- Lower than planned staffing costs due to vacancies
- Lower than planned costs on a water resilience fund project
- Lower than planned costs on council's share of Northern Transport Alliance costs
- Lower than planned expenditure on climate change resilience projects
- Lower than planned costs on the civil defence shared service.

Hautūtanga ā rohe Regional leadership

Mā e huru huru, ka rere te manu

With support, anything can be accomplished

This group includes the following activities:

- Governance
- Māori partnerships
- Economic development
- Community engagement
- Customer services
- Corporate services.

The activities contribute to the following council community outcomes:

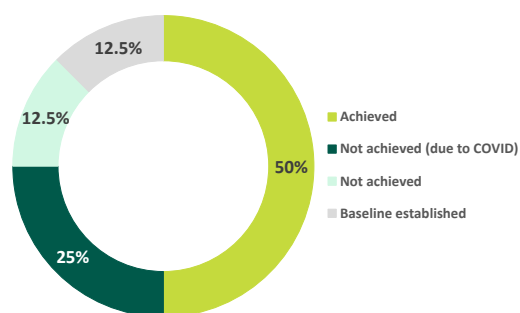
- Healthy waters for the environment and our people
- Protected and flourishing native life
- Resilient, adaptable communities in a changing climate
- A strong and sustainable regional economy
- Meaningful partnerships with tangata whenua
- Safe and effective transport networks connecting our region.

There's a lot we do that our community can see, touch and experience, such as trapping pests, planting plants or riding buses. But many of the things we do are less visible, yet critical to the successful operation of council. Having a good understanding of the wants and needs of Northland's people to inform strong leadership and decision-making, ensuring that we're ahead of the game with statutory obligations to Māori, and that we're transparent and accessible – this underpins all that we do as regional leaders.

The regional leadership group of activities sets out what we're doing in these areas, and encompasses the essential corporate and support functions required to ensure we're running in the most efficient, accountable and legislatively compliant manner. It also captures the work we're doing to promote sustainable economic development for Northland.

Changes to levels of service

In the Regional leadership group, levels of service within each activity remained the same. However, performance measures and targets have not all been achieved with only four of eight performance targets met. Of the three targets not met, two of these were due to the effects of the ongoing COVID-19 pandemic, such as staff resourcing and business disruptions, one was due to administrative errors, and one was establishing a baseline given this is the first annual report following the Long Term Plan 2021-2031.



What we did

Representation review

Following the decision to establish Māori constituencies in October 2020, council was required to undertake a representation review so that the new arrangements would be in place for the next local government elections in 2022. This review looked at the number of councillors, the areas they are elected from (constituencies), and the names of those constituencies.

In July 2021, council resolved its initial representation arrangements proposal being a council comprising of nine members elected from eight constituencies as follows:

- Far North General (one general councillor)

- Bay of Islands-Whangaroa General (one general councillor)
- Kaipara General (one general councillor)
- Mid North General (one general councillor)
- Coastal Central General (one general councillor)
- Whangārei Central General (one general councillor)
- Coastal South General (one general councillor)
- Te Raki Māori (two Māori councillors)

Council received 31 submissions within the month-long consultation period. Having conducted hearings and then deliberating on submissions, council confirmed its initial proposal as its final proposal for the October 2022 local body elections.

Two appeals were received on the final proposal, which were then passed on to the Local Government Commission to make the final decision. The Commission conducted hearings with the council and the two appellants, and in April 2022 determined that council's final representation arrangements would apply for the October 2022 local body elections.

Partnerships and meaningful relationships with Māori

Our work with Māori is outlined in section one of this report titled 'Partnerships and meaningful relationships with Māori'

Economic development

A major focus of work for 2021/22 was supporting the first year of the Joint Regional Economic Development Committee (JREDC). The JREDC was established by Northland Regional Council, Far North District Council and Kaipara District Council to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc, which took effect 1 July 2021.

To support the long-term direction and work of the JREDC, Northland Inc has been directed and funded to develop a regional economic development strategy, Te Ōhanga Rautaki Whānui o Te Tai Tokerau. The co-designed and Te Tiriti o Waitangi based strategy will be intergenerational and developed in partnership with iwi and hapū, communities and industry sectors alongside local and central government. A steering group to guide the development of the strategy has been established. The aim is to complete the strategy by the end of June 2023.

Council developed a criteria and procedures for the allocation of funding from the Regional Projects Reserve, which was established in the Long Term Plan 2021-2031. Council also supported the development

of water storage schemes by Te Tai Tokerau Water Trust in both Kaipara (near Dargaville) and the Mid North (near Waimate North).

Council continued to lobby central government for improved infrastructure including digital connectivity, transport networks and renewable energy.

An agreement was reached with a guarantor of the failed REL sawmill venture at Ruakaka to recover some of the money owed to council. Four issues of the Northland Economic Quarterly were published.

Community engagement

The Tū i te ora Scholarship programme recognises and supports students to undertake study, research or training that relates to council's environmental and regulatory functions. Eight scholarships valued at \$3000 were awarded to deserving students chosen from more than 40 applications. The scholarships also aim to build Māori capability within Northland, with four of the recipients identifying as Māori.

The fourth Whakamānawa ā Taiao – Environmental Awards celebration event was held in Dargaville with around 150 people in attendance. The awards are about recognising and celebrating individuals and groups that are making a difference to help Taitokerau thrive. This year we had nine winners (seven category winners, one supreme winner, and one special awards winner), 22 finalists and 52 entries.

Council allocated \$23,000 of funding via the annual Environmental Leaders' Fund (ELF) to 30 early childhood centres and schools across Northland. Funding is provided for native planting and riparian restoration projects, fencing, shade house and nursery construction, and SHMAK kits for water quality monitoring. In addition to the ELF fund, another \$6578 worth of trapping hardware from council's biosecurity fund was granted to eight schools carrying out pest control projects.

Education

We now have 147 Enviroschools – 11 hold Green-Gold status, 27 Silver and 61 Bronze. We adapted our NCEA-based courses – Project Pest Control and WaiFencing – to fit with COVID-19 mandates. We held a dedicated pest control workshop for teachers and provided 30 schools with Kete Aronui – taking climate action kits – as a response to being unable to hold a face-to-face event.

Customer services

The total number of incoming calls through customer services was 23,740, with 97.5% of calls being answered within 30 seconds.

We've changed the way we measure community feedback. An annual residents' survey has been replaced with an "always on" survey where residents can tell us what's important to them and what they think we can do better. We've also started to focus on the customer feedback provided directly after an interaction with council.

Corporate services

Section 17a service review

The following service delivery options were considered for delivering consent and monitoring services to the Northland region:

- Current state (predominantly insourced)
- Outsourced
- Outsourced through Council Controlled Organisation

It was determined that the current predominantly insourced model demonstrates the best option for cost effective delivery of these services.

Commercial property developments

In November 2021 investment partners council and NIWA kicked off the construction of a new land-based aquaculture facility at Ruakākā, one promoting a more environmentally friendly future for the industry. NIWA is providing the scientific know-how, specialist equipment and the product sales, marketing and restaurant distribution, while council supports the project through specific lease agreements covering

the core infrastructure and buildings. When operating at full capacity, the unit is projected to demonstrate the practical use of this type of technology for the commercial, whole-of-cycle production of kingfish by sustainably producing up to 600 tonnes of harvest fish per year.

Late April 2022 saw council complete the \$9.2M Kaipara Service Centre complex, now housing approximately 80 local authority staff from two different councils. Mainly administrative Kaipara District Council staff (KDC) moved into the new building in early July 2022 and, as a regional council field office, the two-storey building is also now home to associated council vehicles and specialist equipment. While KDC is the key tenant, council, as building owner, expects to also have Kaipara Moana staff based at the centre and both local iwi and regional economic development agency Northland Inc have also shown interest in using hot desks there.

Enterprise system refresh project

In June we completed the implementation of the core functionality for finance (chart of accounts and general ledger), human resources (employee master data), asset management (the asset register) and budgeting and planning (the budgeting life cycle) as well of the new training platform.

The project team is now working on the design and implementation of the more complex processes that are built on the core functionality for managing the various enterprise processes such as finances, budgets, procurement, billing, employees, and assets.

3.1 Governance

Performance measures and targets

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.

Performance measure	Target	2021/22 result
Percentage of time that elected members attend council meetings	90%	93.2% - achieved

3.2 Māori partnerships

Performance measures and targets

3.2 Regional leaders have the capabilities and skills to support council's enduring relationships and active engagement with Māori

Performance measure	Target	2021/22 result
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%	100% - achieved

3.3 Economic development

Performance measure and target

3.3 Northland's economic wellbeing is enhanced by the coordination and delivery of economic development services, activities and funding across Northland

Performance measure	Target	2021/22 result
Percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year	100%	83% - not achieved 13 of the 16 KPIs set for Northland Inc for 2021/22 were met. The three not met relate to the number of inward delegations hosted, the number of high impact projects that are implemented and the value of grant funding and investment facilitated for Māori

Performance measure	Target	2021/22 result
		businesses. Business disruptions caused by the on-going COVID-19 pandemic has been the primary reason for this.

3.4 Community engagement

Performance measure and target

3.4 Communities are well informed about council's work, know how to get involved, and are engaged in council processes

Performance measure	Target	2021/22 result
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

Performance measure and target

3.5 Council provides efficient and meaningful customer service

Performance measure	Target	2021/22 result
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 services

Performance measure and target

3.6 Corporate systems and investment are efficient and forward-thinking to support council activities

Performance measure	Target	2021/22 result
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

Hautūtanga ā rohe | Regional leadership

Funding Impact Statement

For the period ending 30 June	Long Term Plan 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	89
Targeted rates	6,599	6,699	6,756
Subsidies and grants for operating purposes	-	268	365
Fees and charges	185	256	663
Internal charges and overheads recovered	9,999	12,568	13,008
Local authorities fuel tax, fines, infringement fees and other receipts	11,544	15,487	7,240
TOTAL OPERATING FUNDING	28,327	35,278	28,121
Applications of operating funding			
Payments to staff and suppliers	17,754	25,362	24,790
Finance costs	828	293	267
Internal charges and overheads applied	1,007	1,509	1,504
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	19,589	27,164	26,561
Surplus/(deficit) of operating funding	8,738	8,114	1,560
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	(305)	-	-
Gross proceeds from sale of assets	-	-	30,068
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	(305)	-	30,068
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	395	9,304	12,072
to replace existing assets	597	363	815
Increase/(decrease) in reserves	220	(4,681)	28,916
Increase/(decrease) of investments	7,221	3,128	(10,176)
TOTAL APPLICATIONS OF CAPITAL FUNDING	8,433	8,114	31,627
Surplus/(deficit) of capital funding	(8,738)	(8,114)	(1,560)
FUNDING BALANCE	-	-	-

Major variances compared to Year 1 (2021/22) of the Long Term Plan 2021-2031

Operational Funding

Operating funding is \$7.16M lower than the long term plan predominantly due to:

- Lower than planned gains on externally managed funds
- A gain on sale not eventuating as in the long term plan

Application of Operational Funding

Applications of operating funding is \$603K lower than the long term plan predominantly due to:

- Capital loss on externally managed funds not in the long term plan
- Higher than planned recruitment costs
- Costs for regional council collaboration not in the long term plan

Partially offset by:

- Lower than planned costs on an enterprise system implementation

Capital Expenditure

Capital Expenditure is \$3.22M more than the long term plan predominantly due to:

- Higher than planned commercial property development costs

Financial prudence

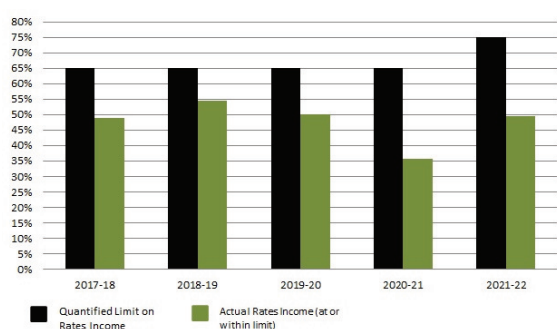
Rates affordability benchmarks

The council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates (no more than 65% total revenue); and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

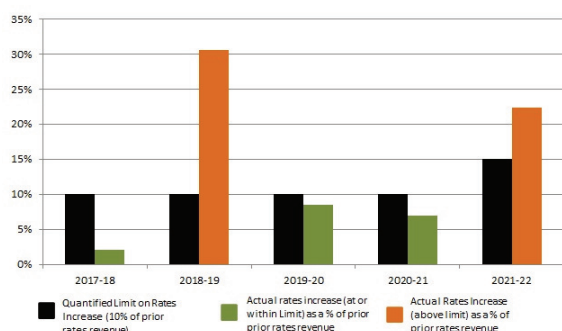
Rates income affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's Long Term Plan 2021-2031. The quantified limit is no more than 75% of total revenue in 2021-22 but for prior years it was 65%.



Rates increase affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases in the financial strategy included in the council's Long Term Plan 2021-2031. The quantified limit is 15% for 2021-22 but for the prior years it was 10%.



In years 2018-19 and 2021-22 council decided to breach its quantified limit on rates rises in order to undertake programmes that allow it to meet community and central government expectations. This is considered an exceptional year and an opportunity to position council for the medium to long term.

Debt affordability benchmarks

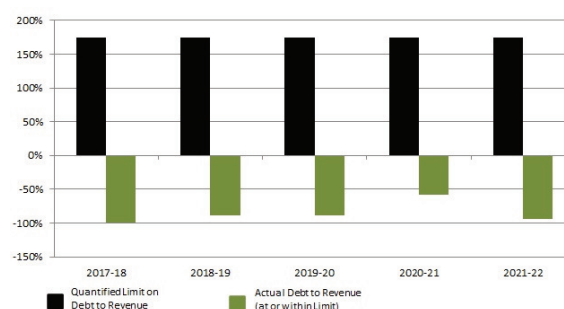
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graphs compare the council's actual borrowing with quantified limits on borrowing stated in the financial strategy included in the council's Long Term Plan 2021-2031.

Northland Regional Council has \$13.96M of external debt.

Net debt to total revenue

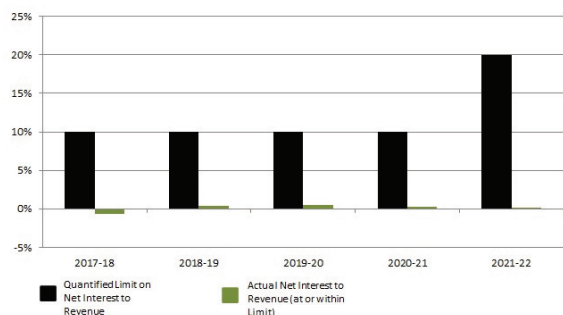
The quantified limit for net debt as a proportion of total revenue is 175%.



Northland Regional Council carries significant investments categorised as non-current assets that could be liquidated if required.

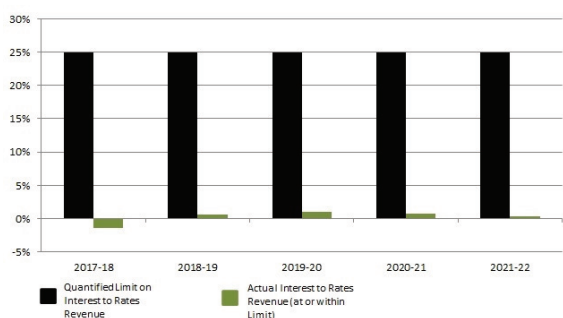
Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 20% for 2021-22 and 10% for previous financial years.



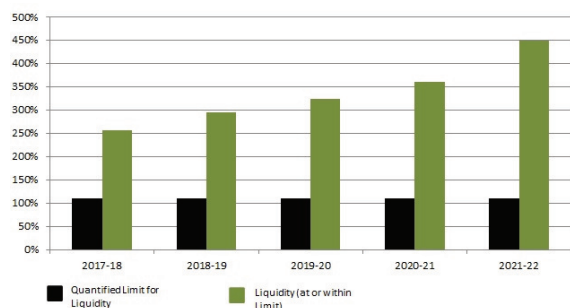
Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



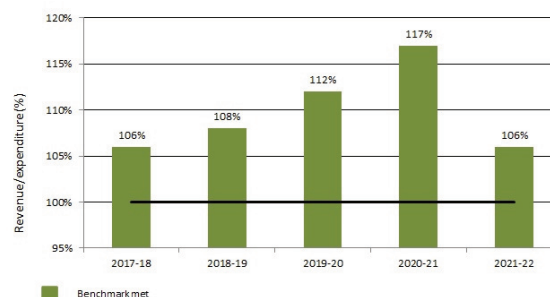
Liquidity

Council measures liquidity as total externally managed funds over total external borrowings. The quantified limit for liquidity is set as a minimum of 110%. From 2021-22 the total externally managed funds excludes any private equity funds.



Balanced budget benchmark

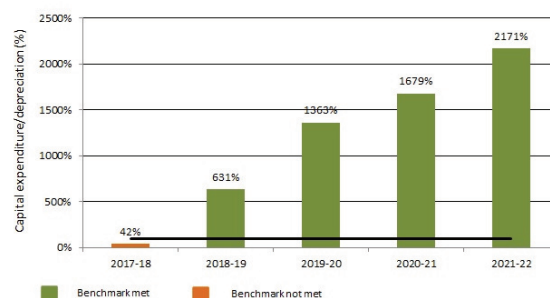
This graph shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The totals used in the graph do include gains or losses on disposal of property, plant, or equipment. Council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.



Essential services benchmark

This graph shows the council's capital expenditure on network services (flood protection) as a proportion of depreciation on network services. The benchmark is represented by the black line.

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The benchmark is represented by the black line.



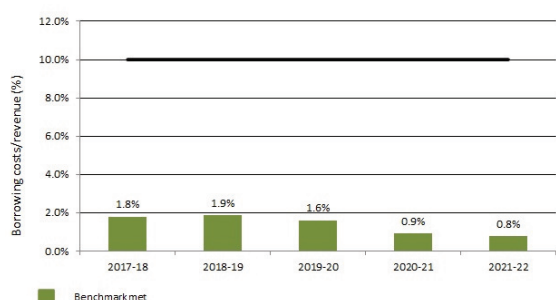
2017-18 reflects lower capital expenditure due to the reclassification of Kerikeri flood protection works from capital expenditure originally incurred in 2015-16 to operation expenditure in 2017-18 as the project did not continue.

2018-19, 2019-20, and 2020-21 reflect the capital cost associated with the Flood Infrastructure Schemes.

Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the population served by the council will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.

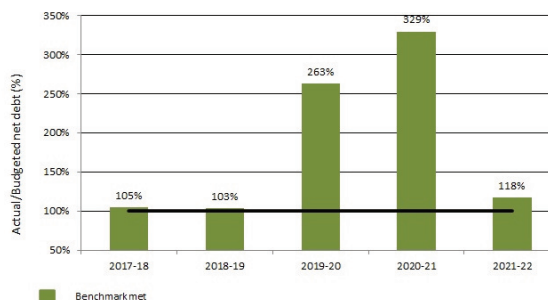


Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Northland Regional Council has low external debt, so therefore has planned to have net assets in all the years represented in the following graph. Financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities.

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. For the purposes of this measure 100% equals planned net assets and an amount higher than 100% represents lower net debt than planned. The benchmark is represented by the black line.

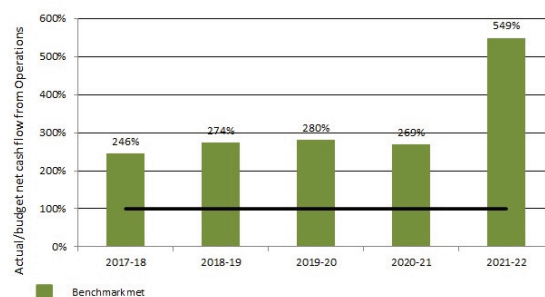


2019-20 and 2020-21 reflect lower actual net debt due to the sale proceeds of the MPRL JV being held in council's investment portfolio, lower than planned financial assets being required to fund development projects that were delayed due to COVID-19, and lower than planned borrowings required for capital works.

Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. For the purposes of this measure 100% equals planned net cash flow. The benchmark is represented by the black line.



Wāhanga tuatoru: Tauākī pūtea Section three: Financial statements

Statement of comprehensive revenue and expense

For the year ended 30 June 2022	Note	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Revenue						
Rates		38,605	37,574	31,542	38,605	31,542
Fees and charges		4,956	4,446	4,505	7,036	5,876
Subsidies and grants		16,591	14,333	12,822	16,591	12,927
Revenue from activities		-	-	-	16	3,011
Interest revenue		372	161	345	372	346
Other revenue	2(ii)	6,916	6,210	6,675	9,336	8,800
Other gains	2(iii)	10,620	9,155	32,645	14,541	36,505
TOTAL REVENUE	1	78,060	71,879	88,534	86,497	99,007
Expenses						
Personnel costs	3	22,265	22,620	19,241	23,690	22,688
Depreciation and amortisation expense	13	1,517	1,986	1,635	2,060	2,222
Finance costs		528	747	581	1,516	1,116
Other expenses	4	39,218	41,549	33,900	44,334	38,487
TOTAL EXPENSES	1	63,528	66,902	55,357	71,600	64,513
Share of associate and joint venture company surplus/(deficit)	12(i)(ii)	(145)	-	(171)	8,287	9,354
SURPLUS/(DEFICIT) BEFORE TAX		14,387	4,977	33,006	23,184	43,848
Income tax expense	5	-	-	-	168	(24)
SURPLUS/(DEFICIT) AFTER TAX		14,387	4,977	33,006	23,352	43,824
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:						
Northland Regional Council		14,387	4,977	33,006	17,345	37,167
Non-controlling interest					6,007	6,657
Other comprehensive revenue and expense						
Items that will be reclassified to surplus/(deficit):						
Net hedging movement	16(ii)				1,346	496
Items that will not be reclassified to surplus/(deficit):						
Gains/(loss) on property revaluations (other than investment properties)		2,477	-	260	10,509	4,983
Gains/(loss) on carbon credit revaluations	14	568	-	199	568	199

For the year ended 30 June 2022	Note	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Gains/(loss) on Infrastructure Asset revaluations	20	1,547	-	-	1,547	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		4,592	-	459	13,970	5,678
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		18,979	4,977	33,465	37,322	49,502
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO:						
Northland Regional Council					26,964	40,423
Non-controlling interest in Marsden Maritime Holdings Limited					10,358	9,079
					37,322	49,502

The financial statements should be read in conjunction with the 'Statement of accounting policies' and 'Notes to the financial statements'.

Major variances compared to the Long Term Plan 2021-2031 (in thousands)

Revenue

Revenue is \$6,181 more than long term plan, mainly due to:

- Unbudgeted revaluations of investment property of \$7,559
- Higher than budgeted subsidies for flood infrastructure capital works of \$1,679
- Unbudgeted revaluations of council occupied buildings of \$1,478
- Unbudgeted revaluations of flood infrastructure assets of \$1,187
- Unbudgeted subsidies for a Kauri boardwalk project of \$1,184
- Higher than budgeted rates of \$1,030
- Higher than budgeted dividend income of \$720
- Higher than budgeted subsidies on a wilding conifer project of \$633
- Unbudgeted revaluations of forestry assets of \$359
- Higher than budgeted Waka Kotahi subsidies of \$246
- Higher than budgeted natural hazard project subsidies of \$201
- Higher than budgeted cost recoveries from the Northern Transport Alliance of \$205
- Higher than budgeted tenancy recoveries of \$175K (predominantly relating to now sold commercial development)
- Partially offset by:

- Lower than budgeted gain sale of investment property of \$4,949
- Lower than budgeted gains on externally managed funds of \$4,206
- Lower than budgeted subsidies for the predator free programme of \$1,203

Expenditure

Expenditure is \$3,374 less than long term plan, mainly due to:

- Lower than budgeted salaries of \$572 which includes \$640 of unbudgeted Kaipara Moana Remediation entity salaries. These unbudgeted salaries are fully offset with lower than budgeted grant expenditure.
- Lower than budgeted expenditure on the predator free programme of \$1,134
- Lower than budgeted depreciation of \$469 mostly related to a large number of vehicles fully depreciated but not yet replaced the non-completion of capital works during the year.
- Lower than budgeted interest costs of \$153 relating to not needing to take new borrowing during the year as planned
- Lower than budgeted grants to the Kaipara Moana Remediation entity of \$1,443 partially offset by unbudgeted salaries.
- Lower than budgeted expenditure on the implementation of a new enterprise system of \$2,532
- Lower than budgeted IT operational costs of \$142

- Lower than budgeted costs on council's contribution to the new version of IRIS software of \$132
- Lower than budgeted environment fund grants of \$190
- Lower than budgeted biosecurity contract and project costs of \$513
- Lower than budgeted costs on FIF projects of \$778
- Lower than budgeted costs on a sediment tracking project of \$225
- Lower than budgeted costs on climate change response projects of \$192

Partially offset by:

- Unbudgeted movements in staff annual leave entitlements of \$321
- A capital loss on council's externally managed funds of \$2,804
- Loss on sales of investment property of \$1,112
- Higher than budgeted costs relating to council's consenting activities of \$460
- Higher than budgeted provision for doubtful debts and bad debts on rates and other receivables of \$618

Statement of changes in equity

For the year ended 30 June 2022	Note	Accumulated funds \$000	Reserves \$000	Total Council \$000	Long Term Plan \$000
Council					
Balance at 1 July 2020		115,650	41,844	157,494	166,805
Total comprehensive revenue and expense for the year		33,465	-	33,465	4,977
Net transfers in special reserves	20	9,244	(9,244)	-	-
Net transfers in other reserves	20	(459)	459	-	-
Balance at 30 June 2021		157,900	33,059	190,959	171,781
Total comprehensive revenue and expense for the year		18,979	-	18,979	4,977
Net transfers in special reserves	20	(33,272)	33,272	-	-
Net transfers in other reserves	20	(4,592)	4,592	-	-
Balance at 30 June 2022		139,015	70,923	209,938	171,781

For the year ended 30 June 2022	Note	Accumulated funds \$000	Reserves \$000	Subtotal Group \$000	Non-controlling interest \$000	Total Group \$000
Group						
Balance at 30 June 2020		148,562	74,420	222,982	64,462	287,444
Total comprehensive revenue and expense for the year		40,423	-	40,423	9,079	49,502
Net transfers in special reserves	20	9,244	(9,244)	-	-	-
Net transfers in other reserves	20	(3,246)	3,246	-	-	-
Dividends paid		-	-	-	(3,066)	(3,066)
Balance at 30 June 2021		194,983	68,422	263,405	70,475	333,880
Total comprehensive revenue and expense for the year		26,964	-	26,964	10,358	37,322
Net transfers in special reserves	20	(33,272)	33,272	-	-	-
Net transfers in other reserves	20	(9,619)	9,619	-	-	-
Dividends paid		-	-	-	(3,305)	(3,305)
Balance at 30 June 2022		179,056	111,313	290,369	77,528	367,897

The financial statements should be read in conjunction with the 'Statement of accounting policies' and 'Notes to the financial statements'.

Statement of financial position

as at 30 June 2022	Note	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
EQUITY						
Accumulated funds	20	139,015	114,725	157,900	179,056	194,983
Reserves	20	70,923	57,056	33,059	111,313	68,422
Total equity attributable to Northland Regional Council		209,938	171,781	190,959	290,369	263,405
Non-controlling interest	20				77,528	70,475
TOTAL EQUITY		209,938	171,781	190,959	367,897	333,880
ASSETS						
Current assets						
Cash and cash equivalents	6	4,528	831	7,985	4,758	10,853
Receivables	7	6,362	7,902	6,597	6,623	7,607
Inventory	8	270	203	271	424	365
Investment property assets held for sale	9	987	715	29,335	987	29,335
Other financial assets	10	22,314	14,441	18,023	22,314	18,023
TOTAL CURRENT ASSETS		34,461	24,092	62,211	35,106	66,183
Non-current assets						
Investment property	11	74,370	50,944	62,516	182,749	155,618
Other financial assets	10	60,469	68,173	39,996	60,817	40,447
Investment in subsidiaries (excluding council control organisations) and joint venture company	12(i)	7,828	7,828	7,828	61,448	51,494
Investment in Council Controlled Organisations	12(ii)	341	634	486	341	486
Property, plant and equipment	13	55,794	47,433	40,294	85,083	72,214
Capital projects in progress	13	1,592	-	392	1,831	1,278
Intangible assets	14	1,399	869	828	1,399	828
Forestry assets	15	4,062	3,157	3,703	4,062	3,703
Derivative financial instruments	16(i)				672	-
Deferred tax asset	5	-	-	-	7	-
TOTAL NON-CURRENT ASSETS		205,855	179,038	156,043	398,409	326,068
TOTAL ASSETS		240,316	203,130	218,254	433,515	392,251

As at 30 June 2022	Note	Council 30-Jun-22 \$000	Log Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
LIABILITIES						
Current liabilities						
Payables and deferred revenue	17	12,455	7,333	10,277	14,238	15,527
Employee entitlements	18	3,011	2,358	2,537	3,058	2,666
Borrowings and other financial liabilities	19	-	-	-	7,550	10,000
TOTAL CURRENT LIABILITIES		15,466	9,691	12,814	24,846	28,193
Non-current liabilities						
Payables and deferred revenue	17	937	610	506	2,797	2,253
Employee entitlements	18	17	20	17	17	17
Borrowings and other financial liabilities	19	13,958	21,028	13,958	37,958	27,908
TOTAL NON-CURRENT LIABILITIES		14,912	21,658	14,481	40,772	30,178
TOTAL LIABILITIES		30,378	31,349	27,295	65,618	58,371
NET ASSETS		209,938	171,781	190,959	367,897	333,880

The financial statements should be read in conjunction with the 'Statement of accounting policies' and 'Notes to the financial statements'.

Major variances compared to the Long Term Plan 2021-2031 (in thousands)

Asset variances

Current

Cash and cash equivalents are \$3,697 greater than the long term plan predominantly due to:

- Holding higher than normal amounts of cash due to short term cashflow requirements

Receivables are \$1,540 less than the long term plan due to:

- Lower levels of outstanding general debtors at year end than planned

Other financial assets are \$7,873 more than the long term plan due to:

- A higher balance of the short term fund than planned due to the timing of cash required for commercial property transactions and lower than planned funding requirements for operational and capital projects

- A higher level of term deposits than planned relating to long term project retentions
- Unbudgeted term deposits relating to made up of de risked long term fund and short term fund balances

Non-current

Investment Property is \$23,426 more than the long term plan due to:

- Expenditure on commercial developments
- Revaluations on investment property

Other financial assets are \$7,704 less than the long term plan due to:

- Lower than budgeted gains on the long term fund
- Capital losses during the year

Property, plant, and equipment are \$8,361 more than the long term plan due to:

- The building of the Kaipara Service Centre
- Gains in revaluation on infrastructure assets and council occupied buildings

Capital Projects in progress are \$1,592 more than the long term plan due to:

- A large number of partial assets not able to be fully capitalised at year including a large flood scheme and a pilot vessel replacement

Intangible assets are \$530 more than the long term plan predominantly due to:

- Gains on the revaluation of emissions trading assets

Forestry assets are \$905 more than the long term plan due to:

- Gains on the revaluation of forestry assets

Liability variances

Current

Payables and deferred revenue is \$5,122 more than the long term plan due to:

- Higher than planned levels of funding received in advance for works not yet undertaken
- Some large invoices payable at year end relating to grants and capital work in progress

Employee entitlements are \$653 more than the long term plan due to:

- An increase in total employees
- An increase in employee leave balances

Non-current

Payables and deferred revenue is \$327 more than the long term plan due to:

- Higher than planned levels of non current funding received in advance for works not yet undertaken

Borrowings and other financial liabilities are \$7,070 less than the long term plan due to:

- Not requiring as much borrowing for river works as planned due to unbudgeted grants from the PGF subsidising flood infrastructure works
- Not requiring any borrowing for the enterprise system, Tsunami Sirens, and Kaipara Moana projects due to insufficient expenditure during the financial year to take new borrowings

Equity variances

Accumulated funds are \$24,290 more than the long term plan predominantly due to:

- The budgets in the long term plan being prepared in advance of the 30 June 2021 retained earnings balance being finalised. As such, the budgeted 30 June 2022 balance of retained earnings is \$115M – based upon the actual 30 July 2020 retained earnings balance of \$115M plus very minor budgeted surpluses over the 2020/21 and 2021/22 financial years

The 2021/22 actual closing balance of \$139M is \$24M higher than budget as it includes accumulated unbudgeted surpluses after transfers to reserves of \$24M (2020/21 +\$43M; 2021/22 -\$19M) predominantly due to recognising actual and unbudgeted fair value movements on investment properties and forestry holdings over the two years.

Reserves are \$13,867 more than the long term plan predominantly due to:

- Unbudgeted funds that were unspent in 2021/22 being set aside in a special reserve to fund the completion of unfinished work programmes in 2022/23
- Revaluation reserves being greater than budget as the fair value movements on councils' infrastructural assets, land and buildings and carbon credits are not budgeted due to the uncertain nature of these items
- At year-end the balance of the flood infrastructure reserve is higher than budget as council utilised a larger level of external subsidies than was budgeted to fund flood infrastructure capital works instead of using reserve funds
- At year end the balance of the enterprise system reserve is higher than budget as the expenditure at this stage of the project was lower than planned resulting in a lower funding requirement from this reserve than originally anticipated.

Statement of cash flows

For the year ended 30 June 2022	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Cash flows from operating activities					
Receipts from rates revenue	37,661	37,094	30,664	37,661	30,664
Receipts from customers	8,161	9,513	10,838	16,587	23,453
Interest received	320	161	228	320	229
Dividends received	3,820	3,100	3,543	9,529	8,307
Subsidies and grants received	18,760	15,659	13,637	18,760	14,197
Payments to suppliers and employees/members	(53,310)	(72,936)	(54,442)	(59,416)	(62,721)
Interest paid	(528)	(747)	(580)	(1,516)	(1,115)
Income tax paid	-	-	-	(27)	(24)
Net goods and services tax received/(paid)	655	3,703	(248)	655	(109)
Net cash from operating activities	15,539	(4,453)	3,640	22,553	12,881
Cash flows from investing activities					
Receipts from sale of property, plant and equipment	68	-	247	72	252
Receipts from sale of investment property and assets held for sale	25,040	15,220	-	25,040	-
Receipt from the sale of investments	35,847	17,469	69,536	35,847	69,536
Loan repayments received	-	-	250	-	250
Purchase of property, plant and equipment and intangible assets	(10,517)	(18,087)	(4,860)	(10,945)	(6,099)
Purchase of investment property	(6,064)	-	(7,834)	(16,872)	(18,229)
Purchase of financial investments	(63,370)	(17,953)	(51,191)	(63,370)	(51,191)
Disposal of investment in subsidiary	-	-	-	(2,715)	-
Net cash from investing activities	(18,996)	(3,351)	6,148	(32,943)	(5,481)
Cash flows from financing activities					
Proceeds received from ASB facility	-	-	-	7,600	7,400
Dividends paid	-	-	-	(3,305)	(3,065)
Proceeds from borrowings	-	5,533	4,290	-	4,290
Repayment of borrowings	-	-	(10,000)	-	(10,000)
Net cash from financing activities	-	5,533	(5,710)	4,295	(1,375)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	(3,457)	(2,271)	4,078	(6,095)	6,025
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,985	3,102	3,907	10,853	4,828
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	4,528	831	7,985	4,758	10,853

Reconciliation of net surplus after tax to the cash flows from operations

For the year ended 30 June 2022	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Surplus/(deficit) after tax	14,387	33,006	23,352	43,824
Add/(less) non cash items				
Depreciation & amortisation expense	1,517	1,635	2,060	2,222
Share of associate companies' (surplus)/loss	145	171	1,225	(1,058)
(Gain)/loss on disposal of subsidiary	-	-	161	-
Fair value adjustments	(10,584)	(23,857)	(14,399)	(27,716)
Non cash (gain)/loss on externally managed funds and loans	2,805	(8,645)	2,805	(8,645)
Other non-cash items	(45)	115	(45)	115
Total non cash items	(6,162)	(30,581)	(8,193)	(35,082)
Add/(less) items classified as investing or financing activities				
(Gains)/loss on sale of property plant and equipment	(37)	(143)	(35)	(143)
(Gains)/loss on sale of investment properties and assets held for sale	1,112	-	1,112	-
Total items classified as investing or financing activities	1,075	(143)	1,077	(143)
Add/(Less) movements in working capital				
Decrease (increase) in trade and other receivables	433	462	1,092	(79)
Decrease (increase) in prepayments	(198)	31	(107)	(65)
Decrease (increase) in inventory	1	212	(59)	191
(Decrease) increase in tax payable	-	-	(7)	-
(Decrease) increase in trade and other payables	4,744	(1,366)	1,389	191
(Decrease) increase in revenue received in advance	(2,134)	2,657	(2,134)	5,384
(Decrease) Increase in employee entitlements accrual	474	226	392	254
Investing capital items included in working capital movements	2,919	(864)	5,751	(1,594)
	6,239	1,358	6,317	4,282
Net cashflows from operating activities	15,539	3,640	22,553	12,881

Statement of accounting policies

Reporting entity

Northland Regional Council is a local authority established under, and governed by, the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Northland Regional Council and its subsidiary Marsden Maritime Holdings Limited (53.61% owned). The council's equity share of its associates, Northland Inc. Limited (33.3%) and Regional Software Holdings Limited (16.75%), is equity accounted into the parent entity financial statements.

Northland Regional Council and its subsidiary and associates are incorporated, domiciled and operate in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services and perform regulatory functions for the community benefit rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as Public Benefit Entities for financial reporting purposes.

Reporting period

The financial statements of the council and group are for the year ended 30 June 2022. The financial statements were authorised for issue by council on 27 September 2022.

Basis of preparation

The financial statements have been prepared on the going concern basis, and accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of the council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with PBE accounting standards.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the functional currency of Northland Regional Council and all values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective and which are relevant to the council:

Financial instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard replaces PBE IPSAS 29, and supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022.

The council plans to apply this standard in preparing its 30 June 2023 financial statements. Council does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022 following consultation that has been initiated by the External Reporting Board. The council believe the application of PBE FRS 48 will not have any significant impact on its statement of performance as the council has well established service performance reporting processes.

Other changes in accounting policies

There have been no changes in accounting policies during 2022.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate;

Significant accounting policies that do not relate to a specific note are outlined below;

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line by line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Foreign currency transactions

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus/deficit, except when deferred in equity as qualifying cash flow hedges.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables, and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position;

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows;

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The 2022 budget figures are those approved by the council in its 2021-2031 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical accounting estimates and assumptions

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

Council and group investment property and owner occupied property (land and buildings) are revalued annually by independent valuers. The fair value of the investment properties is based on the market values, being the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction. Due to the relatively low level of recent transactions in some areas, these valuations are inherently subjective. The estimates and assumptions that have a significant risk of causing a material adjustment to the fair value of investment property and owner occupied property are provided in Notes 11 and 13 respectively.

Council's infrastructure assets are revalued by an independent valuer at regular intervals, with the most recent infrastructure valuation, undertaken in 2020. There are a number of estimates and assumptions exercised when valuing the individual elements (stop banks, floodgates, spillways) of infrastructure assets, such as estimating the age, condition, optimisation and remaining life of each element. A comparison of the carrying value of infrastructure assets and the fair value of infrastructure assets using market-based evidence is undertaken annually. In assessing generic market changes there is inherent uncertainty, and actual results may vary from estimates and these variations may be significantly more or less favourable than assumed depending on the asset class in question. Further detail is provided in Note 13.

Council's forestry assets are revalued annually by an independent valuer. There are a number of estimates and assumptions exercised when valuing forestry assets such as estimating the discount rates to determine future tree crop cash flows. Further detail is provided in Note 15.

The estimation of the useful lives of assets has been predominantly based on historical experience. Useful lives are reviewed on an annual basis and adjustments are made when considered necessary.

Marsden Maritime Holdings Limited has determined that it is appropriate to only recognise tax losses in the financial statements to a level that directly offsets the deferred tax liability. Further detail is provided in Note 5.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2022.

Council has one leasehold property holding which has been offered to the leaseholder or open market. This property has therefore been classified as current

assets investment property (assets held for sale) as it is assumed these sales will occur within the next 12 months.

Council's investment in Regional Software Holdings Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Regional Software Holdings Limited due to the fact that council's CEO is on the board of directors of Regional Software Holdings Limited.

Councils' investment in Northland Inc. Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland Inc. Limited due to the fact that council shares joint control of Northland Inc. Limited with Kaipara District Council (33.3%) and Far North District Council (33.3%).

Notes to the financial statements

Note 1: Summary revenue and expenditure for groups of activities

Accounting policy

Northland Regional Council has derived the cost of service for each significant activity of the council using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant operating activities using appropriate cost drivers such as staff numbers. There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities:

	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000
Revenue			
Community Resilience	11,782	11,472	10,341
Natural Environment	30,452	29,331	-
Flood Protection	10,126	8,370	7,762
Regional Leadership	28,121	35,278	-
Governance and Engagement	-	-	7,066
Regulatory Services	-	-	10,193
Environmental Services	-	-	14,650
Corporate Excellence	-	-	26,817
Total activity revenue and rates as per activity funding impact statements	80,482	84,451	76,829
Internal charges and overheads recovered	(13,042)	(12,573)	(12,294)
Other gains not attributable to an activity	10,620	-	23,999
Total revenue as per statement of comprehensive revenue and expense	78,060	71,879	88,534
Expenses			
Community Resilience	10,877	11,775	11,442
Natural Environment	33,578	35,992	
Flood Protection	2,925	2,457	4,293
Regional Leadership	26,561	27,164	
Governance and Engagement	-	-	7,039
Regulatory Services	-	-	12,049
Environmental Services	-	-	18,997
Corporate Excellence	-	-	12,043
Total activity expenses as per activity funding impact statements	73,941	77,388	65,863
Internal charges and overheads recovered	(13,042)	(12,573)	(12,294)
Other expenses not attributable to an activity	1,112	100	153

	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000
Depreciation and amortisation	1,517	1,986	1,635
Total expenses as per statement of comprehensive revenue and expense	63,528	66,902	55,357

BREAKDOWN OF DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Note	Council 30-Jun-22 \$000	Long Term Plan 30-Jun-22 \$000	Council 30-Jun-21 \$000
Community Resilience		142	178	143
Natural Environment		482	473	
Flood Protection		223	224	227
Regional Leadership		668	1,111	
Regulatory Services		-	-	444
Corporate Excellence		-	-	821
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	13	1,517	1,986	1,635

Note 2: Revenue

Accounting policy

Revenue is measured at fair value.

Rates revenue: Rates are set annually by a resolution of council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable based on the council's best estimate of what is expected to be collected. Rate penalties arising from late payment are recognised as revenue when rates become overdue. Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy. These transactions are classified as non-exchange transactions.

Fees and charges: Fees and charges are recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided. The majority of this type of revenue is exchange transactions.

Grants and subsidies: Grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met. These are non-exchange revenue transactions. Where a transfer is subject to conditions that, if unfulfilled, require the return of transferred resources, council recognises a liability until the condition is fulfilled.

Sales of goods: Revenue from the sale of goods is recognised when a product is sold to a customer.

Interest: Interest income is recognised using the effective interest method.

Other revenue – Dividends: Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

Rental revenue: Rental revenue from investment property is recognised in the surplus or deficit on a straight-line basis over the term of the lease. Any short term rent relief provided is fully recognised in the period in which it occurs.

Funds collected for other organisations: Funds are collected for other organisations, including central government. Any funds held at balance date are included in term and current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

Vested assets: Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when the control over the asset is obtained.

Infringement fees and fines: Infringement fees and fines are recognised when the infringement notice is issued.

Externally managed investment fund gains: Externally managed investment funds are measured at fair value, and any gains or losses on re-measurement are recognised in the surplus or deficit.

2(i) Rates remission, penalties, early payment discounts

Rates revenue is shown net of rates remissions and postponements, and early payment discounts (2020/21 only). The Northland Regional Council's rates remission policies allow it to remit approved rates as per the Rates Remission Policies of the Territorial Authorities that collect Northland Regional Council's rates on its behalf. In 2020/21 the Whangarei District Council offered a 2% early payment discount if rates were paid in full at the first instalment of 20th September 2021. There were no early payment discounts in 2021/22.

2(ii) Breakdown of other revenue

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Rental revenue from investment properties	3,096	3,132	9,336	8,800
Dividend revenue - Marsden Maritime Holdings Limited	3,820	3,543	-	-
Total other revenue	6,916	6,675	9,336	8,800

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases at year end are as follows:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Not later than one year	1,841	3,211	5,350	6,071
Later than one year and not later than five years	3,271	9,353	12,234	16,848
Later than five years	1,931	6,300	6,358	9,980
Total non-cancellable operating leases	7,043	18,864	23,942	32,899

Council

Operating leases relate to investment properties owned by Northland Regional Council. The majority (in terms of numbers) of council's investment property portfolio is made up of leasehold properties. These leasehold properties have perpetual lease terms ranging from five to 21 years. The lessee has the option to renew the lease at the completion of each term. All leases contain market review clauses at varying cycles or upon renewal. The lessee does not have a right to purchase the property at the expiry of the lease. Council has four residential properties with fixed or periodic tenancy and owns 33 freehold commercial properties, of which eight are owner occupied, one is vacant, and the remaining have lease terms of between one month and 15 years.

Marsden Maritime Holdings Limited

Marsden Maritime Holdings Limited leases land and buildings to a variety of customers within close proximity to the port. These non cancellable leases have remaining terms of between one month and 24 years. All leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

No contingent rents have been recognised during the year.

2(iii) Breakdown of other gains:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Gain on revaluation of investment property	11	7,509	11,905	11,427	15,560
Gain on revaluation of investment property assets held for sale	9	50	10,346	50	10,346
Gain on revaluation of infrastructural assets		1,187	-	1,187	-

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Gain on revaluation of forestry assets	15	359	546	359	546
Gain on revaluation of buildings and amenities		1,478	1,052	1,478	1,255
Gain on disposal of property, plant and equipment		37	143	40	143
Total non-financial instruments gains		10,620	23,992	14,541	27,850
Externally Managed Investment Funds		-	8,646	-	8,646
Gain on fair value adjustment of financial investments		-	7	-	9
Total financial instruments gains		-	8,653	-	8,655
Total other gains		10,620	32,645	14,541	36,505

The fair value gains on investment property arise from the annual revaluation of these investments.

Note 3: Personnel costs

Accounting policy

Personnel costs includes salaries, wages, leave and other employee-earned compensation. Employer contributions to KiwiSaver and the National Provident Fund; Pension National Scheme, and Lump Sum National scheme are accounted for as defined contribution plans and are recognised in the surplus or deficit as incurred.

Breakdown of personnel costs and further information:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Salaries and wages		21,212	18,507	22,646	21,923
Employer contributions to defined contribution plans		579	508	579	568
Increase/(decrease) in employee benefit liabilities	18	474	226	465	197
Total personnel costs		22,265	19,241	23,690	22,688

Chief Executive remuneration

The Chief Executive of the council was appointed in accordance with section 42 of the Local Government Act.

The total remuneration (including any non financial benefits) paid or payable for the year ended 30 June 2022 to the Chief Executive was \$341,034 (2021: \$325,489).

Elected representatives

Elected representatives received the following remuneration:

	Note	Salary 30-Jun-22 \$000	Non-salary 30-Jun-22 \$000	Total Council Remuneration 30-Jun-22 \$000	Total Council Remuneration 30-Jun-21 \$000
Penny Smart, Chair		126	2	128	124
Justin Blaikie, Deputy Chair		79	3	82	89
Terry Archer		72	-	72	25
John Bain		-	-	-	25
Jack Craw		72	1	73	74
Colin Kitchen		72	5	77	90
Amy Macdonald		72	2	74	85
Marty Robinson		72	3	75	81
Rick Stolworthy		72	5	77	85
Joce Yeoman		72	3	75	76
Total elected representatives' remuneration	4	709	24	733	754

With the enactment of the Local Government Act 2002, the Remuneration Authority is responsible for setting the remuneration levels for elected members. The council monetary remuneration (salary) detail above was determined by the Remuneration Authority. Councillors are able to claim an allowance for mileage, travel time and communications. These allowances are set by the Remuneration Authority and paid to Councillors based on claims approved by the council chairman and chief executive.

Council employee remuneration by band

The annual remuneration by band for council employees as at 30 June 2022 is detailed below. For employees receiving remuneration of \$60,000 or more, they are grouped into \$20,000 bands as presented below. For any \$20,000 bands with five or fewer employees in the band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

	Council 30-Jun-22	Council 30-Jun-21
< \$60,000	58	56
\$60,000 - \$79,999	113	123
\$80,000 - \$99,999	72	55
\$100,000 - \$119,999	19	16
\$120,000 - \$139,999	6	6
\$140,000 - \$159,999	8	-
\$160,000 - \$179,999	-	9
\$180,000 - \$199,999	6	-
\$200,000 - \$219,999	-	1
\$220,000 - \$239,999	-	-
\$240,000 - \$259,999	1	-

	Council 30-Jun-22	Council 30-Jun-21
Total employees	283	266

Total remuneration includes any non financial benefits provided to employees.

At 30 June 2022, the council employed 248(2021: 212) full time employees with the balance of staff representing 17.79(2021: 15.18) full time equivalent employees. A full time employee is determined on the basis of a 37.5, and 40 hour where applicable, working week.

Severance payments

For the year ending 30 June 2022, the council made no severance payments to employees (2021: 2 severance payments - one of \$10,000 and one of \$12,000).

Note 4: Other expenses

Accounting Policy

Expenditure is recognised when goods and services have been received.

Grant expenditure: Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the council has no obligation to award the grant on receipt of the grant application and are recognised as expenditure when the grant conditions have been satisfied.

Operating leases: An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. All the leases of the council and group are operating leases.

Breakdown of other expenses and further information:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Fees to external auditors:					
Fees to Deloitte for audit of financial statements		156	122	156	164
Fees to Deloitte for other services*		70	127	70	127
Fees to OAG for audit of financial statements		11	11	11	11
Fees to EY for the audit of the Marsden Maritime Holdings Group		-	-	94	90
Fees for other services provided by the auditor of Marsden Maritime Holdings Limited		-	-	-	5
Directors'/Councillors' fees and trustee remuneration	3	733	754	1,016	1,153
Donations		1,902	1,802	1,904	1,804
Operating lease payments		289	155	304	285
Impairment on Investment in Associate		-	153	-	153

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Current year rates written off		94	457	94	457
Impairment of receivables	7	1,005	79	1,005	96
Operating grants to Northland Inc. Limited		1,637	1,365	1,637	-
Other payments to Northland Inc. Limited		318	455	318	-
Payments to Regional Software Holdings Limited		391	351	391	351
Loss on externally managed investment funds		2,804	-	2,804	-
Loss on disposal of investment property assets held for sale		1,112	-	1,112	-
Loss on disposal of property, plant and equipment		-	-	-	1
Loss on fair value adjustment of financial investments		-	-	103	-
Other operating expenses		28,696	28,069	33,315	33,790
Total other expenses		39,218	33,900	44,334	38,487

* The fees paid to Deloitte for other services for the year ending 30 June 2022 were for a review and training in respect of fraud and corruption awareness, a review of councils internal audit programme and its rating processes and controls and for the audit compliance report prepared in respect to councils debenture trust deed.

Council acts as an agent in relation to the Kaipara Moana Remediation Programme (KMRP) and accordingly costs and funding are not recorded in council's financial statements. However for completeness we note Deloitte undertakes an agreed procedures engagement for the KMRP and the fee for 2021-22 is expected to be approximately \$16,000.

Operating leases as lessee

The future aggregate minimum lease payments payable under non-cancellation operating leases existing at year end are as follows:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Not later than one year	261	179	261	329
Later than one year and not later than five years	168	248	168	562
Total non-cancellable operating leases	429	427	429	891

Note 5: Taxation

Accounting policy

The income tax expense includes both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

Breakdown of taxation and further information:

	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Components of tax expense		
Current tax expense/(credit)	(168)	24
Tax expense	(168)	24
Relationship between tax expense and accounting surplus		
Surplus/(deficit) before tax	23,184	43,848
Taxation at 28%	6,492	12,277
Plus (less) tax effect of:		
Non-deductible expenditure	-	1,344
Recognition of temporary differences	-	-
Imputation dividend receipts	(4,149)	(3,700)
Non-taxable income	(3,017)	(9,789)
Tax paid on joint venture company earnings	306	(341)
Carried forward losses derecognised/(recognised)	200	233
Tax expense/(benefit)	(168)	24

	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Deferred tax		
Balance at 1 July	-	-
Items charged to profit and loss	-	-
Balance at 30 June	-	-
Represented by:		
Investment property	(2,483)	(1,465)
Property plant and equipment	510	(131)
Financial instruments	(188)	-
Provisions	13	21
Deferred tax liability	(2,148)	(1,575)
Deferred tax asset (tax effect of losses carried forward)	2,155	1,575
Net deferred tax asset	7	-

Council's net income subject to income tax consists of its assessable income net of related expenses derived from the Marsden Maritime Holdings Group, and any other council controlled organisations. All other income currently derived by Northland Regional Council is exempt from income tax.

A deferred tax asset has not been recognised in relation to tax losses in Northland Regional Council of \$15,336,355 (2021: \$13,426,805) as council considers it unlikely that the benefit of these losses will be utilised against future taxable income.

As at 30 June 2022 Marsden Maritime Holdings Limited group has taxation losses amounting to \$7,696,043 of which the tax effect is \$2,154,892 (2021: losses \$6,654,868 tax effect \$1,863,363) subject to Inland Revenue Department confirmation. Due to the timeframe in which assessable income is anticipated to be available to offset such losses, Marsden Maritime Holdings Ltd has determined that it is appropriate to only recognise prior period losses in the financial statements to a level that directly offsets the deferred tax liability.

Note 6: Cash and Cash Equivalents

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Cash on hand and at trading banks *	4,389	3,612	4,619	6,480
Cash on hand and at trading banks held as part of the Long Term Fund	26	-	26	-
Term deposits, held as part of the Short Term Fund - with maturities of less than 3 months acquisition	-	1,405	-	1,405
Term deposits, held as part of the Long Term Fund - with maturities of less than 3 months acquisition	23	2,278	23	2,278
Other Term deposits - with maturities of less than 3 months at acquisition	90	690	90	690
Total cash and cash equivalents	4,528	7,985	4,758	10,853

* The council holds unspent funds included in cash on hand and at trading banks of \$56,036 (2021: \$2,167,252) relating to marine farm and commercial bonds that are subject to restrictions, and \$25,675 (2021: \$93,346) relating to retention monies withheld under commercial construction contracts.

Note 7: Current receivables

Accounting policy

Short-term receivables and other receivables are recorded at their face value, less any provision for impairment.

A receivable is considered to be uncollectible when there is evidence that the amount due will not be fully collected. The amount that is uncollectible is the difference between the amount due and the present value of the amount expected to be collected.

Prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are written off over the period to which they relate.

Breakdown of receivables and further information

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Rates receivables	5,136	4,585	5,136	4,585
Other receivables	4,042	4,001	4,089	4,716
GST receivable	816	1,146	858	1,211
Receivables from subsidiaries and associates	-	14	-	-
Prepayments	438	240	610	502
Gross debtors and other receivables	10,432	9,986	10,693	11,014
Less provision for uncollectibility of receivables	(4,070)	(3,389)	(4,070)	(3,407)
Total current receivables	6,362	6,597	6,623	7,607
Total current receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	3,738	6,057	3,952	7,004
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,624	540	2,671	603
	6,362	6,597	6,623	7,607

Assessment for uncollectibility

There is no concentration of credit risk outside the group, as the group has a large number of customers which spreads the risk.

Outstanding rates are usually recognised in full when the rates become payable due to the fact that the value can be measured reliably, it is probable that council is going to receive payment, and there is not expected to be a significant delay in receipt. Rates revenue is recognised immediately because there are no conditions arising from the transaction.

The ageing profile of receivables at year end is detailed below:

	2022			2021		
	Gross \$000	Provision for uncollectibility \$000	Net \$000	Gross \$000	Provision for uncollectibility \$000	Net \$000
Council						
Not past due	5,343	(7)	5,336	4,747	(6)	4,741
Past due 1-60 days	72	(24)	48	43	(22)	21
Past due 61-120 days	49	(24)	25	692	(22)	670
Past due > 120 days	4,968	(4,015)	953	4,504	(3,339)	1,165
Total	10,432	(4,070)	6,362	9,986	(3,389)	6,597

	2022			2021		
	Gross \$000	Provision for uncollectibility \$000	Net \$000	Gross \$000	Provision for uncollectibility \$000	Net \$000
Group						
Not past due	5,604	(7)	5,597	5,536	(6)	5,530
Past due 1-60 days	72	(24)	48	257	(22)	235
Past due 61-120 days	49	(24)	25	717	(22)	695
Past due > 120 days	4,968	(4,015)	953	4,504	(3,357)	1,147
Total	10,693	(4,070)	6,623	11,014	(3,407)	7,607

Provision for Uncollectibility

The provision for uncollectibility of general receivables has been based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write offs. Rates receivables have been assessed of uncollectibility based on an analysis of council's historical non collection rate for each district.

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Movements in the provision for uncollectibility of receivables are as follows:				
Balance at 1 July	3,389	2,588	3,407	2,659
Increase in provision due to reversal of accumulated rates receivable impairments	-	2,777	-	2,777
Rate arrear receivables written off during the year	(324)	(2,032)	(324)	(2,032)
Other receivables written off during the year	-	(23)	-	(93)

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Additional provisions made during the year	1,005	79	987	96
Balance at 30 June	4,070	3,389	4,070	3,407

The council and group holds no collateral as security or any other credit enhancements over receivables that are either past due or impaired.

Note 8: Inventory

Accounting policy

Inventories such (as stores, chemicals and materials) held for distribution or for use in the provision of goods and services that are not supplied on a commercial basis are measured at the lower of cost, or cost adjusted when applicable, for any loss of service potential.

Inventories held for use in the provision of goods and services on a commercial basis are measured at the lower of cost and net realisable value.

Breakdown of inventory and further information:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Stores and materials		270	271	424	365
		270	271	424	365

There has been no write-down of inventory. No inventory is pledged as security for liabilities.

Note 9: Assets held for sale

Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Investment property classified as assets held for sale are recognised at fair value. Any gains/losses on investment property held for sale are recognised in surplus/deficit.

Breakdown of assets held for sale and further information:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Balance at 1 July		29,335	715	29,335	715
Transfers from/(to) investment properties	11	-	13,780	-	13,780
Additions		-	4,494	-	4,494
Properties sold during the year		(28,398)	-	(28,398)	-
Fair value gains/(loss) on valuation	2(iii)	50	10,346	50	10,346
Total assets held for sale		987	29,335	987	29,335

During the year, council sold two investment properties classified as held for sale resulting in one investment property being held for sale at 30 June 2022. (2021: 3). Council's investment properties held for sale are valued at Fair Value under PBE IPSAS 16. The valuation was undertaken by Telfer Young Northland Ltd as at 30 June 2022.

Note 10: Other financial assets

Accounting policy

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Financial assets at fair value through surplus or deficit

Financial assets are initially recognised at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking. Derivatives are also categorised as held for trading unless they are designated in a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset unless council intends to hold the funds beyond 12 months.

After initial recognition, financial assets in this category are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Council's external managed funds are classified in this category as they are evaluated and reported on a quarterly basis against the corresponding statement of investment policy and objectives. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains or losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

At year end the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category includes:

- Investments that are intended to be held long term but which may be realised before maturity; and
- Shareholdings that are held for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Breakdown of other financial assets and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
CURRENT PORTION				
Term deposits, and other securities *	3,279	1,674	3,279	1,674
Term deposits held as part of the Short	-	1,554	-	1,554
Term Fund				
Term deposits held as part of the Long	3,460	1,462	3,460	1,462
Term Fund				
Short term investment fund	15,575	13,333	15,575	13,333
Total current portion	22,314	18,023	22,314	18,023
NON-CURRENT PORTION				
Other loans	2,891	2,846	2,891	2,846
Term deposits and other securities	263	307	611	758
Long Term Fund	57,315	36,843	57,315	36,843
Total non-current portion	60,469	39,996	60,817	40,447
TOTAL OTHER FINANCIAL ASSETS	82,783	58,019	83,131	58,470

* includes \$401,738 of term deposits held as retentions under commercial construction contracts and subject to restrictions

Fair value

The carrying amount of term deposits approximates their fair value.

Other loans

Funds of \$3,750,000 were advanced to Northland Emergency Services Trust (NEST) on 8 May 2018 to assist with the purchase of a helicopter. The NEST Loan is secured over the newly purchased helicopter by way of a General Security Deed and has an applicable fixed interest rate of 4.77% pa. A lump sum repayment of \$548,786 was received from NEST during the 2018-19 year. A further repayment of \$250,000 was received from NEST in the 2020-21 year following the sale of an engine that was surplus to requirements. The carrying amount of the NEST loan is \$2,891,091(2021: \$2,845,798) reflecting a non-cash fair value adjustment of \$60,123(2021: \$105,417) to account for the fact the interest rate is below an assessed market interest rate of 6.5%. The fair value adjustment of \$60,123 will be unwound through profit and loss over the term of the loan.

Fonterra Cooperative Group Limited Shares

As at 30 June 2022, Marsden Maritime Holdings Limited and its Group held 119,935 co-operative shares in Fonterra Co-operative Group Ltd having a disclosed fair value of \$2.90 per share (2021: total holding of 119,935 shares at an average of \$3.76 per share) recognising a total fair value decrease for the year of \$103,144 (2021: fair value increase \$2,399).

Externally managed investment funds

Eriksen and Associates Limited are appointed as council's investment advisors for 2 externally managed investment funds (2021:2) providing independent overarching investment guidance for these funds. Council's externally managed funds are classified as financial assets at fair value through surplus or deficit as Eriksen and Associates Limited evaluate and report the performance of each fund on a fair value basis (monthly) in accordance with council's Statement of Investment Policy and Objectives (SIPO). This designation is consistent with the investment strategy in council's finance strategy, as the managed funds are managed prudently against the SIPO with a view to prudently maximising and managing returns over the long term within a diverse portfolio that preserves and maintains the capital value of each fund. The Long Term Fund is presented as non current as council does not expect to dispose of it within 12 months of the balance date.

The fair value and carrying value of each fund is calculated using the net market values based upon the listed market values at Balance Date adjusted for any realisation expenses.

Investment commitments

Breakdown of fund managers with uncalled committed investments at year end	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000
Continuity Capital Fund (No.2)	100	180
Continuity Capital Fund (No.4)	250	400
Continuity Capital Fund (No.5)	1,493	2,417
Continuity Capital Fund (No.6)	1,500	1,900
Continuity Capital Fund (No.7)	1,947	-
CPE Capital (No.9)	470	-
Direct Capital Fund (No.6)	1,629	1,638
Milford PE Fund (No.3)	500	-
MLC Private Equity fund (No.2)	175	188
MLC Private Equity fund (No.3)	282	484
Oriens Fund (No.2)	740	1,000
Pioneer Capital Partners Fund (No.3)	150	257
Pioneer Capital Partners Fund (No.4)	391	987
	9,627	9,451

Externally managed investment fund performance (12 month return to 30 June 2022, net of fees)	Council and Consolidated 30-Jun-22	Council and Consolidated 30-Jun-21
Long Term fund	-2.0%	18.70%
Short Term fund	-4.6%	10.20%

Councils Long Term and Short-Term Investment Funds experienced negative annual returns in 2021/22 as rising inflation and interest rates weakened investor confidence and created extreme volatility in local and global financial markets. In addition, geopolitical conflicts, COVID-19 and climate change added to uncertainty and volatility that gave rise to an episode of turmoil in the financial markets that intensified throughout the year.

Council took steps to de-risk its investment portfolio by reducing exposure to global equities late last year. Additionally, to protect capital, council adopted a strategy of reinvesting private equity distributions into low-risk term deposits.

Despite experiencing negative annual returns, it should be noted that the majority of these losses are unrealised to date and the three-year and five-year average returns for both investment funds remain positive.

The investment portfolio is well set up to weather any future financial market volatility with a wide range of investments providing diversification to reduce the impact of listed markets and continue to add value going forward.

Weighted average effective interest rates	Council and Consolidated	Council and Consolidated
	30-Jun-22	30-Jun-21
Term deposits	1.12%	0.60%
Other securities	3.16%	3.16%

Note 11: Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at balance date. Fair Value is the price at which a property could be exchanged by knowledgeable and willing parties in an arm's length transaction. Fair Value is determined annually by the valuation undertaken by independent valuers that hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. Values for investment properties valued under PBE IPSAS 16 have been assessed primarily on a market related basis where sufficient data is available. For commercial properties, rentals, investment return rates and land improvement levels have been related directly to a wide range of Northland sales evidence, while for rural blocks direct sales analysis has been used.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Breakdown of investment property and further information:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Balance at 1 July		62,516	60,361	155,618	138,357
Additions		5,420	4,030	15,986	15,302
Transfers from/(to) assets held for sale	9	-	(13,780)	-	(13,780)
Transfers from/(to) property plant and equipment - freehold land	13	(185)	-	611	144
Transfers from/(to) property plant and equipment - buildings	13	(890)	-	(890)	-
Movement in lease incentives		-	-	(3)	35
Fair value gains/(losses) on valuation	2(iii)	7,509	11,905	11,427	15,560
Balance at 30 June		74,370	62,516	182,749	155,618

Investment properties valuation - Council

The annual valuation of council's investment properties was performed by Telfer Young (Northland) Limited. The valuation is effective as at 30 June 2022.

Council's investment properties are valued at fair value comprising of ground leases of \$35,284,000 (2021: \$31,371,000); freehold, and lessee's interest, investment properties (land, buildings and improvements) of \$39,086,403 (2021: \$31,145,000).

The fair value of council's investment property has been determined in accordance with PBE IPSAS16 using the income capitalisation method for freehold properties, the discounted cashflow method for leasehold properties, the market based comparison approach for two properties in the vicinity of the Kotuku Street Retention Dam and the investment approach for a commercial development currently in progress. These methods are based upon assumptions including capitalisation rates, future ground lease rental rates, future land value, and an appropriate discount rate.

Capitalisation rate range 4.32% to 9.83% (2021: 4.86% to 10.33%)

Future market rents

+5.25% for five-yearly ground lease rent reviews (2021: 5.10%)

+5.50% for seven-yearly ground lease rent reviews (2021: 5.35%)

+6.80% for 21-yearly ground lease rent reviews (2021: 6.65%)

Annual inflation on land values: 1.5% (2021: 1.5%)

Discount rate: 6.5% (2021: 6.50%)

Investment properties valuation - Marsden Maritime Holdings Limited

Fair value has been determined based on valuations performed as at 30 June 2022, by Telfer Young (Northland) Limited, industry specialists in valuing these types of assets (2021: Seager & Partners).

Fair Value has been determined by using the discounted cash-flows method, Income capitalisation method, and market-based comparison approach for freehold properties, and the discounted cash-flows method for the Marsden Cove marina and commercial complex.

These methods are based upon assumptions including lease values, years to full tenancy, appropriate discount rate, capitalisation rates, exit yields, and annual rental cash-flows.

Land available for lease range*: \$40-\$240 per square metre (2021: \$75-\$110 per square metre)

Discount rate range: 6.75% - 10.5% (2021: 7.5% - 9.75%)

Capitalisation rate range: 5.75% - 7.00% (2021: 6.875%)

Exit yield range: 6.75% - 7.75% (2021: 7.25% - 7.50%)

Annual Rental cash flow: \$617,000 - \$1,000,000 (2021: \$569,000 - \$837,000)

* Excludes undeveloped land and land designated for a transport corridor which has a value of \$5 per m² (2021: \$30 to \$100 per m²).

With the exception of a portion of land designated for a transport corridor, the group has no restrictions on the realisability of its investment property.

As reported in the financial statements for the year ended 30 June 2021, Marsden Maritime Holdings Limited commissioned an independent inspection of all the marina piles to understand the extent of any issues with the structural integrity of the piles. The conclusion reached was that there was no evidence of issues with the structural integrity of the marina piles.

Capital Commitments

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Investment Property	4,932	6,188	5,634	13,327
Total capital commitments	4,932	6,188	5,634	13,327

Note 12(i): Investments in subsidiary (excluding CCOs) and joint venture company

Accounting policy

Northland Regional Council consolidates as subsidiaries in the group financial statements all entities over which the council may direct the governance policies so as to obtain benefits from the activities of the entity. This power generally exists where Northland Regional Council has an interest of 50% or more of council-controlled organisations or more than one-half of the voting rights on the governing body.

The investment in subsidiaries is carried at cost in the council's parent entity financial statements.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The group recognises its investment in its jointly controlled entity (NorthPort Limited) using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the surplus or deficit of the jointly controlled entity after the date of acquisition. The group's share of the surplus or deficit of the jointly controlled entity is recognised in the surplus or deficit. Investments in jointly controlled entities are carried at cost in council's parent entity financial statements.

For jointly controlled assets the council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its shares of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Breakdown of investments in subsidiary (excluding CCOs) and joint venture company:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Investment in joint venture company	-	-	61,448	51,494
Shares in Marsden Maritime Holdings Limited (22.14 million shares)	7,828	7,828	-	-
Total investments in subsidiaries (excluding CCOs) and joint venture company	7,828	7,828	61,448	51,494

Council - Investment in Marsden Maritime Holdings Limited

Marsden Maritime Holdings Limited is a listed company. The fair value of these shares, as per the market price at 30 June 2022 is \$5.72 per share (2021: \$6.12 per share). The shares are held at historical cost of \$0.35 cents per share. Council shareholding in Marsden Maritime Holdings Limited is 53.61%.

Summarised financial information of the joint venture company, Northport Limited, is presented below:

	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Current assets	5,966	5,934
Non-current assets	170,946	145,684
Current liabilities	6,163	5,974
Non-current liabilities	45,237	40,016

	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Net assets	125,512	105,628
Group share of net assets (50%)	62,756	52,814
Other consolidation adjustments	(1,308)	(1,320)
Total Investment in joint venture company	61,448	51,494
Opening carrying value	51,494	46,269
Share of after tax surplus	8,432	9,525
Dividends paid	(9,513)	(8,295)
Share of land revaluation movement	10,174	3,499
Share of hedge reserve movement	861	496
Closing carrying value	61,448	51,494
Revenue	42,577	44,605
Net surplus	16,840	19,025
Current period write back in respect of previous inter-entity asset sales	12	12
Total share of joint venture company net surplus (50%)	8,432	9,525

Joint venture commitments and contingencies

Details of any commitments and contingent liabilities arising from the group's involvement in associated companies are disclosed separately in Notes 13 and 21.

Note 12(ii): Investments in council-controlled organisations

Accounting policy

The council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.

When the group transacts with associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is accounted for using the equity method in the council's parent entity financial statements.

Breakdown of investments in council-controlled organisations and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Investment in Northland Inc Limited (2022 Associate: 2021 Subsidiary)	59		59	
Investment in Regional Software Holdings Limited (associate)	282	486	282	486
Total investments in council controlled organisations	341	486	341	486

Northland Inc. Limited (Associate)

Northland Inc. Limited is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act. Northland Inc. Limited is an associate of council with a primary objective to develop the economy of Northland and review funding opportunities for the Investment and Growth Reserve. Northland Inc. Limited is classified as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland Inc. Limited due to the fact that council shares joint control of Northland Inc. Limited with Kaipara District Council (33.3%) and Far North District Council (33.3%).

Summarised financial information of Northland Inc. Limited presented on a gross basis:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000
Assets		3,394	
Liabilities		3,218	
Revenue		5,888	
Share capital			
Accumulated funds		176	
Total equity		176	
Council's interest		33.33%	-
Council investment in Associate (before impairment)		59	-
Council impairment in investment in Associate		-	
Council's investment in Regional Software Holdings Limited in Council parent financial statements		59	-

For the year ended 30 June 2022, council's investment in Northland Inc. Limited was recognised initially at fair value of \$53,830 and then increased by its 33% share of Associate surplus, being \$4,882 within the council's parent entity financial statements. In 2021 Northland Inc. Limited was treated as a subsidiary and council recognised its 100% share of Subsidiary surplus (\$10,588) in the Group financial statements and carried its Investment in subsidiary at cost of \$240 in the Parent entity financial statements.

Disposal of Subsidiary

As referred to above, on 1 July 2021 council disposed of its interest (100% owned subsidiary) in Northland Inc. Limited.

The net assets of Northland Inc. Limited (100% owned subsidiary) at the date of disposal were as follows:	01-Jul-21 \$000
Cash and cash equivalents	2,715
Trade receivables	751
Property, plant and equipment	237
Trade payables	(559)
Employee entitlements	(73)
Deferred revenue	(2,910)
Net assets disposed of	161
Loss on disposal	(107)
Total Consideration	54
Satisfied by:	
Cash and cash equivalents	-

The net assets of Northland Inc. Limited (100% owned subsidiary) at the date of disposal were as follows:	01-Jul-21 \$000
Fair value of associate interest in Northland Inc. Limited	54
Total consideration transferred	54
Net cash from investing activities arising on disposal	
Consideration received in cash and cash equivalents	-
Less: cash and cash equivalents disposed of	(2,715)
Total net cash from investing activities arising on disposal	(2,715)

There were no disposals of subsidiaries made in 2021. The impact of Northland Inc. Limited on the Groups results in the prior period is not material. The current year surplus of Northland Inc. Limited is set out below via council's share of associate surplus.

Regional Software Holdings Limited (Associate)

Regional Software Holdings Limited (RSHL) is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act. RSHL is an associate of council with a primary objective to provide a framework for collaboration between the shareholders and support the procurement or development of shared software resource products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own. Council has a 16.75% shareholding. RSHL is classified as an associate as the council's CEO is on the Board of Directors of Regional Software Holdings Limited and as such it is considered that council has significant influence over the operating and financial policies of Regional Software Holdings Limited.

Summarised financial information of Regional Software Holdings Ltd presented on a gross basis:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000
Assets		5,600	6,494
Liabilities		3,001	2,679
Revenue		5,463	3,606
Share capital		5,149	5,149
Accumulated funds		(2,550)	(1,335)
Total equity		2,599	3,814
Council's interest		16.75%	16.75%
Council investment in Associate (before impairment)		435	639
Council impairment in investment in Associate		(153)	(153)
Council's investment in Regional Software Holdings Limited in Council parent financial statements		282	486

For the year ended 30 June 2022 Regional Software Holdings Limited had a deficit of \$1,215,263 (2021: \$1,022,808 deficit), and council recognised its 16.75% share of Associate deficit being \$203,557 in the council's parent entity financial statements (2021: 16.75% being \$171,320 deficit).

Council investment in Regional Software Holdings Limited was impaired by \$152,994 in 2021, due to council's intention to withdraw from the underlying asset of its investment earlier than the planned retirement of the asset by RSHL.

The total share of associates and Joint Venture company surplus in comprehensive revenue and expense is \$8,287,033 (2021: \$9,353,535) being council's share of the Regional Software Holdings Limited deficit \$203,557 (2021: \$171,320) Note 12(ii), council's share of the Northland Inc. Limited surplus being \$4,882 and the fair value of the initial investment in Northland Inc. Limited as an associate \$53,830 (2021: \$0) Note 12(ii), and Marsden Maritime Holdings Limited share of surplus in their joint venture company, Northport Limited, \$8,431,878 (2021: \$9,524,855) Note 12(i).

Note 13: Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

Operational assets – these include land, buildings, plant and equipment, vehicles and vessels.

Infrastructure assets – infrastructure assets are the assets that comprise the Awanui River flood management system and other river management schemes as they are developed, including stopbanks and floodgates.

Buildings and infrastructure assets are measured at fair value less accumulated depreciation. Forest land subject to the Emissions Trading Scheme is the land under the forestry asset and is valued at historical cost. All other land is measured at fair value.

All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation: Owner occupied freehold land and buildings and infrastructure assets are re-valued with sufficient regularity to ensure that their carrying value does not differ materially from fair value and at least every three years.

Net revaluation results: Net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be first recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions: The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the council and exceeds \$2000 (GST excl), and the cost of the item can be measured reliably. Capital projects in progress are recognised at cost less impairment and are not depreciated.

In most instances an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals: Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation: Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

- Buildings	5-50 years 1-20%
- Plant, equipment, vehicles and vessels	2-100 years 1-50%
- Infrastructure assets	20-190 years 0.5-5%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Infrastructural assets components include gates, pipes, outlets and stopbanks. Depreciation is not provided for on stopbank components of the infrastructure assets. An asset management plan has been prepared for these schemes.

Impairment of property, plant and equipment: Property, plant and equipment that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount the total impairment is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non cash generating assets: Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets: Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Movements in the carrying value for each class of property, plant and equipment are as follows:

COUNCIL	Freehold Land \$000	Forestry Land \$000	Buildings \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Capital work in progress \$000
Year ended 30 June 2021							
Opening net book value	3,535	707	5,370	21,245	5,057	35,914	
Additions	-	-	236	3,409	1,002	4,647	38
Disposals* and divested assets	-	-	-	-	(105)	(105)	
Revaluation movement	260	-	1,052	-	-	1,312	
Depreciation expense	-	-	(108)	(205)	(1,161)	(1,474)	
Closing net book value	3,795	707	6,550	24,449	4,793	40,294	39
At 30 June 2021							
Assets at cost/valuation	3,795	707	6,550	24,654	13,926	49,632	39
Accumulated depreciation	-	-	-	(205)	(9,133)	(9,338)	
Net book value	3,795	707	6,550	24,449	4,793	40,294	39

COUNCIL	Freehold Land \$000	Forestry Land \$000	Buildings \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Capital work in progress \$000
Year ended 30 June 2022							
Opening net book value	3,795	707	6,550	24,449	4,793	40,294	39
Additions	-	-	4,516	3,551	1,150	9,217	1,200
Disposals* and divested assets	-	-	-	-	(28)	(28)	
Transfer between asset classes	185	-	890	-	-	1,075	
Revaluation movement	1,105	-	2,850	2,734	-	6,689	
Depreciation expense	-	-	(141)	(213)	(1,099)	(1,453)	
Closing net book value	5,085	707	14,665	30,521	4,816	55,794	1,590
At 30 June 2022							
Assets at cost/valuation	5,085	707	14,665	30,939	13,986	65,382	1,590
Accumulated depreciation	-	-	-	(418)	(9,170)	(9,588)	
Net book value	5,085	707	14,665	30,521	4,816	55,794	1,590

Depreciation and amortisation expense		Council 30-Jun-22	Council 30-Jun-21
Property, plant and equipment		1,453	1,474
Intangibles	Note 14	64	161
Total		1,517	1,635

* disposals are reported net after accumulated depreciation

CONSOLIDATED	Freehold Land \$000	Forestry Land \$000	Freehold Land - Port \$000	Buildings and amenities \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Work in progress \$000
Year ended 30 June 2021								
Opening net book value	3,535	707	19,723	14,191	21,245	6,974	66,375	606
Additions	-	-	27	443	3,409	1,486	5,365	1,181
Disposals* and divested assets	-	-	-	-	-	(112)	(112)	(335)
Transfer between asset classes	-	-	(93)	-	-	-	(93)	(174)
Revaluation movement	260	-	1,225	1,255	-	-	2,740	-
Depreciation expense	-	-	-	(438)	(205)	(1,418)	(2,061)	-
Closing net book value	3,795	707	20,882	15,451	24,449	6,930	72,214	1,278
At 30 June 2021								
Assets at cost/valuation	3,795	707	20,882	16,387	24,654	17,361	83,786	1,278
Accumulated depreciation	-	-	-	(936)	(205)	(10,431)	(11,572)	-
Net book value	3,795	707	20,882	15,451	24,449	6,930	72,214	1,278
Year ended 30 June 2022								
Opening net book value	3,795	707	20,882	15,451	24,449	6,930	72,214	1,278
Additions	-	-	-	4,635	3,551	1,319	9,505	1,362
Disposals* and divested assets	-	-	-	-	-	(273)	(273)	-
Transfer between asset classes	185	-	-	897	-	4	1,086	(807)
Revaluation movement	1,105	-	(2,357)	3,065	2,734	-	4,547	-
Transfer to operations	-	-	-	-	-	-	-	(2)
Depreciation expense	-	-	-	(475)	(213)	(1,308)	(1,996)	-
Closing net book value	5,085	707	18,525	23,573	30,521	6,672	85,083	1,831
At 30 June 2022								
Assets at cost/valuation	5,085	707	18,525	24,843	30,939	17,008	97,107	1,831
Accumulated depreciation	-	-	-	(1,270)	(418)	(10,336)	(12,024)	-
Net book value	5,085	707	18,525	23,573	30,521	6,672	85,083	1,831

Depreciation and amortisation expense		Consolidated 30-Jun-22	Consolidated 30-Jun-21
Property, plant and equipment		1,996	2,061
Intangibles	Note 14	64	161
Total		2,060	2,222

* disposals are reported net after accumulated depreciation

Valuation of freehold land and buildings

The most recent valuation of council's freehold land and buildings was performed by Telfer Young (Northland) Limited, and is effective as at 30 June 2022.

Council's land and buildings are valued at fair value of \$19,750,000 (2021: \$10,345,000) using a market-based approach based on a highest and best use approach, whereby the potential market rentals are capitalised to derive a market value of the property. Significant assumptions in the 30 June 2022 valuations include market rentals and capitalisation rates.

- Market rents range from: \$133.64 to \$325 per square metre
- Capitalisation rates are market based rates of returns, ranging from 6.31% to 9.06%

If council's freehold land and buildings were measured at depreciated replacement cost, the carrying amount would be \$17,660,000 (2021: \$9,240,000). Council has no restrictions on the realisability of its freehold land and buildings.

Valuation of Freehold Land - Marsden Maritime Holdings Limited

The most recent valuation of Marsden Maritime Holding Limited's freehold land was performed by independent registered valuers, Telfer Young (Northland) Limited (2021: Seagar & Partners) and is effective as at 30 June 2022.

Marsden Maritime Holdings Limited freehold land is valued at fair value of \$18,525,000 (2021: \$20,881,830) using a market comparison method based on a highest and best use approach considering various market outcomes for land in the Marsden Point area, together with limited, recent sales evidence for the area.

Significant assumptions in the 30 June 2022 valuations include estimated prices per hectare of freehold land in the Marsden Point area.

Price per hectare: \$100,000 to \$190,000

If Marsden Maritime Holdings Limited's freehold land and buildings were measured at depreciated replacement cost the carrying amount would be \$7,359,929 (2021: \$7,359,929).

With exception of a portion of land designated for a transport corridor, Marsden Maritime Holdings Limited has no restrictions on the realisability of its freehold land.

Valuation of Buildings - Marsden Maritime Holdings Limited

The most recent valuation of Marsden Maritime Holdings Limited's buildings was performed by independent registered valuers Telfer Young (Northland) Ltd and is effective as at 30 June 2022.

Marsden Maritime Holdings Limited buildings are valued at fair value of \$2,400,000 (2021: \$2,240,000). As there is no general market to assist in determining the market value of the buildings, the optimised depreciated replacement cost approach methodology was used to establish the cost to replace the buildings having regard to current building costings, and then an allowance for depreciation was deducted.

Valuation of Infrastructural assets – council

The most recent valuation of council's infrastructural assets was performed by independent registered valuers AON Valuation Services. The valuation is effective as at 30 June 2020.

Flood protection assets are valued using the depreciated replacement cost (DRC) method. In using the DRC methodology, age, condition, remaining life, optimisation and modern equivalent replacement cost information were collated on individual elements of the flood protection assets (i.e. stop banks, floodgate, spillway, retaining wall, culverts and bridge). Replacement costs were derived from recent contract prices or in-house databases before assigning modern equivalent replacement costs and assessing values.

In determining the fair value of associated infrastructure land, land has been valued as vacant with assessments to comparable market evidence taking into consideration adjustments for size, contour, location, zoning and designation, current and potential uses. Where it is identified that the land is designated reserve, an appropriate adjustment has been made to reflect the retrieved nature of any future development potential. The basis when valuing designated land is that the land may not be used for any other purpose than is designated with an adjustment made to reflect the value of the chance of any permission being obtained for some other use at some future time.

The remaining life of elements is based on a standard expected economic life for each element type with adjustments dependent on age and condition for each individual element, which may vary from one asset to another.

For the purpose of the 2020 valuation, the assets have been classed as being fully optimised and no discount has been applied to account for any spare capacity.

To ensure that the carrying value of council's infrastructure assets do not differ materially from their fair value, AON Valuation Services undertake an annual high-level review of selected markets. During the year, the increase in relevant classes of infrastructure assets were identified as follows:

- Non-residential buildings +5.97%
- Civil construction +9.41%
- Land improvements +8.02%
- Plant, Machinery and Equipment +3.5%
- Reserve land +15% to 20%

Based upon the AON assessment, council considered the fair value of its infrastructure assets at 30 June 2022 were materially higher than their carrying value and revalued these assets to fair value. The revaluation movement recognised in 2022 was \$2,734,479.

Core infrastructure disclosure

Included within the council infrastructure assets are the following core council assets:

	Whangārei		Awanui		Kaeo-Whangaroa		Punguru		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Closing book value	8,539	7,637	19,963	15,025	995	903	1,024	884	30,521	24,449

Acquisitions made by way of:										
Constructed by Council	-	-	3,500	3,010	-	21	51	378	3,551	3,409
Transferred to Council	-	-	-	-	-	-	-	-	-	-
Total Acquisitions	-	-	3,500	3,010	-	21	51	378	3,551	3,409
Most recent cost estimate for revalued assets	8,374	7,397	16,991	15,419	1,045	949	595	506	27,005	24,271

Capital Commitments

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Buildings	-	180	-	180
Property plant and equipment	235	27	235	27
Total capital commitments	235	207	235	207

Capital Commitments represent capital expenditure contracted for at year end but not yet incurred.

Note 14: Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

Carbon Credits

Compensation units received at no cost from the Crown are recognised at fair value at the date of receipt. The credits are recognised when they have been received and are recognised in the surplus.

New Zealand Units are revalued annually with reference to market prices. The net revaluation result is credited or debited to other comprehensive revenue and expense and accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the NZU. Gains and losses on disposals are reported in the surplus or deficit.

If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. Council's Forest Management Plan prescribes that replanting will always take place subsequent to any harvest.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually. The cost of an easement is capitalised as part of the asset to which they relate.

Amortisation

Intangible assets that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Computer software: 3-5 years 20-33%

Breakdown of intangible assets and further information:

	Note	Council and Consolidated 30-Jun-22 \$000	Council and Consolidated 30-Jun-21 \$000
Computer software			
Cost - opening balance		3,952	3,952
Accumulated amortisation		(3,883)	(3,722)
Computer software opening carrying amount		69	230
Additions		69	-
Net disposals*		(2)	-
Amortisation charge		(64)	(161)
Total computer software closing balance		72	69
Cost		4,019	3,952
Accumulated amortisation		(3,947)	(3,883)
Total computer software closing balance		72	69
Emission Trading Scheme - New Zealand Units (NZU's)			
Opening balance		759	560
Gain/(loss) on revaluation of Emission Trading Scheme - NZU's	20	568	199
Total Emission Trading Scheme - NZU's - Closing Balance		1,327	759
Total Intangible Assets		1,399	828

There are no restrictions over the title of intangible assets and no intangible assets are pledged as security for liabilities.

Emission Trading Scheme - New Zealand Units (NZU's)

The council has 291 hectares of pre 1990 forest land. This land is subject to the provisions of the New Zealand emissions trading scheme (ETS). Council will recognise credits received at fair value at balance date. At the end of the financial year council held 17,460 NZ units (2021: 17,460) at \$76 per unit (2021: \$43.47 per unit) with a total market value of \$1,326,960 (2021: \$758,986).

Carbon credits have been assessed as having an indefinite life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

* Disposals are reported net after accumulated depreciation.

Note 15: Forestry assets

Accounting policy

Forestry assets are independently revalued, annually, at fair value less estimated point of sale costs.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Breakdown of forestry assets and further information:

	Note	Council and Consolidated 30-Jun-22 \$000	Council and Consolidated 30-Jun-21 \$000
Balance at 1 July		3,703	3,157
Gain/(Loss) arising from changes in fair values less estimated point-of-sale costs	2(iii)	359	546
Balance at 30 June		4,062	3,703

Northland Regional Council owns 311 hectares (2021: 311 hectares) of radiata pine forest which are at varying stages of maturity, ranging from one to 27 years.

Valuation assumptions

Independent registered forestry industry consultants, Forme, have valued forestry assets at fair value less estimated selling costs as at 30 June 2022.

In 2022 and 2021 the fair value of the forest was derived by using the crop expectation value method. Under the crop expectation value approach, the net present value of the forest is calculated by discounting the projected future net cash flow of the tree crop to the valuation date (30 June 2022). The calculated net present value is linked to sales evidence through the application of a discount rate of 8.0% (2021: 8.0%) derived with consideration to the cost of capital of a similar investment and the 2020 discount rate survey published in the NZ Journal of Forestry Vol65, 15-24. The valuation also uses the standard set of conventions (time, cost, area market) as recommended by the NZ Institute of Forestry. In applying this approach PBE IPSAS 27 requires exclusion of financing, funding and costs related to subsequent crops. Costs and prices are held constant in 2022 NZ dollars, i.e. the net impact of inflation is assumed to be zero.

Note 16: Derivative financial instruments

Accounting policy

Marsden Maritime Holdings Limited use derivative financial instruments such as interest rate swaps to hedge risk associated with interest rate fluctuation.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Designated Cash Flow Hedges

Marsden Maritime Holdings Limited documents at the inception of the transaction the relationship between hedging instrument and hedged item, as well as the risk management objective and strategy for undertaking the transactions. Marsden Maritime Holdings Limited also documents its assessment, both at hedge inception and on an ongoing basis of whether the derivatives that are being used in hedging transactions are highly effective throughout the financial reporting period(s) for which they were designated.

At each reporting period, all designated cashflow hedges are tested for effectiveness. The effective portion of the gain or loss on a hedging instrument is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which a fair value hedge accounting is applied, the associated gains or losses that were recognised in other comprehensive revenue and expense will be recognised in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, or exercised without replacement or roll over or it no longer meets the criteria for hedge accounting, the cumulative gain or loss previously recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately in equity until the forecast transaction occurs.

The fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

Derivatives that do not qualify for hedge accounting

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

Note 16(i) Derivative financial instruments:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Non current asset portion					
Interest rate swaps - cash flow hedge				672	-
Total non current asset portion		-	-	672	-
Total derivative financial instrument assets		-	-	672	-

Marsden Maritime Holdings Limited

As at 30 June 2022 Marsden Maritime Holdings Limited had interest rate swaps in place covering 63% (2021: nil) of the loan principal of \$31,550,000 outstanding with the Bank of New Zealand with interest rates of between 2.56% and 2.62%.

The fair value of interest rate swaps are determined from valuations prepared by independent treasury advisors based on the present value of estimated future cash flows accounting for the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the current creditworthiness of the derivative counterparty.

Note 16(ii) Cash flow hedge reserve:

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Movement in Marsden Maritime Holdings Limited (parent) hedging				672	
Movement in share of joint venture hedging reserve				1,197	689
Total movement in hedging reserve before tax		-	-	1,869	689
Taxation on above items				(523)	(193)
Total movement in hedging reserve after tax		-	-	1,346	496
Balance 1 July				(605)	(1,101)
Balance 30 June		-	-	741	(605)
Balance 30 June - Attributable to controlling interest in Marsden Maritime Holdings Ltd	20	-	-	396	(325)

The cashflow hedge reserve represents the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

Note 17: Payables and deferred revenue

Breakdown of payables and deferred revenue and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
CURRENT PORTION				
Payables and deferred revenue under exchange transactions				
Payables and accruals	5,337	3,937	7,183	6,159
Revenue received in advance	658	2,792	658	2,792
Amounts due to subsidiaries and associates	63	10	-	5
	6,058	6,739	7,841	8,956
Payables and deferred revenue under non-exchange transactions				
Grants payable	816	63	816	63
Other grants and deferred revenue received subject to conditions not yet met	4,983	3,202	4,983	6,112
Other taxes	598	273	598	396
	6,397	3,538	6,397	6,571
Current total payables and deferred revenue	12,455	10,277	14,238	15,527
NON-CURRENT PORTION				
Payables and deferred revenue under non-exchange transactions				
Other grants received and deferred revenue subject to conditions not yet met	937	506	2,797	2,253
Non-current total payables and deferred revenue	937	506	2,797	2,253

Trade and other payables are non-interest bearing and are normally settled on terms varying between seven days and 20th of the month following the invoice date. Therefore, the carrying value of trade and other payables approximates their fair value.

Note 18: Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are anticipated to be taken. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement have been calculated on an actuarial basis. The calculations are based on the present value of the estimated future cash flows.

Presentation of employee entitlements

Retirement gratuities for employees up to the age of 60 are classified as a non-current liability. All other employee entitlements are classified as a current liability.

Breakdown of employee entitlements and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Annual leave	1,972	1,651	2,019	1,780
Accrued salaries and wages	741	581	741	581
Other leave	315	322	315	322
	3,028	2,554	3,075	2,683
Represented by:				
Current benefit liabilities	3,011	2,537	3,058	2,666
Non-current benefit liabilities	17	17	17	17
	3,028	2,554	3,075	2,683

Note 19: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at their fair value plus any transaction costs.

Borrowing costs are recognised as an expense in the period in which they are incurred.

After initial recognition, borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Current				
Secured loans	-	-	7,550	10,000
Total current borrowings	-	-	7,550	10,000
Non-current				
Local Government Funding Agency - Bond Issuance	13,958	13,958	13,958	13,958
Secured Loans	-	-	24,000	13,950
Total non-current borrowings	13,958	13,958	37,958	27,908

Council

As at 30 June 2022 council has five bond issuances (2021: 5) with the Local Government Funding Agency. The first being a \$2,800,000 fixed coupon bond issued at a fixed annual interest rate of 4.86%, maturing on 13 August 2032. The second a \$3,811,000 fixed coupon bond issued at a fixed annual interest rate of 4.77%, maturing on 14 February 2033. The third a \$1,931,000 fixed coupon bond issued at a fixed annual interest rate of 4.72%, maturing on 14 February 2033. The fourth a \$1,016,000 fixed coupon bond issued during the year at a fixed annual interest rate of 4.0%, maturing on 14 February 2033 and the fifth a \$4,400,000 fixed coupon bond issued at a fixed annual interest rate of 1.98%, maturing on 14 April 2033. Council secures its fixed coupon bonds by granting a security interest in its rates revenue set and assessed under the Local Government Rating Act 2002. The total fair value of council's debentures and bond issuances at 30 June 2022 is \$13,110,581 (2021: \$15,988,103).

There are a number of covenants included within the loan agreement with LGFA. No breach of these loan covenants has occurred during the year.

Marsden Maritime Holdings Limited

As at 30 June 2022 Marsden Maritime Holdings Limited has access to funding facilities with the BNZ totalling \$40,000,000 (2021: \$31,500,000) of which \$31,550,000 (2021: \$23,950,000) was drawn down at this date. The remainder of the loan facility is able to be drawn down on request subject to the company being in compliance with undertakings in respect of the facility. A \$11,000,000 tranche of the funding facility is due to mature on 6 April 2023.

Interest rates are determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates (excluding establishment and line fees) paid during the year ranged from 1.32% to 4.16% (2021: 1.26% to 1.51%).

The loan facility is secured by a first ranking mortgage over all of Marsden Maritime Holdings Ltd's property interests.

Note 20: Equity

Accounting policy

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

- Accumulated funds
- Reserves
 - Asset revaluation reserve
 - Fair value through other comprehensive revenue and expense reserve
 - Hedging reserve
 - Special reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

The Asset revaluation reserve relates to the revaluation of property, plant and equipment and intangible assets to fair value.

The fair value through other comprehensive revenue and expense reserve comprises the cumulative net change in fair value of assets classified as fair value through other comprehensive revenue and expense.

Hedging reserve comprises the effective portion of the cumulative net change in fair value of derivatives designated as cash flows hedges.

Special reserves include reserves established by the council (and may be altered at the discretion of council) to isolate funds put aside for a specific purpose, and other reserves restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected.

Breakdown of equity and further information:

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Accumulated funds				
As at 1 July	157,900	115,650	194,983	148,562
Surplus/(deficit) for year	14,387	33,006	17,345	37,167
Net transfers from/(to) special reserves	(33,272)	9,244	(33,272)	9,244
Net transfers from/(to) other reserves	-	-	-	10
As at 30 June	139,015	157,900	179,056	194,983

Reserves	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Asset revaluation reserve				
As at 1 July	2,408	1,949	38,096	35,115
Revaluation gains/(losses) - buildings and amenities	1,372	-	1,487	(10)
Revaluation gains/(losses) - land	1,105	260	5,296	2,792
Revaluation gains/(losses) - infrastructure assets	1,547	-	1,547	-
Revaluation gains/(losses) - carbon credits	568	199	568	199
As at 30 June	7,000	2,408	46,994	38,096
Asset revaluation reserve attributable to:				
Land	2,887	1,782	42,766	37,470
Buildings and amenities	1,372	-	1,487	-
Infrastructure assets	1,547	-	1,547	-
Carbon credits	1,194	626	1,194	626
Total Asset revaluation reserve	7,000	2,408	46,994	38,096
Special reserves				
As at 1 July	30,651	39,895	30,651	39,895
Transfers from/(to) accumulated funds	33,272	(9,244)	33,272	(9,244)
As at 30 June	63,923	30,651	63,923	30,651
Cashflow hedge reserve				
As at 1 July	-	-	(325)	(590)
Fair value gains/(losses) recognised	-	-	721	265
As at 30 June	-	-	396	(325)
Total Reserves	70,923	33,059	111,313	68,422
Non-controlling interest	-	-	77,528	70,475
Total Equity	209,938	190,959	367,897	333,880
Non-controlling interest				
Balance at 1 July			70,475	64,462
Share of total comprehensive revenue and expense attributable to the non controlling interest in Marsden Maritime Holdings Limited			10,358	9,079
Dividends paid			(3,305)	(3,066)
Balance at 30 June			77,528	70,475

Information about reserve funds held for a specific purpose is provided below:

Note 20 continued	Activities to which the reserve relates	Balance at 30 June 2022 \$000	Balance at 30 June 2021 \$000
Land management reserve	Land and Biodiversity	833	265
Awanui river reserve	River management	(111)	(273)
Kaihū river reserve	River management	53	48
Kaeo-Whangaroa rivers reserve	River management	258	217
Whangārei urban rivers reserve	River management	(7,671)	(8,131)
Kerikeri-Waipapa rivers reserve	River management	18	364
Property reinvestment fund reserve	Economic development	31,318	14,805
Equalisation reserve	All	2,286	2,095
Hātea river maintenance reserve	Harbour safety and navigation	59	100
Investment and growth reserve	Economic development	80	1,122
Regional economic development fund reserve	Economic development	16,836	-
Regional projects fund reserve	All	14,125	16,691
Whangārei transport reserve	Transport	(63)	(126)
Emergency services reserve	Community representation and engagement	53	70
Approved carry forwards reserve	All	1,573	181
Lidar project reserve	Natural hazard management	(0)	11
Flood infrastructure reserve	River management	(812)	(2,032)
Kaeo River flood infrastructure reserve	River management	54	38
Awanui River flood infrastructure reserve	River management	81	(230)
Whangārei River flood infrastructure reserve	River management	100	48
Taumarere River flood infrastructure reserve	River management	162	-
Far North transport reserve	Transport	451	338
Regional Sporting Facilities reserve	Economic development	1,316	1,255
Opex reserve	All	2,566	2,233
Capital Subsidy reserve	Transport	0	8
Kaipara Moana remediation reserve	Kaipara Moana remediation programme	358	-
Enterprise System Reserve	Enterprise System	-	1,554
Total Special Reserves		63,923	30,651

Purpose of each reserve fund:

Land Management reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the land management reserve maintains a positive balance, it can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis.

River and Flood Infrastructure reserves

The Awanui, Kaihū, Kaeo-Whangaroa, Kerikeri-Waipapa, Whangārei urban and Taumārere river reserves and flood infrastructure reserves hold targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:

- Any future funding shortfalls in respect to the maintenance and operation of existing river flood management schemes (River Reserves)
- Any future funding shortfalls in respect to the development, maintenance and operation of new flood infrastructure schemes (Flood Infrastructure Reserves)

This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be repaid from future targeted river management and flood infrastructure rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

Property Reinvestment Fund reserve

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 the Marsden Maritime Holdings Limited. This reserve represents general 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.

Equalisation Fund reserve

This reserve was created to represent accumulated surplus forestry income (after accounting for the cost of any forestry maintenance) arising in any year. These reserved funds are intended to provide future funding of councils general operating activities with a view to smoothing future rating increases. It is further intended that these reserved funds be used to fund the self insurance of forestry infrastructure and the cost of forestry operations in non-harvesting years.

Hātea River Maintenance reserve

This reserve was created to represent a component of the council services rate specifically levied across the Whangārei constituency, which is set aside to ensure funding is in reserve and immediately available if dredging of the Hātea river is required. The funds may be applied to the following:

1. Ongoing maintenance and dredging
2. Disposal of dredged spoil material
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

Investment and Growth reserve

This reserve was created to represent the investment income set aside and held in reserve to fund activities and projects that contribute towards economic well-being in accordance with set criteria.

Regional Economic Development Fund reserve

This reserve was established to represent funds held in council's long-term investment fund that are reserved to support Northland's economic development activities including investment in community infrastructure.

Regional Projects Fund reserve

This reserve was established to represent funds invested in council's long-term investment fund, and earmarked 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. This reserve helps manage and spread the costs of approved infrastructure and economic development investment projects and is also intended to provide more flexibility around when such large capital intensive projects can commence. The income from this reserve represents funds available for operational spend for other activities where needed.

Transport reserves

This Whangārei transport reserve and the Far North transport reserve represent accumulated targeted Whangārei transport and Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of their respective transport services. Any deficit balance in these reserves will be restored from future targeted rates collected from ratepayers in the Whangārei district (Whangārei transport rates) and Far North district (Far North transport rates).

Emergency Services reserve

This reserve represents any accumulated targeted Emergency Services rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of Emergency Services funding.

Approved carry forwards reserve

This reserve represents amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.

LiDAR Project reserve

This reserve currently holds unspent funding collected from the parties in a project to undertake a multiyear topographic survey utilising Airborne Laser Scanning (LiDAR) over the entire Northland region.

Flood Infrastructure reserve

This reserve was created to hold any targeted flood infrastructure rates relating to new flood protection capital programmes, identified in the infrastructure strategy, that were collected and unspent in any given year. These unspent rates will cover any future funding shortfalls in the new flood protection capital programmes.

Regional Sporting Facilities reserve

This reserve represents accumulated targeted regional sporting facilities rates collected and unspent in any given year, and held in reserve to contribute to any future funding shortfalls of regional sporting facilities funding.

Operational Reserve

This reserve was established to represent the term deposits held to ensure the stability of work-programmes, employment, and councils ongoing day to day operations, by ensuring that the portion of annual operating costs that is intended to be funded from gains from council's managed funds is in reserve. This will cover any unanticipated loss in council's funding arising from adverse economic conditions or volatility in financial markets.

Opex reserve

This reserve was established to ensure the stability of work programs, employment and ongoing day to day operations of the council by ensuring that the portion of annual operating costs that is intended to be funded from gains derived from council's managed funds is in reserve to cover any unanticipated loss in council funding arising from adverse economic condition's or volatility in financial markets.

Capital Subsidy reserve

This reserve represents capital subsidies received from the Waka Kotahi NZ Transport Agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System (RITIS).

Kaipara Moana Remediation Reserve

This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.

Enterprise System Reserve

This reserve represents the shortfall in funding relating to the enterprise system. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.

Note 21: Contingencies

21(i): Contingent liabilities

	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Bonds	-	-	75	75
	-	-	75	75

Council

Northland Regional Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2022, Northland Regional Council is one of 68 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Northland Regional Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totalling \$15,789M (2021: \$13,605M).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

At year end, council was involved in a shared cost arrangement to fund 50% of the costs arising from a subdivision that is subject to the construction of a rail spur connecting the main trunk line to Marsden Point.

Other Legal Claims

At year end council was defendant in a number of other legal claims that had not been heard before the court or ruled upon which may result in a liability should council not successfully defend the claims. The amount claimed or the maximum potential exposure for the council is not considered material and excludes any interest or costs that may be claimed if these cases were decided against council.

Marsden Maritime Holdings Limited

At Balance Date, Marsden Maritime Holdings Limited was aware of the following Contingent Liabilities:

1. To the Bank of New Zealand for a \$75,000 (2021: \$75,000) Bond given by them to the New Zealand Stock Exchange.

21(ii): Contingent assets

At 30 June 2022 the group has no contingent assets (2021: Nil).

21(iii): Investment commitments

At 30 June 2022 council had uncalled committed capital relating to its investment in private equity fund managers of \$9,626,589 (2021: \$9,451,499).

Note 22: Related party transactions

Related party disclosures have not been made for transactions with entities with the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between entities and are on normal terms and conditions for such group transactions.

There are no related party transactions with any associate, subsidiary or key management personnel requiring disclosure.

Key Management Personnel Compensation

Key management personnel includes all the elected and independent (non-elected) representatives of council, the chief executive and senior management leadership team. Due to the difficulty in determining the full time equivalent for councillors and the independent members of council, the full time equivalent figures are taken as the number of councillors and independent members.

	Note	Council 30-Jun-22	Council 30-Jun-21
Councillors			
Remuneration \$000	4	733	754
Full time equivalent members		9	9
Independent (non elected) members of Council			
Remuneration \$000		40	43
Full time equivalent members		2	2
Senior management team including the Chief Executive			
Remuneration \$000		1,393	1,268
Full time equivalent members		7.00	6.04

	Note	Council 30-Jun-22	Council 30-Jun-21
Total key management personnel remuneration \$000		2,166	2,065
Total full time equivalent personnel		18.00	17.04

Note 23: Events after balance sheet date

Subsequent to balance date, Marsden Maritime Holdings Limited declared a fully imputed dividend of 10 cents per share to be paid on 30 September 2022.

There were no other significant events after balance date.

Note 24: Financial instruments

Note 24A: Financial instrument categories

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
FINANCIAL ASSETS					
Derivatives that are hedge accounted					
Derivative financial instrument assets	16(i)			672	
Loans and receivables:					
Cash on hand and at trading banks	6	4,415	3,612	4,645	6,480
Term deposits	6,10	6,852	9,106	6,852	9,106
Local government funding agency borrower notes	10	263	264	263	263
Debtors and other receivables	7	6,362	6,597	6,623	7,607
Other loans	10	2,891	2,846	2,891	2,846
Total loans and receivables		20,783	22,425	21,274	26,302
Financial assets at fair value through surplus or deficit					
Other financial assets:					
Income funds	10	32,705	22,312	32,705	22,312
Equity Funds	10	40,185	27,864	40,185	27,864
Listed shares	10	-	-	348	451
Total financial assets at fair value through surplus or deficit		72,890	50,176	72,238	50,627
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
Creditors and other payables	17	13,392	10,783	17,035	17,780
Borrowings:					
Local government funding agency – bond issuance	19	13,958	13,958	13,958	13,958
Bank loan	19	-	-	31,550	23,950

	Note	Council 30-Jun-22 \$000	Council 30-Jun-21 \$000	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Total financial liabilities measured at cost		27,350	24,741	62,543	55,688

Note 24B: Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

Financial assets at fair value through surplus or deficit and financial assets at fair value through other comprehensive revenue and expense are classified as level 1.

Note 24C: Financial instrument

The council's and group's activities expose it to a variety of financial instrument risks including market risk, credit risk, interest rate risk and liquidity risk. The council and group has a series of policies to manage the risks associated with financial instruments and its treasury activities.

The council has an approved liability management policy and an investment policy for its investments. These policies do not allow any transactions that are speculative in nature to be entered into and manages council's exposure in respect to liquidity risk, credit risk, price risk and interest rate risk.

The council also has investments in externally managed funds and administers these funds with overarching independent investment advice from Eriksens Global Limited. These two funds are administered in accordance with council's Statement of Investment Policies and Objectives (SIPO). The SIPO and any changes to it are approved by council. Monthly performance reporting on the two funds is prepared by Eriksens Global Limited, and any breach of compliance with the SIPO is also reported monthly to council's investment subcommittee.

Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments. For council this only includes security investments in its externally managed funds. Price risk can be minimised through diversification. At 30 June 2022 council's externally managed investment funds were diversified over 18 fund managers (2021: 16). The use of a wide range of fund managers with different mandates and different asset allocations asset allocations, and that no single fund manager is permitted to hold more than 20% of the aggregated sum of the Long-Term Investment fund mitigates council's price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's exposure to currency risk is provided below:

	Consolidated 30-Jun-22 \$000	Consolidated 30-Jun-21 \$000
Long Term Fund: Investments in		
Blackrock Fixed Income Global Opportunities Fund	608	631
Continuity Capital Fund (No.5) & (No.7)	1,880	885
MLC Private Equity Fund (II) & (III)	1,551	1,114
Schroders Real Return +5% Fund	4,152	1,171
Federation Alternative Fund	974	923
Fermat ILS Fund	686	642
Nanuk New World Fund	912	1,033
CPE Capital (No.9)	65	-
Total exposure to currency risk	10,828	6,399

Currency risk is mitigated by limiting investments in non-NZD denominated funds to a maximum of 20% of the aggregated sum of the Long-Term Investment fund. Council (via its CEO) manages currency risk associated with non-NZD denominated investments (currently AUD) with consideration to the views of council's independent financial advisor, independent treasury advisor, and independent investment advisor.

Marsden Maritime Holdings Limited foreign exchange risk is considered minimal.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Northland Regional Council's exposure to fair value interest rate risk is limited to its interest-bearing investments within the portfolio and its \$14.0M borrowings in the form of Local Government Funding Agency fixed coupon bonds.

Interest rate risk

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the council and group to cash flow interest rate risk.

Council's long-term borrowing and long-term deposit investments are at a fixed rate. Marsden Maritime Holdings Limited exposure to interest rate risk stems from its portion of long-term debt obligations that are uncovered by hedging arrangements and therefore have a floating interest rate. At 30 June 2022 the unhedged portion of its long term debt obligations was \$11,550,000. Interest rates paid during the year on this amount ranged from 1.32% to 4.16%.

Marsden Maritime Holdings Limited also has an indirect exposure to variable interest rate risk via its holding in joint venture company Northport Limited. This entity periodically enters into cashflow hedges to hedge the risk associated with fluctuations in interest rates.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the council and group, causing it to incur a loss. Due to the timing of council's cashflows and outflows, surplus cash is invested into term deposits and externally managed funds.

The council's investments in term deposits, are invested in accordance with its Treasury Management Policy as determined by the Standard and Poor's credit ratings. Where relevant, the minimum long term credit rating can be no lower than BBB and the maximum exposure of council's portfolio rated less than A- can not exceed 20%.

The council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 21.

The credit risk associated with council's externally managed funds is minimised by setting maximum portfolio limits on each class of investment and specific limits on each Fund Manager. Council's SIPO ensures credit risk of each fund manager and the overall fund is managed within acceptable parameters.

Marsden Maritime Holdings Limited manages its credit exposure by only trading with recognised, credit-worthy parties and by limiting the amount of funds placed with any one financial institute at any one time. Accordingly, the group has no significant concentrations of credit risk.

Maximum exposure to credit risk

The council and group's maximum credit risk exposure for each class of financial asset is the carrying value set out in the table in Note 24A.

Debtors and other receivables arise mainly from the council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The council's treasury management policy ensures the sum of external debt, liquid funds and available committed bank facilities are at least 110% of external debt.

The council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 21.

Marsden Maritime Holdings manages its exposure to liquidity risk by maintaining a balance continuity of funding and flexibility through the use of bank loans, overdrafts and committed available credit lines. As at 30 June 2022 Marsden Maritime Holdings Limited had access to BNZ funding totalling \$40M of which \$31.55M was drawn down at year end (2021: \$23.95M).

Contractual maturity of financial liabilities

The table below analyses council and group's financial liabilities into relevant maturity groupings, based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments. The council's treasury management policy limits the level of borrowing that matures within the next three years to 60% of the total borrowing, unless any borrowings are funded by a specific targeted rate in which case the corresponding maximum maturity profile in any one year is 100%.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 2 Years \$000	2 - 5 Years \$000	More than 5 Years \$000
Council 2022						
Creditors and other payables	13,392	13,392	12,455	937	-	-
Local Government Funding Agency - Bond Issuance	13,958	19,610	537	1,074	1,611	16,388

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 2 Years \$000	2 - 5 Years \$000	More than 5 Years \$000
Total	27,350	33,002	12,992	2,011	1,611	16,388
Group 2022						
Creditors and other payables	17,035	17,035	14,238	2,797	-	-
Secured bank facility	31,550	34,039	8,735	25,304	-	-
Local Government Funding Agency - Bond Issuance	13,958	19,610	537	1,074	1,611	16,388
Total	62,543	70,684	23,510	29,175	1,611	16,388
Council 2021						
Creditors and other payables	10,783	10,783	10,277	506	-	-
Local Government Funding Agency - Bond Issuance	13,958	20,148	537	1,074	1,610	16,927
Total	24,741	30,931	10,814	1,580	1,610	16,927
Group 2021						
Creditors and other payables	17,780	17,780	15,527	2,253	-	-
Secured bank facility	23,950	24,920	10,450	14,470	-	-
Local Government Funding Agency - Bond Issuance	13,958	20,148	537	1,074	1,610	16,927
Total	55,688	62,848	26,514	17,797	1,610	16,927

Sensitivity analysis

The table below illustrates the potential effect on the surplus/deficit and equity (excluding accumulated funds) for reasonably possible market movements with all other variables held constant based on the council's and group's financial instrument exposures at balance date.

Sensitivity analysis	2022				2021			
	+100bps		-100bps		+100bps		-100bps	
	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
COUNCIL								
Total sensitivity to interest rate risk	844	-	(844)	-	632	-	(632)	-

	2022				2021			
	+100bps		-100bps		+100bps		-100bps	

	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
GROUP								
Total sensitivity to interest rate risk	731	-	(731)	-	421	-	(421)	-

Borrowings

Council has \$14M of external borrowings in the form of Local Government Funding Agency fixed coupon bonds. The rate of interest payable is fixed for the life of the borrowings and is not affected by rising or falling interest rates.

Note 24D: Capital management

The council's capital is its equity (or ratepayers' funds), which comprises accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of using the council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets, detailing renewal and maintenance programs to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in its long term plan and its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under funding and financial policies in council's long term plan.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Refer to Note 20 for a list of council's reserves. Self-insurance reserves are built up annually from regional-wide or sometimes targeted rates and are made available for specific unforeseen events. The release of these funds is approved by council.

Wāhanga tuawha: Ngā
Whakaturanga ā Ture
Section four: Legislative disclosures

Rating base information

The following rating base information for Northland Regional Council is disclosed based on the rating base information at the end of the preceding financial year:

	30-Jun-22	30-Jun-21
The number of rating units within council's region at 30 June:	99,526	98,479
The total capital value of rating units within council's region at 30 June:	\$61,345,616,040	\$60,574,314,690
The total land value of rating units within council's region at 30 June:	\$31,662,410,950	\$31,446,236,200

Insurance of assets

At 30 June 2022 council had assets covered by full replacement insurance of \$84,784,787 (2021: \$86,584,552) and indemnity insurance of \$70,000 (2021: \$70,000). At 30 June 2022 there are no assets self insured.

Internal borrowings

S112(b)(iii) of the Local Government Act defines borrowing as the use for any purpose, of funds received or invested by the local authority for any other purpose. Schedule 10(27) requires council to disclose internal borrowing, including the amount of the borrowings, funds borrowed and repaid during the year and the amount of any interest paid (if any) in relation to the internal borrowing by each group of activity.

A summary of internal borrowing by each group of activity is provided in the following table:

	Opening balance 1-Jul-21 \$000	Funds borrowed 2021/22 \$000	Funds repaid 2021/22 \$000	Change to external borrowing 2021/22 \$000	Closing balance 30-Jun-22 \$000	Interest charged 2021/22 \$000
River management	643	-	-	(643)	-	-
Transport	127	-	(63)	-	64	5
TOTAL	770	-	(63)	(643)	64	5

Council funding impact statement

Period ending 30 June 2022

	Long Term Plan 2020/21 \$000	Annual Report 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Sources of operating funding				
General rates, uniform annual general charges, and rates penalties	-	405	-	495
Targeted rates	31,128	31,138	37,574	38,110
Subsidies and grants for operating purposes	8,149	10,330	14,333	10,971
Fees and charges	3,989	4,505	4,446	4,956
Interest and dividends from investments	3,776	12,533	3,261	4,191
Local authorities fuel tax, fines, infringement fees and other receipts	3,310	3,132	12,265	3,096
TOTAL OPERATING FUNDING	50,352	62,042	71,879	61,819
Applications of operating funding				
Payments to staff and suppliers	49,928	52,988	64,069	60,371
Finance costs	1,060	580	747	528
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	50,988	53,568	64,816	60,899
Surplus/(deficit) of operating funding	(636)	8,473	7,063	920
Sources of capital funding				
Subsidies and grants for capital purposes	-	2,493	-	5,620
Increase/(decrease) in debt	3,116	(5,600)	2,468	-
Gross proceeds from sale of assets	-	248	-	30,068
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	3,116	(2,859)	2,468	35,687
Applications of capital funding				
Capital expenditure:				
to meet additional demand	-	-	-	-
to improve levels of service	11,750	12,581	16,405	17,112
to replace existing assets	6,113	977	1,682	1,333
Increase/(decrease) in reserves	(579)	(9,244)	(83)	33,272
Increase/(decrease) of investments	(14,804)	1,299	(8,473)	(15,110)
TOTAL APPLICATIONS OF CAPITAL FUNDING	2,480	5,614	9,531	36,607
Surplus/(deficit) of capital funding	636	(8,473)	(7,063)	(920)
FUNDING BALANCE	-	-	-	-

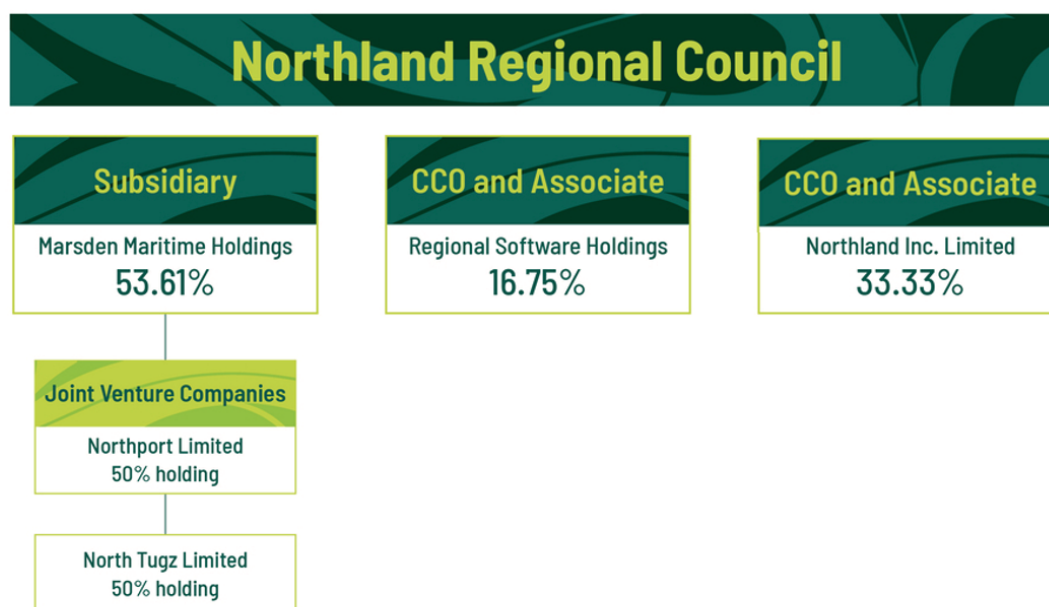
Reconciliation to the statement of comprehensive revenue and expense

Period ending 30 June 2022

	Long Term Plan 2020/21 \$000	Annual Report 2020/21 \$000	Long Term Plan 2021/22 \$000	Actual 2021/22 \$000
Capital expenditure included above, not in comprehensive revenue and expense	17,864	13,558	18,087	18,445
Investment movements included above not in comprehensive revenue and expense	(14,805)	1,299	(8,473)	(15,110)
Other gains included in comprehensive income not above	-	-	-	4,592
Gross proceeds included above, but not in comprehensive revenue and expense	-	(248)	-	(30,068)
Gains on asset disposals included in comprehensive revenue and expense	-	143	-	(1,075)
Financial assets fair value adjustments included in comprehensive income but not above	-	-	(100)	-
Revaluation adjustments not included above, but in comprehensive revenue and expense	-	24,315	-	9,397
Infrastructure asset revaluation adjustments included in comprehensive income	-	-	-	1,187
RSHL deficit and impairment included in comprehensive income but not above	-	(324)	-	(145)
Proceeds from borrowing included above not in comprehensive revenue	-	-	(2,468)	-
Transfers to/from special reserves included above, but not in comprehensive revenue and expense	(579)	(9,244)	(83)	33,272
Increase/(decrease) in debt included above but not in comprehensive income	(3,116)	5,600	(3,116)	-
Depreciation and amortisation expense not included above, but in comprehensive revenue and expense	(1,839)	(1,635)	(1,986)	(1,517)
Total comprehensive revenue and expense per the statement of comprehensive revenue and expense	(2,475)	33,464	4,977	18,979

Wāhanga tuarima: CCOs me ngā Kamupene Section five: CCO's and Subsidiaries

Group structure



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a Statement of Intent and report against their policies, objectives and performance in their annual reports unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a Statement of Intent.

Marsden Maritime Holdings Limited

Company operations and ownership

Marsden Maritime Holdings Ltd (known as Northland Port Corporation (NZ) Ltd until August 2014) is a designated port company formed under the Port Companies Act 1988, which required harbour boards to form companies to take over commercial, port-related assets of the Boards. In Northland's case, the company's assets include substantial land-holdings at Marsden Point.

The company is registered under the Companies Act 1993 and is domiciled and incorporated in New Zealand. In 1992 the company's shares were listed on the New Zealand Stock Exchange. Northland Regional Council currently holds 53.61% of the share capital, whilst Ports of Auckland Ltd holds 19.9%. The balance of shares is held by members of the public. The council may review its shareholding in the company as part of its triennial long-term planning process.

In 2002, in a 50/50 joint venture with Port of Tauranga, associate company Northport Ltd was formed and a new cargo terminal at Marsden Point was developed. Northport Ltd operates the deep water commercial port facility situated at the entrance to Whangārei Harbour, making it the northern-most multi-purpose port in New Zealand, and the closest port to the majority of New Zealand's international markets. More information about Northport Ltd is available at www.northport.co.nz

In 2014, the company purchased the Marsden Cove Marina, comprising 236 berths, adjoining commercial buildings, and land. Marsden Maritime Holdings Ltd (MMHL) is a stakeholder of Marsden Cove Canals Management Ltd (MCCML), which administers the waterways within the Marsden Cove marina development. MCCML is an IRD approved charitable entity with budgeted expenditure met by dividing costs across all canal users. Due to the nature of this entity it has not been consolidated with MMHL in its financial statements.

The Board of Directors of MMHL is elected by the shareholders to supervise the management of the company and its associates in the best interests of shareholders. The Board has several key functions which are:

- The establishment of business objectives, strategies and policies.
- The approval of annual capital and operating budgets.
- The appointment of a Chief Executive to manage the day to day operations of the company within the established framework.
- The ongoing monitoring of management performance in relation to the goals established for that purpose.

The Board currently has seven members. Under the company's constitution, one-third (or the number nearest to one third) of the directors retire by rotation each year. Northland Regional Council participates in the process of appointing directors by:

- Identifying potential candidates;
- Nominating candidates for election; and
- Voting for preferred candidates at the company's annual general meeting.

Current information about the company's Board of Directors, governance structure and its organisation framework is available

at www.marsdenmaritime.co.nz/about/

Company financial data

MMHL is deemed a "strategic asset" of the council, as provided for in section 5 of the Local Government Act 2002, but the Act also specifically provides that designated port companies and their subsidiaries are not council-controlled organisations. MMHL is therefore not required to provide to the council a statement of corporate intent nor submit budget estimates.

Company	Holding at 30 June 2020	Main activity
Northland Port	50.0%	Port operating company

Marsden Maritime Holdings Ltd
53.61% Northland Regional Council
19.90% Ports of Auckland Ltd
26.49% other Shareholders

Northport Ltd
50% Marsden Maritime Holdings Ltd
50% Port of Tauranga Ltd

North Tugz Ltd
50% Northport Ltd
50% Ports of Auckland Ltd

FLOWCHART NOTES

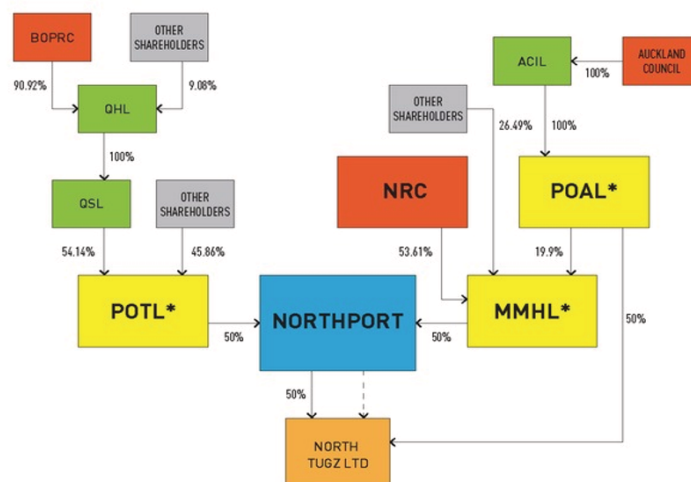
—————> Ownership (in whole or part)
-----> Customer relationship

Abbreviations

BOPRC = Bay of Plenty Regional Council
QHL = Quayside Holdings Ltd
QSL = Quayside Securities Ltd
ACIL = Auckland Council Investments Ltd
POTL = Port of Tauranga Ltd
MMHL = Marsden Maritime Holdings Ltd
POAL = Ports of Auckland Ltd
NRC = Northland Regional Council

Percentages shown indicate how much the parent entity owns of the connected entity.
Not all minor shareholders are shown.

* Designated port companies



Northland Inc. Limited

About this council-controlled organisation (CCO)

Northland Inc Limited, established in July 2012, is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils).

Northland Inc Limited is primarily funded by an operational contribution from its shareholder councils delivered through NRC's Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

Policies and objectives

The mission of Northland Inc Limited is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Six key pou are set out in the 2021-24 Statement of Intent as the organisational objectives.

Pou	Objective
Pou Tahī: Māori Economic Development- "Āe Mārika"	To respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori. Working with strategic partners in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those who we partner with for delivery. Implementation of our pathway – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.
Pou Rua: Environmental Sustainability	Help prepare for Tai Tokerau Northland's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects. Northland Inc will work to embed Te Ao Māori/Mātauranga Māori in environment/sustainability kaupapa.
Pou Toru: Regional Investment	Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review we will prioritise activities and ideas, with a view to applying our resources to engage in focused impactful projects reflecting the organisational capacity at this time.
Pou Whā: Destination Management and Marketing	To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage and culture.
Pou Rima: Profile and Advocacy of Economic Development	To develop and improve the profile of economic development and Northland Inc to ensure that Tai Tokerau Northland understands and values the efforts of Northland Inc and advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.
Pou Ono: Organisational Culture	At its core, regional economic development is about improving the livelihoods of the Tai Tokerau Northland's people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland Inc actively upholds a culture where teams are respectful and supportive of one another; our histories, our whānau, and our aspirations.

Investment and Growth Reserve

Northland Inc Limited's activities include a focus on finding economic development projects that qualify for funding through the IGR. The objective of the reserve is to provide a fund that shareholder councils can use to support strategic investments that lift the long-term growth of the Northland economy that support strong communities and environmental sustainability. All three shareholder councils contribute funding to the IGR, and through their membership of the Joint Regional Economic Development Committee, have responsibility for allocating funding from the IGR. The main criteria for allocation are as follows:

- The reserve provides operational expenditure for Northland Inc Limited.
- Up to \$300,000 per annum can be used for project development funding.
- Responsibility for allocating project development funding of up to \$100,000 is delegated to the Board of Northland Inc Ltd.
- The reserve can be used to provide enabling investment funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure or the development of regionally strategic sectors. The strategic sectors identified in the 2021-24 Statement of Intent are aquaculture, agriculture and horticulture, digital, tourism, ship and boat building and repair services.
- Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- Decisions on enabling investment funding must have been considered and evaluated for funding by the Board of Northland Inc Ltd.
- Applications for enabling investment funding must be accompanied by a robust business case.

Key performance measures and targets

This section summarises the results of Northland Inc Limited's activities during 2021/22 against the 16 key performance indicators set for five of the six pou (objectives). Key performance indicators were not set for the sixth pou: organisational culture.

Māori economic development

The 2021/22 key performance targets and results for this objective are:

Measure	2021/22 performance target	Result
Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g., marae, land trusts, etc. that have led to a positive outcome	10	Achieved, 12
Proportion of Māori organisations that are satisfied with Northland Inc support	>50%	Achieved, 78%

Environmental sustainability

The 2021/22 key performance targets and results for this objective are:

Measure	2021/22 performance target	Result
Number of workshops/events that help promote or support environmental sustainability values and culture in Te Tai Tokerau	4	Achieved, 4
Proportion of businesses/projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	Achieved, 91%
Change in carbon footprint of Northland Inc	Initial carbon footprint audit completed	Achieved, base line of 55,260 kg/Co2 per year established

Regional Investment

The 2021/22 key performance targets and results for this objective are:

Measure	2021/22 performance target	Result
Number of unique businesses assisted (reporting by TA and industry)	230	Achieved, 545
Proportion of those businesses assisted that are Māori (by TA and industry)	20%	Achieved, 22%
Number of inward delegations hosted	3	Not achieved, 1
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS>50	Achieved, 100
Value of grant funding and investment facilitated for Māori businesses	\$110,000	Not achieved, \$106,000
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	Not achieved, 2

There was one enabling investment project allocation made in 2021/22: \$80,000 to support the development of a regional economic development strategy. Four projects received project development funding totalling \$175,000. Travel restrictions put in place to control the spread of COVID-19 limited the ability of Northland Inc. to host inward investment delegations.

Destination management and marketing

The 2021/22 key performance targets and results for this work programme are:

Measure	2021/22 performance target	Result
Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1 campaign per year	Achieved, 4
Number of workshops / events to promote product development and position Te Tai Tokerau Northland as a green tourism destination	Establish baseline	Achieved, 3

Profile and advocacy of economic development

The 2021/22 key performance targets and results for this work programme are:

Measure	2021/22 performance target	Result
Number of regional economic development updates or reports released	4	Achieved, 4
Number of media features that profile the region	12	Achieved, 20
Number of media activity that references Northland Inc	24	Achieved, 77

Regional Software Holdings Limited

Council is also a shareholder of Regional Software Holdings Limited (RSHL), being a major shared services undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. All sixteen Regional Councils/Unitary Authorities in New Zealand are stakeholders and customers of RSHL.

RSHL operates a range of collaboration and shared services on behalf of Te Uru Kahika.

RSHL is at an exciting and challenging juncture in its journey, evolution and growth. A number of opportunities exist, that if they come to fruition, have the ability to significantly enhance the productivity of the regional and unitary sectors.

The Integrated Regional Information System (IRIS) programme is RSHL's longest running programme. The six member councils developed a software solution (IRIS) for regional council specific functions. Hawkes Bay Regional Council also uses IRIS. The programme has been in place for nearly 10 years and has been a remarkable success.

As the IRIS system reaches the end of its useful life, RSHL has made the strategic decision to prioritise planning for the next generation of IRIS (IRIS Next Generation). Significant steps towards this goal were taken in 2021/2022.

RSHL also operates the Sector Financial Management System (SFMS) on behalf of Te Uru Kahika. Under this agreement, RSHL supports a range of sector work programmes and projects. RSHL manages funding collected from the sector to support shared sector activities, as well as providing project management support.

The Sector Financial Management System allows RSHL to further achieve its vision "To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector."

RSHL continues to extend the services and value it provides to Te Uru Kahika.

In August 2021, the Regional Chief Executives Group approved the business case for the implementation of a Regional Sector Shared Services Organisation based on RSHL.

This initiative is the next significant step towards RSHL achieving its potential as a shared services vehicle for the regional sector.

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

Te Uru Kahika will benefit from the creation of the shared services organisation through:

- Being better prepared to respond to future issues and opportunities.
- Achieving a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.
- Increased credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- Improved key staff attraction and retention.
- Consistent good practice process across the sector and within councils.

Much of the work required to restructure RSHL occurred in 2021/22, with the final necessary legal steps to be completed by the end of September 2022.

For the legacy IRIS product, the priority is on consolidation and cost minimisation. Two releases of new functionality were delivered over the year. The focus for the legacy IRIS product is ensuring it remains fit for purpose for the remainder of its useful life by improving the performance of the application and making changes to enhance usability.

Pleasingly, the IRIS user survey completed in September 2021 showed ongoing improvement over previous years.

As noted in previous annual reports, there is a need to undertake a reinvestment in the IRIS solution to ensure the underlying technology remains current and fit for purpose. This is the IRIS NextGen Programme.

The scope of IRIS Next Generation includes development of good practice processes for the regional sector, as well as selection of a vendor and partner to deliver the software solution. This approach builds on a key lesson learnt from the IRIS programme, that having councils agree on consistent good practice processes significantly reduces the cost of developing and operating software.

IRIS Next Generation will be cloud based and be more efficient for staff and customers. Basing the solution on sector agreed best practice processes will enable sharing of resources, training, along with continuous improvement.

Datacom have been selected as our partner for the implementation of IRIS NextGen, with an offering based on their ERP platform "Datascap" and professional services to support the development of good practice process.

Over the last 12 months, we worked with Datacom and eleven councils to further refine the details of the IRIS NextGen Programme. We expect to have final approval from councils to proceed with the programme in August 2022.

IRIS Next Generation will be a sector-wide initiative, which is why we have made every effort to involve experts from as many councils as possible, along with leaders from the Te Uru Kahika Network.

The sector has responded to the challenges of the COVID-19 pandemic, and local government reform by placing a greater emphasis on collaboration, development of shared services and more use of Council Controlled Organisations. RSHL and its shareholding councils are aligned with this direction.

The purpose of the Sector Financial Management System is to remove barriers to shared initiatives within the sector. As part of the SFMS, RSHL is responsible for the management of the funding for sector collaborative programmes including:

- Regional Sector Office
- Sector Business Plan
- River Managers Programme
- ReCoCo Technology Projects
- EMaR Programme
- Bio Managers Programme
- Bio Control Programme
- Science Programme

Along with funding management, RSHL also supports the collaborative programmes through project, procurement and contract management. Where appropriate RSHL also provides IT systems for programmes to use.

In 2020/21, RSHL oversaw programmes with a total value of \$2.1M, with \$0.4M of this funding secured from central government to support Te Uru Kahika.

In 2021/22, the total value of the programme increased to \$3.6M, including \$0.5M from central government.

ReCoCo is one of the programmes within the SFMS. Under the ReCoCo banner RSHL delivers collaborative technology projects for groups of councils.

To support accelerated growth and development RSHL has completed the establishment of independent business infrastructure.

- In 2019, the Board appointed a full-time General Manager. The benefits of having a full-time general manager can clearly be seen in the accelerated progress of the company. In June 2022, the General Manager position was re-titled Chief Executive reflecting the growth of RSHL and the increasing complexity of the role.
- IT Systems have been transitioned from Waikato Regional Council to a cloud-based Microsoft 365 environment.
- Financial services have been transitioned to ONLA (O'Fee & Associates Ltd), based in Palmerston North.
- RSHL has completed a branding project to create a brand and supporting collateral for RSHL.
- RSHL now has a website www.rshl.co.nz to further increase the visibility of the organisation.

Financially, the company continues to be in a sound position.

RSHL's revenue comes from:

- Licence fees from councils that use IRIS. These fees are used for the maintenance and development of the IRIS product.
- Funding contributions for sector work programmes. This funding is used to pay service providers delivering services to Te Uru Kahika.

The company does not trade to make a profit. Rather, it charges to cover its planned level of expenditure. Unspent revenue is reallocated to programmes in the new financial year or redistributed back to councils.

The financial result is a deficit of \$1,215,263. This reflects the depreciating value of the investment in the IRIS product.

Expenditure on the IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and the company looks to reinvest in IRIS NextGen. Cash balances remain healthy as the losses are resulting from depreciation rather than trading activities.

The success of IRIS and RSHL is due to the collaborative approach of Te Uru Kahika.

The success and richness of IRIS and IRIS NextGen product reflects the contribution, expertise, and commitment of a team of well over 100 people from all the participating councils, in a variety of roles.

The outlook for Regional Software Holdings Ltd is bright and there are significant opportunities to support the activities and achievements of Te Uru Kahika into the future.

[1] Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector*

Shareholding

Environment Waikato	32.75%
Northland Regional Council	16.75%
Horizons Regional Council	15.50%
Taranaki Regional Council	15.50%
Southland Regional Council	15.50%
West Coast Regional Council	4.00%

Our council's experience

This council continues to realise the benefits of the IRIS solution and the high level of integration achieved with other core applications such as Document Management, Geographic and Financial Information Systems. For Northland, the increasing focus on collaboration to projects continues to bring together the best ideas, practices and experiences into solutions that are fit for purpose, perform well and achieve more through working together for the sector.

Statement of Intent and performance targets

The following performance measure were incorporated into the Statement of Intent for the 2020/21 financial year.

Performance measure	Level of achievement		Comment																				
	2021/22	2020/21																					
Non-financial																							
Undertake an annual survey of users and shareholder/customer councils in relation to product performance, Datacom support and RSHL support.	Complete	Complete	The IRIS user survey was completed in November 2021. Results were reported to the board in February 2022 and reflected overall improvement in the performance of RSHL, Datacom and the IRIS Product																				
Baseline to be developed following the completion of the first survey.			The report has been provided to member councils.																				
Develop, approve, communicate the product strategy for IRIS NextGen.	Complete	Complete	The IRIS NextGen Product Strategy consist of outputs created during the Discovery phase of the programme. These outputs support the product strategy framework of Vision, Programme Goals, SWOT analysis, Product Goals and Product Initiatives. Through the Discovery Phase, outputs were developed that will provide a framework to guide the development and implementation of the IRIS NextGen product. <ul style="list-style-type: none"> ● Good Practice Operating Model Baseline ● Datascape solution mapping ● Priorities requirement backlog ● Requirements Gap Analysis ● Datascape development backlog ● Integration approach ● Stakeholder success assurance report ● Risk plan and mitigations ● Implementation and transition priorities 																				
Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Complete	Complete	The IRIS Product Roadmap extends for the 3 years. It is refined by the Advisory Group as required. The roadmap was presented to the board in November 2021.																				
Major Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Complete	Complete	The total budget for major enhancements to IRIS was \$460k including \$110k for enhancements to the core product, \$150k for Business Intelligence Implementation and \$200k for data migration tools. <table border="1"> <thead> <tr> <th>Budget Item</th><th>SOI Budget</th><th>Expenditure</th><th>Variance</th></tr> </thead> <tbody> <tr> <td>BI Initiative</td><td>\$150,000</td><td>\$70,200</td><td>\$79,800</td></tr> <tr> <td>Data Migration</td><td>\$200,000</td><td>\$0</td><td>\$200,000</td></tr> <tr> <td>MAJs</td><td>\$110,000</td><td>\$61,539</td><td>\$48,461</td></tr> <tr> <td>TOTAL</td><td>\$460,000</td><td>\$131,739</td><td>\$328,261</td></tr> </tbody> </table> MAJ Costs	Budget Item	SOI Budget	Expenditure	Variance	BI Initiative	\$150,000	\$70,200	\$79,800	Data Migration	\$200,000	\$0	\$200,000	MAJs	\$110,000	\$61,539	\$48,461	TOTAL	\$460,000	\$131,739	\$328,261
Budget Item	SOI Budget	Expenditure	Variance																				
BI Initiative	\$150,000	\$70,200	\$79,800																				
Data Migration	\$200,000	\$0	\$200,000																				
MAJs	\$110,000	\$61,539	\$48,461																				
TOTAL	\$460,000	\$131,739	\$328,261																				

Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery is within these budgets is effectively managed by the Advisory Group and the General Manager.	Complete	Complete	MAJ057 "IRIS Advanced Search Enhancement was completed under budget for \$45,500. The balance of the costs being for releases.
			BI Initiative
			The IRIS BI Applications Module Implementation had a budget of \$70,200 and was completed exactly on budget.
			Data Migration
			The Data Migration project did not progress as a MAJ in FY22. Scoping activity was funded from the MIN budget. In FY2022 \$236,040 was allocated for minor enhancements and \$263k has been spent. \$260K was allocated for IRIS Support and \$225,397 was spent.
Financial	2021/22	2020/21	
RSHL will operate within approved budget, with any material variations approved by the Board.	Achieved	Achieved	RSHL operated within the overall budget, with contributions from members and councils as-budgeted. The Statement of Financial Performance, and the balance sheet were impacted by the decision not to borrow to fund IRIS NextGen in FY2022, and the non-capitalisation of IRIS NextGen Discovery work.
Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Complete	Complete	Charges to shareholders were exactly on budget at \$1,211,619.
Growth	2021/22	2020/21	
Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Complete	Complete	RSHL expects that up to 4 additional councils will participate in the IRIS NextGen, subject to approval of the Partnership agreements. They are BOPRC, ORC, TDC, and NCC. Through the Sector Financial management Systems, all 16 regional sector organisations are customers of RSHL. MFE, MPI and LINZ also fund and receive benefit from our programmes.
Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector.	Complete	Complete	Datacom have been selected as our partner for the implementation of IRIS NextGen, with an offering based on their ERP platform "Datascape" and professional services to support the development of good practice process. Up to 11 Councils are expected to participate in IRIS NextGen.
Be a service delivery vehicle for wider regional council sector share programmes under the Sector Financial Management System (or similar).	Complete	Complete	In FY2022 RSHL managed the funding for the Te Uru Kahika work programmes with a total value of \$3.8M. In the same time period \$3.6M in funding was collected. The following programmes were included in the Sector Financial Management System:

		<ul style="list-style-type: none"> ● Regional Sector Office ● Sector Business Plan ● River Managers Projects ● ReCoCo Technology Projects ● EMaR Programme ● Bio Managers Programme ● Bio Control Programme ● Science Programme ● Essential Freshwater MFE Fund ● Sector Spatial Projects ● Shovel Ready Projects
<p>Be a service delivery vehicle for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and ReCoCo Advisory Group.</p>	<p>Complete</p>	<p>Under the ReCoCo Programme RSHL supported the delivery of the following projects:</p> <ul style="list-style-type: none"> ● Environmental Data Mobility Implementation ● Environmental Data Programme ● WellsNZ Implementation ● Sector Reference Model Engagement Project ● N-Cap Implementation <p>Appropriate project management controls were in place for each project.</p> <p>In addition, RSHL was responsible for the upgrade of the Sectors collaborations portal to a modern Teams environment.</p> <p>RSHL also managed the funding for the following sector programmes:</p> <ul style="list-style-type: none"> ● LIDAR PGF Programme Manager ● Retrolens <p>\$543k was collected in funding to support the ReCoCo Programme.</p>
<p>Work with the RCEOs Group to develop a business case for the Regional Sector Shared Services Organisation.</p> <p>Business Case to be considered by December 2021 to allow for the development of a new Statement of Intent in early 2022.</p>	<p>Complete</p>	<p>The business case for the Regional Sector Shared Services organisation was approved by the RCEOs on 3 August 2021</p>

It should be noted that the achievement of some of the above performance targets are dependent on decisions to be made by parties over which the board of directors has limited influence.

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Northland
REGIONAL COUNCIL 
Te Kaunihera ā rohe o Te Taitokerau



September 2022 Review of NRC Annual Report and Audit Process

The 2021/22 financial year was another extremely trying year for both the private and public sectors. The period witnessed a continuation of COVID lockdowns, a large increase in illness cases requiring isolation, continued supply chain constraints, unprecedented global financial market volatility resulting from the abrupt transition from a low inflation environment to significantly increased global inflation and further major geopolitical crises. The relentless rise in inflation to levels well exceeding the New Zealand Reserve Bank's benchmark ceiling of 3% resulted in interest rates and mortgage borrowing costs more than doubling and consequently New Zealand experienced a significant shift in household as well as business cash-flow contraction and confidence. The later part of the financial year saw a notable downward correction to most global asset valuations such as equities, bonds, and property. This was a year of significant change, not only to New Zealanders perception of wealth but also to spending habits.

Inflation also brought with it a disruptive influence on household and business economic planning and forecasting. Its' impact has been measurable in public benefit organisations with unbudgeted increases to operational and Capex costs, revenues, and delays to construction of infrastructure and buildings.

Against these trying conditions, NRC has shown remarkable financial risk management resilience in terms of weathering the multiple financial market storms prevalent in the 2021/22 year.

NRC has fared comparatively well to others in the local government sector. Council continued to exceed its balanced budget benchmark with revenue 106% of expenditure against a benchmark of 100%. Whilst down on previous years this was mainly the result of lower than anticipated gains from the externally managed fund and a timing difference on the sale of a investment property.

NRC's return of -2.50% on the externally managed fund portfolio of \$76.2 million was disappointing, albeit not unexpected given the seismic impacts to global financial markets and was significantly better than the New Zealand funds management average return of - 7.8% for the June 2022 financial year. NRC's externally managed fund was clearly in the top performing quartile of New Zealand managed funds. The NZ Superfund, New Zealand's largest fund manager experienced a drop in value of \$3.3 billion to \$55.7 billion as at June 2022, down from the previous year's \$59 billion (-5.4%).

NRC's externally managed fund generated an average annual return >7% over the past 5 years, even when considering the negative return for the June 2022 year.

The strategic/ oversight management of NRC's external funds, within the overriding SIPO limit controls, has been prudentially effective and sets NRC up well for the 2022/23 year.

Border closures, staff illness and a significant national skills shortage in auditors has caused major challenges to the local government sector. Nearly every regional and territorial council has had unprecedented delays to their statutory external audit timetable with most audits running 6-11 months behind normal schedule. By contrast, NRC has had a seamless audit process, conducted on time and completely to plan. NRC's outgoing lead engagement auditor Peter Gulliver of Deloitte conveyed to me that NRC & the NRC financial team are the model of a best practise audit client saying that the team is technically savvy, well prepared, and diligent. Deloitte, to their credit have maintained excellent continuity, notwithstanding auditor shortages impacting on all audit firms.

The audit results are, in my opinion, as good as it gets for NRC. There was only one raised finding requiring a management response concerning 6 Private Equity fund managers not providing audited internal control reports. This effects \$3.3 million of investment exposure and was primarily with investments that were undertaken prior to the changes in NRC's SIPO in December 2021. Deloitte do recommend a full independent review of the investment SIPO parameters and risk appetite over the coming year.

When reviewing NRC's 2021/22 performance in relation to key financial measures it is heartening to see that council continues to be in a robust and healthy financial position.

Rates affordability crept up to 49% against a maximum quantified limit of 75%, and although higher than last years 36% reading, was primarily caused by the loss of income from the externally managed funds and can hopefully be considered "one-off".

Council has \$13.96 million of external debt, no change to last year, and continues to have abundant debt capacity due to holding significant investments categorised as non-current assets that can be readily liquidated if required. Council has a net debt gearing constraint (cap) of net debt being no more than 175% of adjusted revenue. This currently allows Council to externally borrow up to \$88 million in terms of net debt to adjusted revenue and provides for total debt headroom capacity of \$162 million.

The current negative debt leverage (-147.3%) allows Council to perform well against debt servicing benchmarks. Net interest to total rates revenue remains close to 0% (0.4%) against a benchmark of <25% and net interest to total revenue is also close to 0% with a benchmark of <20%.

With such low net debt to revenue gearing, other important prudential benchmarks associated with debt servicing are well met with borrowing costs at 0.8% of revenue well below the benchmark limit of 10%. The current rise in New Zealand interest rates will not materially impact on councils' debt servicing forecasts.

Council has a high level of liquidity in that it can very easily meet its obligations from committed access to easily liquifiable financial assets. Councils' liquidity benchmark is that

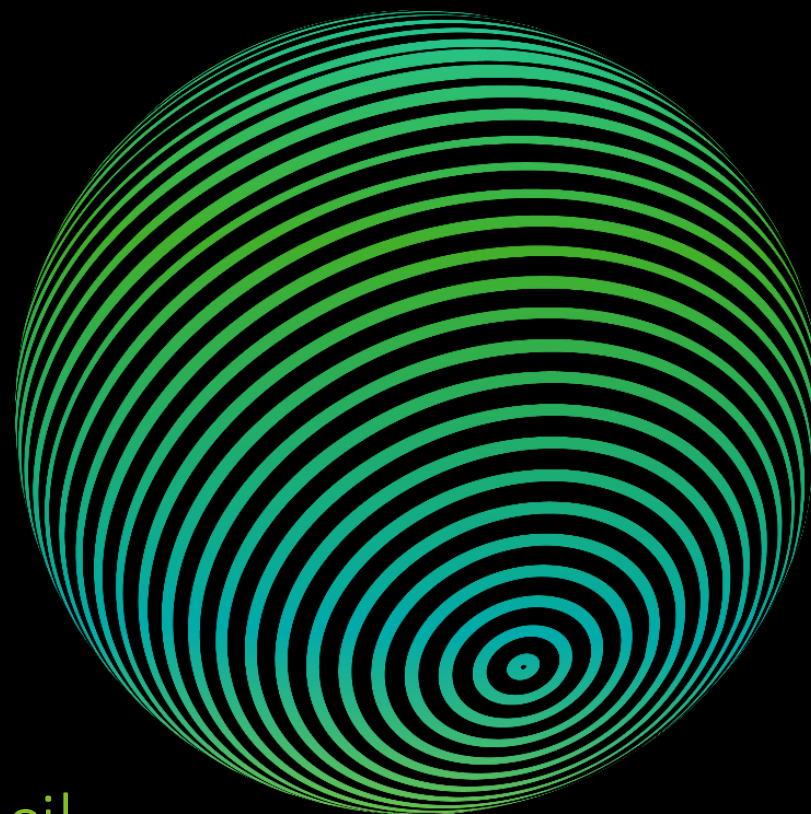
liquid assets and access to committed funding should exceed 110% of external debt. Council is currently at 448%.

From an ongoing sustainability perspective, NRC continues to outperform balanced budget benchmarks. NRC generates sustainable revenue in excess of council's core expenditure at 106% against a 100% benchmark. Net cashflows from operations continue to be strong with council comfortably exceeding planned net cashflows from operations.

It is pleasing to see that NRC's core and reoccurring revenues continue to exceed NRC core and reoccurring costs when one off realised and unrealised gains are conservatively stripped out. This is most importantly evidenced by Council's cash flows as well.

Council is financially well placed to support the Northland Region's four well beings – Social, Economic, Environmental and Cultural priorities.

Deloitte.



Northland Regional Council

**Report to the Audit and Risk Subcommittee
For the year ended 30 June 2022**

Purpose of report

This report has been prepared for Northland Regional Council's Audit & Risk Subcommittee and is part of our ongoing discussions as auditor in accordance with our engagement letter and master terms of business dated 17 June 2020 and as required by New Zealand auditing standards.

This report is intended for the Council's Audit & Risk Subcommittee (and other Council members) and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures and which we believe are appropriate to communicate to the Subcommittee. The ultimate responsibility for the preparation of the financial statements rests with the Council.

Responsibility statement

We are responsible for conducting an audit of Northland Regional Council for the year ended 30 June 2022 in accordance with the auditing standards issued by the Office of the Auditor General which includes the auditing standards issued by the NZ Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Public Audit Act 2001, the Local Government Act 2002 and taking into considerations instructions received from the Office of the Auditor General, with the objective of forming and expressing an opinion on the financial statements, performance information, and other requirements of Schedule 10 that have been prepared by management with the oversight of the Council. The audit of the financial statements and performance information does not relieve management or the Council of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the Council's controls but we will provide you with any recommendations on controls that we may identify during the course of our audit work.

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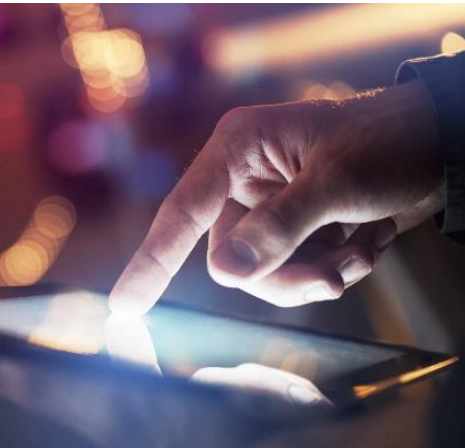
1. Executive summary

2. Results of the audit

- A. Status of the audit
- B. Identifying the areas of audit focus
- C. Areas of audit focus
- D. Internal control findings
- E. Summary of unadjusted differences and omitted disclosures
- F. Summary of omitted disclosures

3. Other reporting matters

- A. Fraud responsibilities and representations
- B. Independence and fees
- C. Other communications



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1. Executive summary

We are pleased to present this report to the Audit & Risk Subcommittee ('Subcommittee') on the consolidated group and standalone Council financial statement audit of Northland Regional Council ('NRC' or 'Council') and its subsidiaries (the 'Group') for the year ended 30 June 2022.



Included in this report are the results and insights arising from our audit which we consider appropriate for the attention of the Subcommittee. These matters have been discussed with management and their comments have been included where appropriate. **We also include those matters** we are required to report to you in accordance with the auditing standards.

This report is intended for the Subcommittee (and other Council members) and should not be distributed further.


We would like to take this opportunity to extend our appreciation to management and staff for their assistance and cooperation during the course of our audit.




Peter Gulliver, Partner
for Deloitte Limited
Appointed Auditor on behalf of the Office of the Auditor General
Auckland | 15 September 2022


 Key areas of audit focus	Findings
Asset valuations and assessment of carrying values of assets	✓
Governance and valuation of investment assets	
Validity of fees and charges revenue	✓
Management's ability to override controls	✓
Legislative compliance: rates revenue	✓
Investment in subsidiaries and associates	✓

✓ Completed, no issues noted

 Completed, insights identified

 Completed, significant findings identified

We comment further on our findings in these key areas of audit focus in Part 2 of this report.

Quality and Independence

We take our independence and the quality of the audit work we perform very seriously. We confirm that we have maintained our independence in accordance with the OAG's Professional and Ethical Standards. We provide an overview of the non-audit services provided to you in Section 3B of this report. All such engagements have been pre-approved by the OAG.







2. Results of our audit





2A. Status of the audit


As of the date of this report, the status of our audit is summarised as follows:

Stage of audit	Progress	Details of outstanding items
Planning		None
Controls testing		None
Substantive testing		None
Financial reporting		<div>Our procedures are complete other than the normal matters required to finalize the financial statements including;<ul style="list-style-type: none">• Appropriate procedures relating to subsequent events up to the date of our audit opinion;• Receipt of the signed management representation letter; and• Adoption of the financial statements and annual report by Council</div>

Scope legend

 Several audit procedures are outstanding.

 Audit work is complete with the exception of some minor points. We do not expect additional matters or observations to arise from closure of these outstanding procedures.

 Audit work is complete



2B. Identifying the areas of audit focus

Identification of audit risks

Our audit approach was underpinned by the identification of relevant audit risks and tailoring appropriate audit responses to address those risks. We considered a number of factors when deciding on the significant areas of audit focus, such as:

- the risk assessment process undertaken during the planning phase of our engagement;
- our understanding of the business risks faced by the Group;
- discussions with management during the course of our audit;
- the significant risks and uncertainties previously reported in the financial statements, including any critical accounting estimates or judgements;
- our assessment of materiality; and
- any changes in the business and the environment it operated in since the last annual report and financial statements.

The next page summarises the significant risks and other areas that we have focussed on during our audit.

Determining materiality

We considered materiality primarily in terms of the magnitude of misstatement in the financial statements that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assessed whether other matters that came to our attention during the audit that would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We used materiality both in planning the scope of our audit work and in evaluating the results of our work.

Materiality for the Group, including MMHL and other subsidiaries was set at \$1,997,000 and we have reported to you any misstatements identified over our current year reporting threshold of \$99,800.












The standalone materiality for the Council used to perform our audit procedures and assess any errors is \$1,424,000, with a reporting threshold of \$89,000.

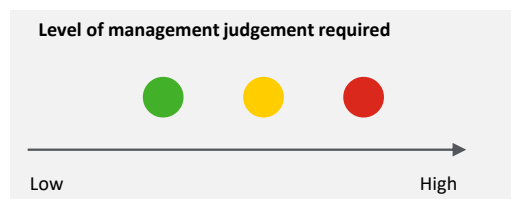
This is consistent with our materiality communicated in our planning report.



2C. Areas of audit focus – dashboard

The following areas of audit focus are consistent with the areas identified in our planning report.

Area of audit focus	Significant risk	Fraud risk	Level of management judgement required	Findings
Asset valuations and assessment of carrying values of assets	No	No		
Governance and valuation of investment assets	No	No		
Validity of fees and charges revenue	Yes	Yes		
Management's ability to override controls	Yes	Yes	N/A	
Legislative compliance: rates revenue	No	No		
Investment in subsidiaries and associates	No	No		



2C. Areas of audit focus

Area of audit focus	Our approach	Audit findings
<p>Asset valuations and assessment of carrying values of assets</p> <p>NRC recognises the following classes of asset at fair value:</p> <ul style="list-style-type: none"> • Infrastructure assets; • Land and buildings • Investment properties; • Emissions trading units; and • Forestry assets <p>Determining the fair value of assets requires management and independent valuers to make a number of judgements around the appropriate valuation methodology and assumptions. Valuation outcomes are often sensitive to variations in the key assumptions.</p> <p>This gives rise to a risk around the valuation of these assets at year-end and the treatment of movements in fair value during the year.</p>	<p>In order to address this risk, we:</p> <ul style="list-style-type: none"> • Obtained the independent valuations of the relevant asset classes; • Obtained representations directly from the independent valuers confirming their valuation methodology; • Reviewed the key assumptions used by the independent valuers to determine whether these assumptions were reasonable and in line with the relevant financial reporting and valuation standards; and • Held various discussions with the valuers as appropriate. 	<ul style="list-style-type: none"> • Significant revaluation gains have been recognised during FY22. Land buildings increased by \$3.9m, which included the impact of the new building constructed in Hokianga Road, Dargaville, which has been classified as owner occupied on the basis Council is using approximately 30% of the space. Investment properties increased by \$7.5m largely driven by firming cap rates. Infrastructure assets were not subject to a full valuation exercise but the desk top review of the relevant cost escalations suggested a material increase in value since FY20 (being the last valuation date) and so an uplift of \$2.7m was recognised. • Significant disposals also took place in FY22 related to investment property, being \$19.1m for the Kensington Development and \$9.3m for 27 & 50 Union Street. • There have also been significant additions of approximately \$15.8m across these asset classes. The major items pertain to expenditure completing the Hokianga Road building, expenditure on flood protection asset enhancements and development of 33 Station Road, Ruakaka (Council's contribution of the NIWA kingfish facility).



2C. Areas of audit focus

Area of audit focus	Our approach	Audit findings
<p>Governance and valuation of investment assets</p> <p>NRC has a significant portfolio of investment assets. The strategy around the use of this investment portfolio and the returns received are an important component of Council's funding of its activities.</p> <p>This gives rise to risks around the robustness of governance processes around these investments, the valuation of the investments at year-end, and whether the appropriate accounting treatment has been applied in respect of those valuations, as well as fair value movements.</p>	<p>In order to address this risk, we:</p> <ul style="list-style-type: none"> • Evaluated the governance processes and controls around investment assets. This involved determining whether mandates and parameters are monitored as part of governance arrangements, including the risk/return strategy employed and the adequacy of reporting in this area; • Ascertained the quality of controls in place at the investment manager and custodian by obtaining internal control audit reports; • Determined whether underlying funds were part of audited financial statements at the fund manager level; • Reviewed the accounting treatment applied to investment assets against relevant financial reporting standards; • Obtained confirmation of investment asset fair values at year-end; and • Reconciled and validated the cash movements in and out of the investment funds. 	<p>We note the good governance processes that revolve around an approved SIPO document and the regular monitoring against these investment parameters.</p> <p>The investment returns generated in recent years, and the recycling of various investment assets mean the amount invested in funds is now \$72m (FY21: \$50m). Given the fundamental shift in the sentiment in various markets, particularly equities, in the second half of FY22, we believe it may be prudent for Council to undertake a more fulsome review of its SIPO parameters and risk appetite. This would be an extension to the good governance practices currently applied and part of a 'belts and braces' approach to being the custodian of such a material asset. It may be such a review could form part of the internal audit programme in the early part of FY23 and could involve an independent third party (not currently involved in Council's investment portfolio/decisions), and potentially benchmarking against other public sector investors.</p> <p>Such a review could also cover the remuneration arrangements of the investment advisors and fund managers to ensure these remain appropriate and in line with industry practice.</p> <p>Finally we have raised a control finding in relation to the fact Council is now investment in a larger number of funds that do not produce audited internal controls reports. Please refer to section 2D.</p>



2C. Areas of audit focus

Area of audit focus	Our approach	Audit findings
<p>Validity of fees and charges revenue</p> <p>There is a risk that fees and charges revenue may be misstated if they are calculated incorrectly or revenue is recognised incorrectly.</p> <p>We have identified this as our presumed risk of fraudulent revenue recognition as required by auditing standards.</p>	<p>We tested a sample of fees and charges revenue for accuracy. We also reviewed the recognition policy and practice against relevant financial reporting standards to ensure the revenue is recognised at the right time.</p>	<p>We identified no material misstatement in respect of fees and charges revenue.</p>
<p>Management override of controls</p> <p>We are required to design and perform audit procedures to respond to the risk of management's override of controls.</p>	<p>As part of our testing of the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Group financial statements, we performed the following testing:</p> <ul style="list-style-type: none"> • Obtained an understanding and evaluated the financial reporting process and the controls over journal entries and other adjustments made in the preparation of the Group financial statements; • Tested the appropriateness of a sample of journal entries and adjustments and made enquiries about inappropriate or unusual activities relating to the processing of journal entries and other adjustments; • Reviewed accounting estimates for biases that could have resulted in material misstatements due to fraud and assessed whether the judgements and decisions made (even if individually reasonable) indicated a possible bias on the part of management; • Performed a retrospective review of management's judgements and assumptions relating to significant estimates reflected in last year's Group financial statements; and • Obtained an understanding of the business rationale of significant transactions that we became aware of that were outside the normal course of business or that otherwise appeared to be unusual given our understanding of the entity and its environment. 	<p>We have not identified any inappropriate journal entries or indications of management bias.</p>



2C. Areas of audit focus

Area of audit focus	Our approach	Audit findings
<p>Investment in subsidiaries and associates</p> <p>Council has an investment in Northland Inc Limited (NIL) which up until 30 June 2021 was reflected as a subsidiary in the Group's financial statements as it was 100% owned. In FY22 Council has arranged for NIL to issue shares to both Kaipara District Council and Far North District Council such that each council now owns 33.33% of NIL. Accordingly NIL's status changes from a subsidiary (whose assets, liabilities, income and expenses were fully consolidated into the Group financial statements) to an associate (which is accounted for by recording a 33.33% share of NIL's net profit into both Council and the Group's financial statements)</p>	<p>We have:</p> <ul style="list-style-type: none"> Reviewed management's accounting treatment for the NIL transaction as it is complex and needs to be disclosed in the financial statements We have reviewed the financial statements to ensure the appropriate disclosure has been made We have considered the loss on disposal of the 67% share of NIL, and the establishment of a new carrying value for the investment in NIL as an associate 	<p>We have not noted any issues regarding management's accounting treatment and the disclosures made in the financial statements.</p>



2C. Areas of audit focus

Other matters including OAG audit brief requirements

Area of audit focus	Our approach	Audit findings
Performance, waste and probity Ensuring that Parliament's expectations are met with respect to use of ratepayer funds is a key feature of any audit in the public sector.	Our audit approach included a specific programme of work covering the following areas: <ul style="list-style-type: none"> Confirmed Council has the appropriate policy framework for areas such as delegated authorities, fraud, conflicts of interest etc; Ensured we understood any changes made to such policies; Reviewed transactions within sensitive expenditure accounts, expense claims and credit card transactions; and Tested expenditure specifically related to the Chief Executive and Chair. 	We did not identify any issues in respect of performance, waste, and probity.
Managing conflicts of interest and related party transactions Councils are required to ensure that there are appropriate procedures in place to identify and manage conflicts of interest and that related party disclosures in the financial statements are complete.	Our audit procedures on related party disclosures included searching public records for potential related party relationships (such as the Companies Office website). We also ensured any entries in the interests register were individually assessed, and those which met the definition of a related party transaction during the year were disclosed in the Annual Report. This included remuneration disclosures relating to the Councillors and key management personnel.	We are satisfied that related party transactions including remuneration disclosures relating to Councillors have been appropriately disclosed in the Annual Report.
Financial Prudence Councils are required to include appropriate benchmarking reporting in the Annual Report as required by the Local Government (Financial reporting and Prudence) Regulations 2014.	Our audit procedures included reviewing the disclosures and recalculating the ratios to determine whether Council was in compliance with these regulations.	We identified no issues in respect of these disclosures.



2C. Areas of audit focus

Other matters including OAG audit brief requirements

Area of audit focus	Our approach	Audit findings
<p>Fraud</p> <p>The primary responsibility for the prevention and detection of fraud rests with management of the Council, including designing, implementing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.</p> <p>As your auditor, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.</p>	<p>Throughout our audit, we remained alert for issues that indicate fraud. Specifically our work involved:</p> <ul style="list-style-type: none"> Formal inquiries of the Council, management and others within the entity regarding the risks of fraud within the Council including the processes in place to mitigate those risks; Documented systems and internal controls used by the Council to prevent and detect fraud; Remained alert for the existence of confidentially clauses in employment contracts that may prevent disclosure of information and thus reduce the level of transparency of spending of public monies; and Reviewed the current fraud policy to ensure it follows OAG guidance and ensured management and employees are aware of the fraud policy and its content. 	<p>We do not have any matters to report with respect to actual or suspected fraud; or Council's policy framework in this area.</p>
<p>Legislative compliance</p> <p>The Council is subject to significant compliance requirements. The Council needs to have adequate systems in place to monitor compliance with legislation along with any changes occurring in the applicable legislation.</p>	<p>Our audit procedures included looking at the Council's processes for ensuring legislative compliance, including specifically testing compliance with legislation that materially impacts on the financial statements. This included the Local Government Act 2002 and the Local Government (Rating) Act 2002. In particular, extensive work was completed on the rates setting process, as outlined in the Area of Focus section above.</p>	<p>We identified no issues in respect of legislative compliance for the current financial year.</p>



2D. Internal control findings

Assessment of internal control

Our audit approach requires us to obtain an understanding of an entity's internal controls, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error.

We remind you that our audit is not designed to express an opinion on the effectiveness of the controls operating within the Group, although we have reported to management any recommendations on controls that we identified during the course of our audit work. The matters being communicated are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported. Our recommendations for improvement should be assessed by you for their full commercial implications before they are implemented.

Observations and recommendations in the current period

We have not identified any significant deficiencies in internal controls which would impact upon our ability to provide our opinion. We have communicated verbally to management throughout the course of the audit minor improvement points, and in addition to this we make the following recommendation.

Matter	Observation	Deloitte recommendation	Management's response
Lack of 3402 Internal Controls for certain Funds Invested into by NRC	<p>We noted that there are 6 fund managers with \$3.3m invested that do not conduct a 3402 Internal Controls Report.</p> <p>It is a requirement of the SIPO (section 9(d) that fund managers are audited and produce an internal controls report.</p>	We recommend that NRC should seek to invest in funds that get assurance on their internal controls with a 3402 Controls Report. In our view such a control report adds to the governance processes and allows Council, and its investment advisor, to form a view on the quality of systems, process and controls that underpin each of the fund managers.	<p>Council's SIPO was updated in December 2021 to include a responsibility that all Fund Managers undertake an annual audit and produce an internal controls report. Since December 2021, council has made one investment that does not comply with the above requirement. That being the purchase of Zespri shares (managed by Pioneer Capital on Council's behalf).</p> <p>If council intends to withdraw from any of the 6 investments that currently do not undertake an internal controls report, they will need to weigh up the illiquid nature of such investments and the potential level of returns that are foregone against the risk these investments post by not having an internal controls report.</p> <p>Council staff will inform Eriksen Global of this internal control finding, and request that any future investment recommendations include a statement on whether this complies with the SIPO requirement outlined above. This matter will be tabled at the next Investment and Property subcommittee meeting for further consideration</p>



2E. Summary of unadjusted differences

In performing our audit, we have not identified any unadjusted differences that could individually or in aggregate have a material effect on the consolidated or standalone Council financial statements for the year ended 30 June 2022.

2F. Summary of omitted disclosures

In performing our audit, no material uncorrected disclosure deficiencies were detected in the consolidated or standalone Council financial statements.



3. Other reporting matters



3A. Fraud responsibilities and representations



Your responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including designing, implementing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Our findings:

None noted



Our responsibilities:

- We are required to obtain representations from those charged with governance regarding internal controls, assessment of risk and any known or suspected fraud or misstatement. A copy of the representation letter to be signed on behalf of the Council has been circulated separately.
- As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.
- As set out in the areas of audit focus section of this document, we identified the risk of fraud in revenue recognition and management override of controls as a significant audit risk for your organisation.
- As required, we also considered any significant related party transactions outside the entity's normal course of business.



Fraud characteristics:

- Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.
- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.



3B. Independence and fees

The professional fees earned by Deloitte Limited in the period from 1 July 2021 to 30 June 2022 are as follows:

	CY (\$'000)	PY (\$'000)	Notes
Fees payable for the audit of the Council's Annual Report and summary financial statements	156.3	122	
OAG overhead	11.0	11	
Other assurance engagements relating to the Debenture Trust Deed and audit of the Register of Security Stock	9.5	7	
Agreed upon procedures for Waima Waitai Wairoa project (1)	-	5	
Audit of Long-Term Plan for 2021-2031	-	82	
Review of rating processes and controls (2022 KDC, 2021 FNDC)	22.0	17	
Review of Council's internal audit maturity	13.0	-	
Fraud and corruption risk assessment	25.0	-	(2)
Counter-Fraud Gap Analysis	-	16	(2)
Total Services	236.8	260	

In addition to the above we note that Deloitte also performs an Agreed upon Procedures engagement in relation to the Kaipara Moana Remediation programme. The fee for this is likely to be \$16,000 for FY22. This fee is charged to KMR not NRC, but is noted here for completeness given Council's role in this project.

- (1) Management have subsequently advised this work will be completed in early 2023 so as to cover an 18 month period to 31 December 2022 which covers the period to contract completion. Hence this fee will be incurred in FY23.
- (2) This work was pre-approved by the OAG and conducted by a team independent of the audit team.



3C. Other communications

The following matters are communicated in accordance with the requirements of the OAG's auditing standards:

Non-compliance with laws and regulations	In performing our audit of the Group for the year ended 30 June 2022, we have not become aware of any instances of non-compliance with applicable laws and regulations that may have an impact on the determination of material amounts and disclosures within the financial statements.
Accounting policies / Financial reporting	We have not become aware of any significant qualitative aspects of the Group's accounting practices, including judgements about accounting policies, accounting estimates and financial statement disclosures that need to be communicated to the Audit & Risk Subcommittee.
Related parties	No significant related party matters other than those reflected in the financial statements came to our attention that, in our professional judgement, need to be communicated to the Audit & Risk Subcommittee.
Written representation	A copy of the representation letter to be signed on behalf of the Council has been circulated separately.
Other information	We have read the other information (the financial and non-financial information other than the items covered by our audit report: being the financial statements, groups of activity disclosures, financial prudence disclosures) contained within the annual report to consider whether there are material inconsistencies with the audited information. We have nothing to report in this regard.





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TITLE: Change to start date for incoming Chief Executive Officer

From: Beryl Steele, Human Resources Manager

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

Executive summary/Whakarāpopototanga

The current Chief Executive Officer's employment agreement finishes at midnight on 30 September 2022 however currently the incoming CEO's agreement does not start until 3 October 2022. This would mean that there is no CEO or anyone in an acting role for the period of 1 and 2 October. It is therefore recommended that the incoming CEO's start date is brought forward to 1 October 2022.

Recommendations:

1. That the report 'Change to start date for incoming Chief Executive Officer' by Beryl Steele, Human Resources Manager and dated 15 September 2022, be received.
2. That the incoming Chief Executive Officer's start date is brought forward to 1 October 2022 with him starting directly after the current Chief Executive Officer's contract finishes.

Options

No.	Option	Advantages	Disadvantages
1	The incoming CEO's start date is brought forward to 1 October 2022.	We would have a CEO in place if there was an emergency on 1 and or 2 October or if any other decision making is required over the weekend.	No disadvantages
2	We leave the start date for the incoming CEO until 3 October 2022.	No advantages	We would not have a CEO in place if there was an emergency on 1 and or 2 October or if any other decision making is required over the weekend.
3	Council delegate acting responsibilities to the Deputy CEO	We have someone who has delegated responsibility on 1 and or 2 October or if any other decision making is required over the weekend.	No disadvantages

The staff's recommended option is one.

Considerations

1. Climate and Environmental Impacts

There are no climate or environmental impacts.

2. Community views

Community consultation is not required.

3. Māori impact statement

This is an administrative decision and does not require consultation with Māori.

4. Financial implications

This will not have any financial implications.

5. Implementation issues

This will not have any implementation issues.

6. Significance and engagement

This does not trigger the significance and engagement policy

7. Policy, risk management and legislative compliance

Ensuring that we have a CEO or Acting CEO in place directly after the current CEO finishes his contract will mean that we are able to comply with any legislative and policy compliance and mitigate any risks should there be an emergency or decisions that need to be made on 1 and 2 October 2022.

Background/Tuhinga

The current CEO's employment agreement finishes at midnight on 30 September 2022 however currently the incoming CEO's agreement does not start until 3 October 2022. This would mean that there is no CEO for the period of 1 and 2 October 2022. It is therefore recommended that the incoming CEO's start date is brought forward to 1 October 2022, directly after the current CEO's contract finishes.

Attachments/Ngā tapirihanga

Nil

TITLE: Tangata Whenua Water Advisory Group - replacement members

From: Alison Newell, Policy Specialist

Authorised by Ruben Wylie, Pou Tiaki Taiao – Group Manager Environmental Services, on
Group Manager/s: 12 September 2022

Executive summary/Whakarāpopototanga

Earlier this year Millan Ruka stood down from the Tangata Whenua Water Advisory Group (TWWAG). Nominations were asked for from existing TWWAG and Te Taitokerau Māori and Council (TTMAC) members and three names were put forward at the July TTMAC meeting: Hona Edwards, Sheila Taylor and Celia Witehira. All three were contacted to confirm their availability and interest, and Hona Edwards respectfully declined. The views and advice of the two TWWAG co-chairs (Delaraine Armstrong and Dave Milner¹) were sought. The selection panel (councillors Blaikie and Yeoman, Julianne Chetham¹ and Mira Norris) have since considered the two candidates. The selection panel recommend that given their complementary skill sets both Sheila and Celia be appointed to TWWAG.

The membership of TWWAG in its Terms of Reference is between 12 and 15. There are currently 13 members and so the appointment of two additional members is consistent with the Terms of Reference. There is also sufficient budget. It is therefore recommended that council approve the recommendations of the selection panel and appoint both Sheila Taylor and Celia Witehira to TWWAG.

Recommendations:

1. That the report 'Tangata Whenua Water Advisory Group - replacement members' by Alison Newell, Policy Specialist and dated 18 August 2022, be received.
2. That Sheila Taylor and Celia Witehira be appointed as members of the Tangata Whenua Water Advisory Group.

Options

No.	Option	Advantages	Disadvantages
1	Agree with Selection Panel's recommendation	Takes advantage of both candidates' skills and expertise, providing TWWAG with more resource Timely resolution allowing TWWAG to continue its work	None

¹ Recused due to potential perceived conflict of interest

No.	Option	Advantages	Disadvantages
		Aligns with advice from tangata whenua	
2	Disagree with Selection Panel's recommendations and ask them to reconsider	None	Selection Panel would have to be reconvened Would take time meaning TWWAG is without that capacity for longer Goes against advice from tangata whenua

The staff's recommended option is Option 1.

Considerations

1. Climate Impact

Not applicable

2. Environmental Impact

Not applicable

3. Community views

Not applicable

4. Māori impact statement

The views and advice of both co-chairs of TWWAG and the two TTMAC representatives on the selection panel have been sought. Due to potential perceived conflict of interest two recused themselves from the selection process. The recommendation from the selection panel to appoint both Sheila and Celia reflects the advice and views of the two tangata whenua representatives who were involved in the selection process.

5. Financial implications

TWWAG membership costs are already included in the LTP and the cost of the additional members can be accommodated within existing budgets.

6. Implementation issues

None. Both Sheila and Celia have already indicated they are available and willing to commit their time and skills to the work of TWWAG.

7. 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. This does not mean that this matter is not of significance to tangata whenua, given it relates to membership of the Tangata Whenua Water Advisory Group it clearly is, but rather that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

8. Policy, risk management and legislative compliance

None applicable.

Attachments/Ngā tapirihanga

Nil

TITLE: **Matauranga Māori Freshwater Framework**

From: Ben Lee, Planning and Policy Manager and Jason Donaghy, Natural Resources Monitoring Manager

Authorised by Ruben Wylie, Pou Tiaki Taiao – Group Manager Environmental Services, on
Group Manager/s: 14 September 2022

Executive summary/Whakarāpopototanga

Council has committed to developing a Mātauranga Māori Freshwater Framework (the framework).

Council decided, based on the advice of Te Taitokerau Māori and Council Working Party (TTMAC):

- To allocate approximately \$100k for this financial year (from the \$250k/year Te Mana o te Wai fund) to the development of a Mātauranga Māori Freshwater Framework (the framework)²
- For Māori Technical Advisory Group (MTAG) to prepare a proposed scope of work for the framework. This advice to be provided to TTMAC and then to council³.

TTMAC considered MTAG's advice on the scope of work for the framework at their 8 September 2022. The recommendations below reflect TTMAC's advice.

Recommendations:

1. That the report 'Matauranga Māori Freshwater Framework' by Ben Lee, Planning and Policy Manager and Jason Donaghy, Natural Resources Monitoring Manager and dated 7 September 2022, be received.
2. That the Mātauranga Māori Freshwater Framework will address:
 - a. the involvement of tangata whenua in councils environmental monitoring (as set out in action 7, *Tāiki e*)
 - b. the support of tangata whenua with their freshwater monitoring (as set out in action 8, *Tāiki e*)
 - c. the involvement of tangata whenua in compliance monitoring (as set out in action 9, *Tāiki e*)
 - d. the support of tangata whenua to undertake on-the-ground activities to improve te mana o te wai.
3. That the following process is followed for developing the Mātauranga Māori Freshwater Framework:
 - a. Consultancy services are employed to assist with preparing the framework
 - b. Staff work with the Māori Technical Advisory Group (MTAG) to refine the scope of the request for proposals for consultancy services and to determine the criteria for selecting the successful consultant.

² Council meeting, 28 June 2022

³ Council meeting, 28 June 2022 and TTMAC meeting 19 May 2022

- c. A group consisting of three MTAG members (to be determined by MTAG) provide advice to council staff on the award of the consultancy services. The MTAG members to be paid a meeting allowance (in accordance with the Non-elected Members Meetings Allowance Policy) for the meeting where advice is provided to council staff.
- d. The award of the consultancy services be undertaken by at least two senior council staff in accordance with council procurement procedures.
- e. The endorsement and adoption process for the framework be as follows:
 - i. MTAG endorses it to TTMAC
 - ii. TTMAC endorses to council
 - iii. Council adopts.

Options

No.	Option	Advantages	Disadvantages
1	Proceed with developing the Matauranga Māori Freshwater Framework in accordance with the scope and process as recommended.	Consistent with TTMAC and staff advice	None
2	Proceed with developing the Matauranga Māori Freshwater Framework but with an alternative scope and/or process as recommended.	None	Counter to TTMAC and staff advice

The staff's recommended option is Option 1. Council has already committed to preparing the Matauranga Māori Freshwater Framework, so the decision is about the scope and process. Staff are of view that TTMAC's advice is reasonable and will enable MTAG members to provide staff with technical advice on each of the proposals

Considerations

1. Climate Impact

The decision will have no impact on climate change or vice versa.

2. Environmental Impact

The decision (to approve the scope and process for developing the framework) will not have a direct impact on the environment. However, the framework will support activities benefiting the environment over time.

3. Community views

No views, other than TTMAC, have been sought on the scope and process for developing the framework.

4. Māori impact statement

The recommendations are consistent with the advice of TTMAC. No other Māori views have been sought and nor are they considered necessary. The views of TTMAC are considered to provide an appropriate level of understanding of Māori views given the nature of the decision.

5. Financial implications

There are no financial implications. Funding has already been approved.

6. Implementation issues

Staff are of the view the proposed scope and process as recommended by TTMAC are reasonable and there is sufficient approved funding to accommodate the proposed scope and process. The process allows for consultancy services to be engaged which will mitigate the impact on staff resources.

7. Significance and engagement

In relation to section 79 of the Local Government Act 2002, the recommendations are of low significance when assessed against council's significance and engagement policy because there is existing budget to accommodate the process and scope as recommended, and the recommendations reflect the advice of TTMAC. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

8. Policy, risk management and legislative compliance

On 26 July 2022 council adopted *Tāiki e* - the NRC Te Tiriti Strategy and Implementation Plan. The recommended scope includes the implementation of several actions from *Tāiki e* – refer Background section for more information. More broadly the decisions contribute to council's commitments in Te Pae tawhiti:

- By 2024 – there is an enduring partnership between tangata whenua and council that strengthens Māori communities.
- By 2031 – council is recognised by Māori as a leading organisation for the way it meets aspirations of Māori.

The decision is not inconsistent with any known policy or legislation.

Background/Tuhinga

Introduction

In 2020 central government released its National Policy Statement for Freshwater Management 2020 (NPS-FM).

It requires freshwater to be managed in a way that gives effect to Te Mana of te Wai⁴ (TMOTW), including by:

- involving tangata whenua,
- prioritising the health and wellbeing of water bodies, then the essential needs of people, followed by other uses,

⁴ Refer clauses 3.2 and 3.3 of the NPS-FM.

- enabling the application of mātauranga Māori, to the management of freshwater, and
- investigating use of transfer of powers, joint management agreements and mana whakahono a rohe.

Council has allocated \$250,000 a year ongoing from this financial year (starting 1 July 2022) as part of its commitment to implement Te Mana o Te Wai.

Council decided (based on the advice of TTMAC):

- To allocate approximately \$100k (of the \$250k) to the development of a Mātauranga Māori Freshwater Framework (the framework)⁵
- For MTAG to prepare a proposed scope of work for the framework. This advice to be provided to TTMAC and then to council⁶.

In the conversations with TTMAC and council, it was suggested the framework could include:

- How mātauranga Māori is used for monitoring progress towards freshwater target attributes states and environmental outcomes in the freshwater plan change
- Supporting kaitiaki to undertake their own freshwater monitoring mahi
- Involving tangata whenua in the development of council freshwater monitoring programmes (e.g. wetlands, threatened species, and sediment)
- Supporting kaitiaki to undertake activities to improve te mana o te wai.

Since council's decision to progress with the framework, council has adopted *Tāiki e* - the NRC Te Tiriti Strategy and Implementation Plan⁷.

There are three relevant actions in *Tāiki e* that overlap with the indicated scope of the framework (bold added for emphasis):

7. *Taking into account the existing tools and models available, develop and fund a **culturally appropriate council environmental monitoring programme** that:*
 - a. *addresses iwi and hapū interests and concerns in the monitoring of the environment;*
 - b. *includes the incorporation of mātauranga Māori, tikanga Māori and recognition of the role of Tangata Whenua as kaitiaki;*
 - c. *recognises and provides for any cultural monitoring tools endorsed by iwi and hapū;*
 - d. *is consistently implemented as a component of NRC environmental monitoring and reporting practices and processes; and*
 - e. *is reviewed and updated every 3 years for its effectiveness and efficiency.*
8. *Taking into account the existing tools and models available, develop and fund a culturally appropriate programme that **enables and supports tangata whenua to undertake their own freshwater monitoring aspirations** that:*
 - a. *addresses iwi and hapū interests and concerns in the monitoring of the environment;*

⁵ Council meeting, 28 June 2022

⁶ Council meeting, 28 June 2022 and TTMAC meeting 19 May 2022

⁷ 26 July 2022 council meeting

- b. includes the incorporation of mātauranga Māori, tikanga Māori and recognition of the role of Tangata Whenua as kaitiaki;*
 - c. recognises and provides for any cultural monitoring tools endorsed by iwi and hapū;*
 - d. is consistently recognised and incorporated where appropriate as a component of NRC environmental monitoring and reporting practices and processes; and*
 - e. is reviewed and updated every 3 years for its effectiveness and efficiency.*
- 9. *Review, update and embed how NRC delivers its regulatory services to ensure regulatory activities (e.g., resource consents and **compliance monitoring**) are undertaken in a culturally appropriate manner and seek to include iwi and hapū to the greatest extent possible, including by:*
 - ...
 - d. Committing funding to consistently resource iwi and hapū for undertaking this work.*

Scope

MTAG's advice to TTMAC⁸ was that the framework implement the three *Tāiki e* actions (7, 8 and 9 as set out above).

Action 8 is focussed just on freshwater while actions 7 and 9 are not limited to freshwater. While the concept of the framework comes from a council response to the NPS for Freshwater Management, MTAG recommended that TTMAC support the framework being broader than freshwater to enable implementation of *Tāiki e* actions 7 and 9 in their entirety. Otherwise, it would mean the non-freshwater monitoring aspects of 7 and 9 would be addressed separately – which does not make sense from a holistic perspective.

The three *Tāiki e* actions do not cover supporting kaitiaki freshwater restoration efforts. The direction from TTMAC was that the indicative scope be expanded to allow the \$250k/year TMOTW funding to be used for such activities. It is therefore proposed the framework also include a programme for how council will support tangata whenua to undertake on-the-ground activities (such as riparian planting) to improve te mana o te wai.

In summary, the recommended scope for the framework is a plan for how council will:

- involve tangata whenua in councils environmental monitoring (action 7, *Tāiki e*)
- support tangata whenua with their environmental monitoring (action 8, *Tāiki e*)
- involve tangata whenua in compliance monitoring (action 9, *Tāiki e*)
- support tangata whenua to undertake on-the-ground activities to improve te mana o te wai

Staff support the recommended scope.

Process for preparing the framework

Although advice from MTAG and TTMAC was initially sought to assist with the scope of the framework, both entities gave the view that there would also be value in giving advice on the process by which the framework is developed and ultimately adopted. The recommendation 3 reflects TTMAC's advice. Staff support the recommended process.

⁸ 8 September 2022 TTMAC meeting

Key steps

The following are the key steps and indicative timeframes for developing the framework (assuming council adopts the recommendations)

- Request for proposals for consultancy services – Early Nov '22
- Appoint consultant – December '22
- Draft framework - March '23
- Final Framework presented to MTAG for endorsement– April '23
- Framework presented to TTMAC for endorsement – May '23
- Framework presented to council for adoption – June '23.

Attachments/Ngā tapirihanga

Nil

TITLE: Delegations for decisions for resolving appeals on the Proposed Regional Plan for Northland

From: Michael Payne, Policy Specialist

Authorised by Ruben Wylie, Pou Tiaki Taiao – Group Manager Environmental Services, on
Group Manager/s: 12 September 2022

Whakarāpopototanga | Executive Summary

This report seeks to ensure that arrangements are in place to enable decisions to be made, if required, to resolve appeals to the Proposed Regional Plan for Northland during council recess (the time between the current council leaving office and the swearing in of the incoming council following the local body elections which will be held on Saturday 8 October 2022).

It is also proposed that these measures are in place until 1 February 2023 to provide continuity until the relevant sub-committee of council or other delegations are established.

Ngā mahi tūtohutia | Recommendations

1. That the report 'Delegations for decisions for resolving appeals on the Proposed Regional Plan for Northland' by Michael Payne, Policy Specialist and dated 7 September 2022, be received.
2. That in the period between 7 October 2022 and 1 February 2023, council delegates to the Chief Executive Officer the authority to make decisions on the Proposed Regional Plan for Northland, in relation to appeals before the Environment Court.

Options

No.	Option	Advantages	Disadvantages
1	Delegate authority to the Chief Executive Officer to make decisions in respect of Proposed Regional Plan appeals matters during the council recess period	Ensures measures are in place in the event an urgent decision is required during this time.	Council does not have the opportunity to participate in appeal decision making.
2	Do not delegate authority to the Chief Executive	Ensures that council is given the opportunity to participate in the appeal decision making, but at the cost of potentially major delays with the resolution process.	If an urgent matter arises during the council recess period, there are no measures in place to address it.

Council staff's recommended option is Option 1 - that delegations to make decisions on the Proposed Regional Plan for Northland in relation to appeals before the Environment Court be given to the Chief Executive Officer.

Considerations

1. Environmental Impact

The Proposed Regional Plan for Northland is a combined Regional Plan developed under the Resource Management Act 1991 to fulfil the resource management functions of NRC.

The Plan seeks to manage a range of environmental issues throughout Te Tai Tokerau. This paper relates to the delegation of powers to make decisions on plan provisions that have been appealed to the Environment Court. Any decisions made under delegation on plan provision will affect the activities of people and the environment of Northland.

2. Significance and Engagement

This is a purely administrative matter, hence in relation to section 79 of the Local Government Act 2002, is deemed not significant.

However, it is noted that if these measures were not in place and an urgent decision was required during council recess, appeals could not progress. This would have time and cost implications for council and appeal parties.

3. Policy, Risk Management and Legislative Compliance

This report complies with Schedule 7 of the Local Government Act in terms of:

- the ability of a local authority to delegate certain functions; and
- the ability of a local authority to resolve not to discharge a committee, subcommittee or other subordinate decision-making body following a triennial general election.

If the resolutions contained within the report are approved by council, it minimises its exposure to risk.

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

Tuhinga | Background

The Proposed Regional Plan for Northland (Proposed Plan) is a combined coastal, air quality, water and soil plan for Northland created under the Resource Management Act 1991. Public hearings were held on the provisions of the Proposed Plan in 2019, with council adopting the recommendations of an independent hearing panel at their meeting in April 2019. These decisions were the subject of 23 appeals to the Environment Court.

At its meeting on 16 July 2019, council delegated power to make decisions in relation to appeals to one councillor and the Group Manager – Strategy, Governance and Engagement. This power was limited in scope to decisions that generally aligned with council direction. Where a potential appeal resolution does not align with council's earlier direction, decision making power is delegated to councillors Yeoman, Kitchen, Blaikie and Macdonald to make decisions on council's behalf, except for decisions on appeals relating to the inclusion of provisions for managing genetically modified organisms⁹.

Work on resolving appeals to the Proposed Regional Plan is ongoing. To date approximately ninety percent of appeal points have been resolved (see table 1 below for further detail). The court has been clear that it expects parties to expediently work towards resolution of the remaining appeals. Given the existing delegations are to council or delegated councillors, they do not provide for progress on appeals at all during the upcoming council recess. Following elections, there is a risk

⁹ Northland Regional Council meeting 17 December 2019.

that that there may be delays with decisions on Regional Plan appeals under the current delegations while the new council is inducted, and new committees and delegations established. To manage this risk, it is recommended that council delegate the power to make decisions on appeals to the Proposed Regional Plan from the time between the current council leaving until 1 February 2023 to the Chief Executive Officer. Staff consider that there are only two appeal topics where there is a risk of a possible departure from the current direction of council (Outstanding Natural Areas and Significant Bird Areas). To address this matter, staff will be working with council to seek direction on these appeal topics prior to recess commencing.

Table 1. Summary of appeals.

Appeal topic	Subtopic	Status of appeal
Topic 1 - Coastal Activities	Moorings, Anchorage and Marinas	Largely resolved
	Aquaculture	Resolved
	Dredging, disturbance and disposal	Largely resolved
	Reclamation	Ongoing
	Marine pests	Resolved
	Vehicles on beaches	Ongoing
	Significant Ecological Areas and Significant Bird areas	Ongoing
Topic 2 - Activities in the beds of lakes and rivers		Resolved
Topic 3 - Allocation and use of Water		Resolved
Topic 4 - Water quantity		Resolved
Topic 5 - Water quality		Resolved
Topic 6 - Damming and diversion of water	Damming and diverting water	Resolved
	Land drainage and flood control	Ongoing
Topic 7 - Discharges to land and water		Resolved
Topic 9 - Land use and disturbance activities		Resolved
Topic 10 - Infrastructure and energy		Largely resolved
Topic 11 - Biodiversity and outstanding natural features/landscapes		Resolved
Topic 12 - Natural hazards		Resolved
Topic 13 - Cultural		Resolved
Topic 14 - General provisions and plan structure		Ongoing

Appeal topic	Subtopic	Status of appeal
Topic 16 – Livestock Exclusion		Resolved
Topic 17 – Outstanding natural Landscapes		Ongoing

Attachments/Ngā tapirihanga

Nil

TITLE: **Water Resilience Fund - Long Term Plan Year 2 and 3 Allocations**

From: Tony Phipps, Contracted Advisor

Authorised by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience, on 13
Group Manager/s: September 2022

Executive summary/Whakarāpopototanga

The Northland Regional Council established a Water Resilience Fund in its Long-Term Plan 2021-31. The Water Resilience Fund provides \$500,000 per year to support improving water resilience infrastructure (water tanks and associated treatment and plumbing) for vulnerable communities via grants to community linked providers.

This report recommends Water Resilience Fund grant allocations for 2022-23 and 2023-24 FY. These recommendations have been made based on the previously adopted project eligibility criteria, advice from the Te Tai Tokerau Water Resilience Working Group and guidance provided by council at the council workshop (17 August 2022) on this matter.

Recommendations are made to allocate the full \$500,000 of the 2022-23 Fund budget and at this stage \$365,000 of the 2023-24 Fund budget to four water resilience improvement projects, as follows:

- To Te Roroa Development Group: up to \$150,000 in 2022-23 for Kaihu Wai Inu Pai.
- To Te Kotahitanga E Mahi Kaha Trust: up to \$260,000 (\$120,000 in 2022-23 and \$140,000 in 2023-24) for Waima and Tautoro Community Water Proposal.
- Te Puna Aroha Putea Whakapapa (Charitable Trust); up to \$230,000 in 2022-23 for Otiria Te Kaha o te Wai
- Te Runanga o Ngāti Hine: up to \$225,000 in 2023-24 for Tanks A Lot

These projects will provide water infrastructure including water collection and storage tanks, filters and associated plumbing to improve the water resilience and alleviate water poverty for some 100 households spread over 10 water short communities.

Recommendations:

1. That the report 'Water Resilience Fund - Long Term Plan Year 2 and 3 Allocations' by Tony Phipps, Contracted Advisor and dated 9 September 2022, be received.
2. That council approves the Water Resilience Fund grant to Te Roroa Development Group: up to \$150,000 in 2022-23 for Kaihu Wai Inu Pai.
3. That council approves the Water Resilience Fund grant to Te Puna Aroha Putea Whakapapa (Charitable Trust); up to \$230,000 in 2022-23 for Otiria Te Kaha o te Wai.
4. That council approves the Water Resilience Fund grant to Te Kotahitanga E Mahi Kaha Trust: up to \$260,000 (\$120,000 in 2022-23 and \$140,000 in 2023-24) for Waima and Tautoro Community Water Proposal.
5. That council approves the Water Resilience Fund grant to Te Runanga o Ngāti Hine: up to \$225,000 in 2023-24 for Tanks A Lot.

Options

No.	Option	Advantages	Disadvantages
1	Approve the recommendations for funding allocation for the 2022-2023 and partial funding of 2023-2024 financial years	Projects have been assessed against the criteria and meet all requirements. Projects can start as soon as possible, and water resilience is improved for people in the region	Funding for 2023-2024 is partially allocated, this leaves a smaller amount available for the remainder of 2023-2024 financial year for any new projects.
2	Recommended projects are not approved	water resilience decision making options for a future council will remain	Water resilience projects are delayed for the 2022-2023 year. Project managers cannot plan their works schedule ahead of funding start dates in 2023-2024

The staff's recommended option is option 1, to approve the recommendations for the 2022-2023 and 2023-2024 financial years to receive water resilience funding.

Considerations

1. Climate Impact

Climate change will potentially further worsen water availability to some communities through drought conditions on top of already poor infrastructure. The need to collect potable water in appropriate volumes is necessary to mitigate the effects of climate change on communities.

Communities have been identified as needing drinking water infrastructure improvements and have available and capable community organisations ready to project manage and undertake improvements ahead of the effects of climate change.

2. Environmental Impact

The projects funded by the Water Resilience Fund grants recommended will significantly improve the water resilience and overall resilience of the recipient communities, reduce their need for emergency water supplies and improve their health and wellbeing.

There are no adverse environmental impacts expected from the recommendations.

3. Community views

The Water Resilience Fund was established through the Long-Term Plan 2021-31 public process with community views on the Fund proposal and kaupapa being sort and considered by council. The criteria are strongly aligned to the kaupapa of the Fund and the process includes receiving advice from the Te Tai Tokerau Water Resilience Working Group.

4. Māori impact statement

The Water Resilience Fund was widely supported by Māori through the Long-Term Plan process and the most water short predominantly Māori communities will benefit from the Water Resilience Fund grants. The grant allocation process includes advice from the Te Tai Tokerau Water Resilience Working Group which includes iwi representatives.

The comprehensive allocation of funds across multiple years is to meet the requirements of current applications for planned and 'ready to go' water resilience projects. Allocation of funds to these projects gives security and surety to the applicants that projects can go ahead in the relevant funding year.

5. Financial implications

The total of the recommended grants, total \$500,000 (100%) of the 2022-23 Fund budget, and \$365,000 (73% of the 2023-24 Fund budget, leaving \$135,000 (27%) yet unallocated.

Once the council has made the grants, implementation of the individual water resilience improvement projects is the responsibility of the grantees. While the grantees have been selected as capable providers there is some risk that these first projects may not be completed within the FY. It is intended to make grant payments in advance to enable the grantee/providers to purchase tanks and other materials which make up the largest cost components of these projects.

6. Implementation issues

The grants are provided to community organisations, council does not implement the project, monitoring is undertaken by staff to assess the progression of the project and reports are provided half yearly on progress until completion.

Council approving all recommended funding applications at this stage will reduce the decision-making opportunities of a future council in respect to water resilience.

7. Significance and engagement

This does not trigger the council significance and engagement policy.

8. Policy, risk management and legislative compliance

The recommendations present no known significant policy or legislation compliance risks for council. The council is making grants to trustworthy and capable providers based on advice from a regional water resilience working group with wide and specialist representation. Responsibility for the management of operational risks and compliance is with the grantees. Council staff will monitor and report on progress with the projects receiving grants.

Background/Tuhinga

The Water Resilience Fund

As part of its response to the severe 2019-20 drought and the lack of water resilience and water poverty exposed, the Northland Regional Council established a Water Resilience Fund in its Long-Term Plan 2021-31. The Water Resilience Fund provides \$500,000 per year to support improving water resilience infrastructure (water tanks and associated treatment and plumbing) for vulnerable communities via grants to community linked providers.

This report recommends Water Resilience Fund grant allocations for 2022-23 and 2023-24 FY. These recommendations have been made based on the previously adopted project eligibility criteria, advice from the Te Tai Tokerau Water Resilience Working Group and guidance provided by council at the council workshop (17 August 2022) on this matter.

Criteria for Eligible Projects to Receive Water Resilience Fund Grants

The following criteria for eligibility for Water Resilience Fund grants were developed to align with the kaupapa of the Fund and on advice from the Te Tai Tokerau Water Resilience Working Group (TTWRWG: has mandate to co-ordinate and advise, with representation from iwi, central and local government) and previously adopted by council:

Criteria

1. The project will substantially improve water resilience of a community including households, that are not on an existing public water supply.
2. The benefitting community is identified as suffering from chronic water shortages and water poverty, and is housing or serving vulnerable people: elders, Kaumatua and Kuia, supporting unwell or disabled whanau, high number of whanau including tamariki.
3. Inadequate or poor state of water infrastructure is a primary cause of the water shortages.
4. Deliverability of solutions including infrastructure (tanks, treatment and associated plumbing).
5. The project provider (grantee) is trustworthy and capable with strong community links.

Process for Identifying and Selecting Projects for Water Resilience Fund

The process for identifying and selection of projects for Water Resilience Fund grants used the above criteria and was based on information and learning from the 2019-20 drought and using the collective knowledge and advice of the Te Tai Tokerau Water Resilience Working Group (TTWRWG) as follows:

1. Referring to Te Tai Tokerau Water Resilience Working Group for advice and support.
2. Based on list of potential projects compiled during and following 2019-20 drought response and applying the Criteria for Eligible Projects to Receive Water Resilience Fund Grants.
3. Identify potential projects and providers* (TTWRWG/NRC).
4. Seek detailed proposals from potential providers (NRC/provider).
5. Evaluate (NRC/TTWRWG) and refine projects (NRC/provider).
6. Allocate and pay grants (NRC).

(*Excluding projects or components of projects with, or more closely aligned to, other funding eg. Puna Wai Ora (Te Hiku), Rural Drinking Water Fund (DIA) and Kainga Rua (TPK).)

Before considering potential projects for grants for years 2 and 3 of the Fund the above process was reviewed including advice from TTWRWG. The review included the consideration of the merits of adding a public expressions of interest/application process. The conclusion of the review is that the current process works; with the recruitment of worthy projects appropriate to the scale of the fund, without creating unrealistic expectations, nor a large administration burden. The advice provided to council was to stick with current process, while improving and adapting based on learnings from experience with the process and projects.

Water Resilience Fund Grant Allocations for 2022-23 and 2023-24.

Following the above process, it is recommended that Water Resilience Fund grants for 2022-23 and 2023-24 are made to:

Te Roroa Development Group; Kaihu Wai Inu Pai project: up to \$150,000 (ex GST).

Project summary:

- **Improving water resilience to 7 Kaihu area homes, benefiting some 26 people.**
- **Prioritisation** based on Te Roroa knowledge of community and needs.
- **Providing** tanks, water treatment and associated plumbing and minor repairs, education and maintenance plans.
- **Provider:** Te Roroa Development Group (Ltd), a subsidiary of the Te Roroa mandated Iwi organization, delivers Kaimanaaki and Kaiwhakamana Hauora services, experienced and trusted community services provider with good project management capability and access to contractors.
- **Status:** Ready to start and complete in 22/23.
- **Project cost estimate/ NRC Water Resilience Fund application:** Total \$173,000 (ex GST).

Te Kotahitanga E Mahi Kaha Trust: Waima, Tautoro and Utakura Community Water Proposal: up to \$260,000 (ex GST).

Project Summary:

- **Improving water resilience to whanau of three communities; Waima, Utakura, Tautoro; including 30-36 homes.**
- **Prioritisation** based on local knowledge of and engagement with communities and participation in the 2019-20 drought response.
- **Providing** tanks, water treatment and associated plumbing and minor repairs. Based on extending current project, ready to start.
- **Provider:** Te Kotahitanga E Mahi Kaha Trust, experienced and trusted community services provider with current WRF water tank project experience and access to contractors.
- **Project cost estimate /NRC Water Resilience Fund application:** \$260,000 (ex GST).
- **Status:** extension of existing project, ready to start, complete over two FY.

Te Puna Aroha Putea Whakapapa (Charitable Trust); Otiria Te Kaha o te Wai; up to \$230,000 (ex GST).

Project Summary:

- **Improving water resilience to whanau of Otiria community for 26 homes benefitting some 125 people.**
- **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 Puna Aroha Putea Whakapapa (Charitable Trust), experienced and trusted community project provider with access to contractors.
- **Project cost estimate /NRC Water Resilience Fund application:** \$235,000 (ex GST).
- **Status:** ready to start, prefer to complete in one FY.

Te Rūnanga o Ngāti Hine; Tanks A Lot; up to \$225,000 (ex GST).

- **Improving water resilience to some six communities in Ngāti Hine rohe whenua (including Pipiwai/Kaikou, Motutau, Waiomio, Matawaia, Orauta/Ngapipito), including some 80 homes.**
- **Prioritisation** based on Te Rūnanga O Ngāti Hine connected social services data and knowledge of community.
- **Providing** tanks, water treatment and associated plumbing and minor repairs.
- **Provider:** Te Rūnanga O Ngāti Hine, in collaboration with Nga Tangariki o Ngati Hine Trust
- **Project cost estimate/** NRC Water Resilience Fund application: Total \$600,000 (ex GST), over three FY.
- **Status:** to start in spring 2023 and carried out in three tranches over three years.

The recommended grants total \$500,000 (100%) of the 2022-23 Fund budget, and \$365,000 (73% of the 2023-24 Fund budget, leaving \$135,000 (27%) as yet unallocated.

A further recommendation will be made on the allocation of the remaining amount once any potential timing changes to the funded projects or other projects have been investigated. This could include bringing forward some of the work currently proposed for 2024-25.

The Te Runanga o Ngati Hine: Tanks A Lot project proposes three phases over three years. Consideration of WRF grant funding of the second two years will also need to be part of a future recommendation.

Attachments/Ngā tapirihanga

Nil

TITLE: **Electric Car Charging Expansion and Vehicle Purchasing Policy**

From: Phil Heatley, Strategic Projects and Facilities Manager and Glen McKenzie, Vehicle Fleet Coordinator

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 21
Group Manager/s: September 2022

Executive summary/Whakarāpopototanga

This agenda item seeks approval for up to \$80,000 + GST of unbudgeted expenditure to be approved to fund the expansion of Water Street Office's electric vehicle charging capacity. This is required to support one of council's major climate change response initiatives, being the proactive upgrade of the vehicle fleet to 'fit for purpose' lower emission vehicles.

This item also recommends that the Chairperson and Chief Executive Officer's maximum vehicle purchase value match that set by the Remuneration Authority under the Remuneration Authority Act 1977. The Remuneration Authority determination is updated regularly and so future proofs the value setting over time. Also, the determination provides a greater allowance for the purchase of lower emissions vehicles, incentivising the Chairperson and the CEO to have vehicles that are either hybrid or fully electric.

Recommendations:

1. That the report 'Electric Car Charging Expansion and Vehicle Purchasing Policy' by Phil Heatley, Strategic Projects and Facilities Manager and Glen McKenzie, Vehicle Fleet Coordinator and dated 10 September 2022, be received.
2. That up to \$80,000 + GST of unbudgeted capital expenditure is approved to fund the expansion of Water Street Office's electric vehicle charging capacity.
3. That, as a variation to council's Procurement Policy, Hubands Energy be approved as the preferred contractor for the electric vehicle charging expansion
4. That the purchase policy for the Chairperson's vehicle, including the maximum vehicle purchase value, is to match the determination set by the Remuneration Authority under the Remuneration Authority Act 1977.
5. That the maximum purchase value for the Chief Executive Officer's vehicle is to match the maximum vehicle purchase value for the Chairperson's vehicle.

Options

No.	Option	Advantages	Disadvantages
1	Capital expenditure is approved for electric vehicle charging expansion.	Council can maintain its proactive high-emissions vehicle replacement schedule as a Climate Change response initiative. Council can take advantage of Water Street's recently expanded solar generation.	Funds are not available for other capital expenditure items.

No.	Option	Advantages	Disadvantages
		<p>The new the intelligent chargers have the ability to manage power consumption.</p> <p>The new the intelligent chargers can track our power consumption, assisting in monitoring carbon emissions more accurately.</p>	
2	Capital expenditure is not approved for electric vehicle charging expansion.	Funds are available for other capital expenditure items.	<p>Council will have to re-evaluate its proactive high-emissions vehicle replacement schedule.</p> <p>Delays council uptake of the beneficial aspects of new intelligent chargers.</p>

The staff's recommended option is Option 1, to approve capital expenditure for electric vehicle charging expansion.

Considerations

1. Climate Impact

Expanding the electric vehicle charging capacity supports one of council's major climate change response initiatives, being the upgrade of the vehicle fleet to 'fit for purpose' lower emission vehicles. Promoting the purchase of low emissions vehicles, as per the Renumeration Authority determination, also supports this climate change response initiative.

Increased electric vehicles in the fleet will maximise the benefits of Water Street's recently expanded solar generation.

2. Environmental Impact

Expanding the electric vehicle charging capacity supports the operation of vehicles which discharge few or no pollutants into the environment. Promoting their purchase of low emissions vehicles, as per the Renumeration Authority determination, also supports this outcome.

3. Community views

The wider community/ratepayers are not significantly affected with the proposals. There is general public support for practical climate change response initiatives such as upgrading the national vehicle fleet to lower emission vehicles and promoting their purchase, as per the Renumeration Authority determination.

4. Māori impact statement

The proposal(s) has no specific impact on Māori.

5. Financial implications

The decision will require the commitment of up to \$80,000 of unbudgeted capital expenditure funded from retained earnings and recovered by depreciation over the useful life of the asset.

The maximum purchase value of the Chairperson and CEO's vehicles will be broadly the same, albeit in future the value will be linked to the Remuneration Authority determination.

6. Implementation issues

There are no material implementation issues with the proposal(s).

7. Significance and engagement

These are operational matters not requiring public consultation.

8. Policy, risk management and legislative compliance

There are no material policy or risk issues in the making of these decisions. Rather, it supports a climate change response initiative of both central government and council, being upgrading the national vehicle fleet to lower emission vehicles. Furthermore, the purchase value of the Chairperson and CEO's vehicle will be linked to the Remuneration Authority determination legislation.

Background/Tuhinga

Electric vehicle charging expansion

As one of our climate change response initiatives, council is committed to upgrading our vehicle fleet to 'fit for purpose' lower emission vehicles. The nature of council's fleet usage and length of staff journeys makes electric vehicles the most practical choice on the market for now. Their use will reduce one of council's larger carbon emission sources, being the operation of petrol and diesel vehicles within the fleet. Furthermore, by purchasing low emission plug-in hybrid vehicles, as we progressively replace our current diesel SUV fleet, we can take advantage of Water Street's recently expanded solar generation.

The number of vehicles across council, and those supplied by council for partner projects (e.g. Predator Free, Kaipara Moana Restoration), has increased by 8 in only two years. The projected conversion over the next two years involves a further 7 electric or hybrid vehicles. However, to be able to charge the lower emission vehicles council is needing to extend our vehicle charging capacity, both in Water Street HQ's back carpark and front visitors carpark. Staff also need to allow for electric car charging at the rear of council's property at 26 Water Street (i.e. Food for Life), providing two power points at the carparks there. By agreement, these parks are primarily for KMR branded hybrid vehicles.

If council does not upgrade the charging capability, staff will have to re-evaluate this proactive vehicle replacement schedule.

Regional office vehicle charging is being addressed on a case-by-case basis. For example, the Kaipara Service Centre has charging stations for all spaces in its basement carpark.

New charging stations will also allow council access to improvements in battery/hybrid technology. Modern chargers can manage power consumption. They can also manage the solar power that is available, spreading it across all the charging stations and drawing it down rapidly when the sun is shining while 'dialling back' when office activity demands increase. They have the versatility to charge a wide range of vehicles, increasing charging capacity and speeds. Furthermore, the intelligent chargers will be able to track power consumption, assisting in the monitoring of council carbon emissions.

Staff request up to \$80,000 + GST of unbudgeted capital expenditure to fund the expansion of Water Street HQ's electric vehicle charging capacity, as below.

Rear carpark, 10 chargers on 5 pedestals	\$60,800 + GST (quote)
Visitor carpark, 2 swipe access chargers for	\$7,700 + GST (quote)
Chairperson/CEO carparks (ability to add further stations)	
26 Water Street (behind Food for Life) 2 power points for KMR chargers	\$1,500 + GST (estimate)
Cabling through building (terminal and solar)	\$2,500 + GST (quote)
Preliminary and general (also perhaps bollards, asphalt)	\$7,500 + GST (staff estimate)
TOTAL	\$80,000 + GST

Hubands Energy (Hubands)

Hubands, a local company, are experts in e-charging and solar installations, it is their specialty. Hubands installed the solar power generation at the Water Street Offices and have also installed several charging stations there. While councils' Procurement Policy provides that there be a public tender/request for quotes (or minimum three quotes) obtained for a contract of this value, council could select Hubands as the contractor with fair reason:

1. Hubands are familiar with council's switching system, transformer(s) and office wiring layout given their previous experience expanding the solar array;
2. Hubands are in the best position to maximise the benefits of drawing from the solar system for e-charging.
3. Staff could not get any other electrical contractor to quote, following three requests over a period of several months.

Staff recommend that Hubands be approved as the preferred contractor for the electric vehicle charging expansion.

Chairperson and Chief Executive Officer (CEO) vehicles

Council's current Vehicle Policy (July 2021) has vehicle pricing guidelines as follows:

The Chairperson and CEO may have a vehicle that costs:

- Up to \$49,853 in the case of a petrol or diesel vehicle (excluding GST and on-road costs); and
- Up to \$58,162 in the case of an electric or hybrid vehicle, after the deduction of any rebate under the clean vehicle discount scheme (excluding GST and on-road costs).

This item seeks to change this aspect of the policy by confirming the principle that the Chairperson's maximum vehicle purchase value is to match the maximum set by the Remuneration Authority under the Remuneration Authority Act 1977. Currently, this value is determined by the Local Government Members (2022/23) Determination 2022, section 9:

Sec 9 (2) If a local authority provides a motor vehicle to a mayor or regional council chairperson during the determination term, the maximum purchase price that the local authority may pay for the motor vehicle is:

- a) In the case of a petrol or diesel vehicle, \$55,000; and
- b) In the case of an electric or hybrid vehicle, \$68,500.

(Note: The Remuneration Authority values include GST and any on-road costs).

While the Remuneration Authority determination is specifically for council's Chairperson, staff recommend that aligning the CEO's vehicle value with the determination is logical, providing consistency, clarity and simplicity. After all, the current policy aligns the value of both vehicles.

Formally recognising the Remuneration Authority values in both circumstances will future proof the value setting over time for both the Chairperson and CEO's vehicle. Furthermore, the greater allowance both incentivises and clearly signals the preference of council that both the Chairperson and the CEO have a vehicle that is either hybrid or fully electric.

While council sets the maximum value and principles of purchase, a council decision is not required for the purchase of a particular vehicle for the CEO. That decision is 'by agreement' between the Chairperson and the CEO. Furthermore, it is not intended that the Remuneration Authority determination is referenced for the deduction from salary calculation for the CEO (as is the case for the Chairperson). That decision is 'by agreement' between the Chairperson and the CEO as part of employment contract negotiations.

Attachments/Ngā tapirihanga

Nil

TITLE: Minor Amendment to Regional Pest Plan

From: Don McKenzie, Pou Tiaki Pūtaiao - GM Biosecurity and Raymond Tana, Biosecurity Specialist - Freshwater Pests

Authorised by Don McKenzie, Pou Tiaki Pūtaiao - GM Biosecurity, on 21 September 2022
Group Manager/s:

Executive summary/Whakarāpopototanga

The Ministry for Primary Industries (MPI) have recently declared a species name change for the majority of Koi carp found within New Zealand from *Cyprinus carpio* (European carp) to *Cyprinus rubrofuscus* (Asian carp) following a review of the genetic database. At this stage it is accepted that both European Koi carp and Asian Koi carp are present in New Zealand.

This name change poses several management issues for Northland Regional Council (NRC) regarding the implementation of its Regional Pest and Marine Pathway Management Plan 2017-2027 (hereafter referred to as the Pest Plan).

A minor amendment to the Pest Plan is proposed to ensure any regulations to prevent the spread of both Asian and European Koi carp are lawful.

Recommendations:

1. That the report 'Minor Amendment to Regional Pest Plan' by Don McKenzie, Pou Tiaki Pūtaiao - GM Biosecurity and Raymond Tana, Biosecurity Specialist - Freshwater Pests and dated 14 September 2022, be received.
2. That council approves a minor amendment to the Pest Plan by council resolution under the Biosecurity Act 1993 section 100(g) (4) to add "*Cyprinus rubrofuscus*, commonly known as Asian Koi carp" to the Pest Plan where it is appropriate.
3. That the council approves a minor amendment to the Pest Plan by council resolution under the Biosecurity Act 1993 section (g) (4) to add the name "European Koi carp" alongside the species name *Cyprinus carpio* where it is appropriate.

Options

No.	Option	Advantages	Disadvantages
1	Do not approve the minor amendment to add <i>Cyprinus rubrofuscus</i> , commonly known as Asian Koi carp" to the Pest Plan and; add the name "European Koi carp" alongside the species name <i>Cyprinus carpio</i> where it is appropriate.	Nil	The rules in our Pest Plan aimed at preventing the spread of and/or reducing known populations Koi carp become unlawful.

No.	Option	Advantages	Disadvantages
2	<p>Approve the minor amendment to add <i>Cyprinus rubrofuscus</i>, commonly known as Asian Koi carp” to the Pest Plan</p> <p>and;</p> <p>add the name “European Koi carp” alongside the species name <i>Cyprinus carpio</i> where it is appropriate.</p>	<p>The rules in the Pest Plan will be in alignment with other regional councils where Koi carp are being managed.</p> <p>Ensure that any regulatory actions taken to prevent the distribution of both European and Asian Koi carp within Northland are lawful.</p>	Nil

The staff’s recommended option is Option two

Considerations

1. Climate Impact

There are no known impacts on climate change anticipated from this minor amendment.

2. Environmental Impact

No impact

3. Community views

No community consultation is required as this matter is considered a minor administrative nature.

4. Māori impact statement

There are no particular impacts on Māori as a consequence of this minor administrative change.

5. Financial implications

There are no new financial costs associated with council amending the Pest Plan as any amendments will be posted online.

6. Implementation issues

The amendment in the Pest Plan will align with other regional councils where koi carp are being managed. Staff are also working the Department of Conservation to update and reissue the licence to harvest Koi carp required for management operations. No impact to the scheduled management activities is predicted.

7. 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 the inclusion of Koi carp in the Pest Plan has previously been consulted on and provided for in council’s Long-Term Plan and is part of council’s day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

8. Policy, risk management and legislative compliance

The amendment in the Pest Plan will align with other regional councils where Koi carp are being managed and ensure that any regulatory actions taken to prevent the distribution of both European and Asian Koi carp within Northland are lawful.

Background/Tuhinga

Following a review of the genetic database MPI confirmed Koi carp in New Zealand waterways are derived from the Asian lineage (*C. rubrofasciatus*) and not the European lineage (*C. carpio*) as was previously thought. The name change has resulted in *C. rubrofasciatus* or Asian Koi carp being registered as an “Unwanted Organism” by MPI, meaning that *C. rubrofasciatus* is now subject to the same regulations and restriction of sale and distribution as its original name sake *C. carpio* or European Koi carp as it is commonly known. At the time of writing MPI have retained European Koi carp on the unwanted organism register and this species may also be present in New Zealand.

Currently only *Cyprinus carpio*, or *European Koi carp* is listed as a Progressive containment freshwater pest species in the Pest Plan. As a consequence of the above taxonomic name change, the rules in the Pest Plan concerning koi carp (and as set out below) also require updating and regulations that apply to European Koi carp should also apply to Asian Koi carp. This amendment ensures any regulatory actions taken to prevent the distribution of both European and Asian Koi carp within Northland are lawful.

- Rule 9.3.1 Every person who sees, or suspects the presence of, any containment pest fish species outside the identified locations must immediately report the sighting to Northland Regional Council. Any person who catches containment pest fish species intentionally or accidentally in Northland must destroy them immediately upon capture
- Rule 9.3.2 No person will transport any live or dead progressive containment pest fish species (including spawn and juvenile fish) into or around Northland.
- Rule 9.3.3 No person shall have in their possession any live progressive containment pest fish species (including spawn and juvenile fish) in captivity or for resale purposes in Northland.

The Biosecurity Act 1993 at section 100G (4) allows for minor changes to be made to the Pest Plan by way of council resolution without a review or public consultation. This is provided the council is satisfied that the change would not have significant effects on any person’s rights or obligations, and it is not inconsistent with a national policy direction.

The addition of Asian Koi carp to the Pest Plan is a minor change that is appropriate for amendment by council resolution as;

- a) The addition of *C. rubrofasciatus* is not inconsistent with the National Policy Direction for Pest Management 2015 as it is consistent with the approach that the risks posed to the environment by Koi carp are significant.
- b) The recent taxonomic name change of *C. carpio* to *C. rubrofasciatus* reflects a recent review of the taxonomic classification of the majority of Koi found in New Zealand. It does not carry any new rights or impose obligations on any person and is without significant effect

Operational Impacts

As part of operational management activities, the Northland Regional Council requires a licence to harvest Koi carp. These licences are managed by the Department of Conservation (DoC). We are currently working with DoC to update and reissue our licence to reflect the taxonomic name change. No impact to the scheduled management activities is expected.

Attachments/Ngā tapirihanga

Nil

TITLE: **NRC Tiriti Organisational Review (Te Tiriti Health Check)**

From: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 21 September 2022

Whakarāpopototanga / Executive summary

This document acts as a 'placeholder' for the report 'NRC Tiriti Organisational Review (Te Tiriti Health Check)' which was unable to be completed in time for the circulation of the agenda due to the final report from the independent assessors not being available at time of agenda compilation.

The report will be sent out to members under separate cover.

TITLE: Chair's Report to Council

From: Penny Smart, Chair

Authorised by: Penny Smart, Chair, on

Purpose of Report

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

Ngā mahi tūtohutia / Recommendation

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 12 September 2022, be received.

Meetings/events attended

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

- MMH Masterplan and strategy launch
- Northland Forestry Environmental Working Group Meeting
- MMH & NRC meetings including Director applications/interviews
- Reforms update - Mayors, Chairs and Chief Executives
- Mayor Jake Smith's Zoom Meeting for Northland Mayors and Chair
- Meeting with Department of Conservation, Wellington
- Regional sector pre-meeting dinner, Wellington
- Regional sector meeting, Wellington
- NZ Film Commission discussion
- RN / NRC Strategic Partnership
- Northland Mayoral Forum
- Unpacking Resource Management Reform

Correspondence

During August 2022 I sent out the following correspondence:

Date	Addressed To	Subject
01.08.22	Des Subritzky, Dargaville	Service recognition
25.08.22	Te Waihoroi Shortland (Chair)Tohe Ashby (Chair)Te Rūnanga o Ngāti Hine	Invite - Mana Whakahono ā Rohe Agreement with Te Rūnanga o Ngāti Hine and Ngā Tirairaka o Ngāti Hine Trust

Date	Addressed To	Subject
26.08.22	Director-General of the Department of Conservation	Northland Regional Council follow up letter to introduction with yourself as Director General of DOC and Henry as Operations Group DDG DOC
26.08.22	Chair and Chief Executive Officer Marsden Maritime Holdings Limited	Response to business case proposal

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

From: Malcolm Nicolson, Tumuaki - Chief Executive Officer

Authorised by Group Manager/s: Malcolm Nicolson, Tumuaki - Chief Executive Officer, on 21 September 2022

Ngā mahi tūtohutia / Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 31 August 2022, be received.

8.2.1 HIGHLIGHTS

Valedictory

It is with great pride that I come to the end of my tenure as Chief Executive Officer. I am eternally grateful for the privilege the council has bestowed on me to be able to serve the people of Northland over the past decade in this manner.

The many achievements the organisation has had over this period, have only been possible through the unity and foresight of governance, the passionate commitment of staff and the unswerving loyalty of the communities of the North to improving the lot of all. We hand to the next generation a strengthened relationship with tangata whenua, improved resilience of our communities and greater biodiversity than that which we inherited.

The financial reports contained in the agenda are a pleasing point to hand over, with as clean an Annual Report as could be expected, sound financial performance and a substantially strengthened Balance Sheet for the organisation. While the financial position of council appears to be substantial, I believe that council will be required to commit well in excess of \$100M investment into Northland infrastructure requirements to support the continued strength of the Northland economy in the short to medium term, thus making the preservation of the financial and debt raising capacity a critical strategic imperative until there is greater clarity about these investments.

While the current picture looks rosy, we should not underestimate the working that lies ahead of the organisation:

- We are only commencing the journey of relationship building with tangata whenua and a true expression of partnership under Te Tiriti. I believe the leading-edge work council is undertaking on the development of co-governance models will stand Te Tai Tokerau in good stead in years to come.
- The impacts of climate change on the region will be significant and will require a fundamental rethink of our social and economic structures within the region. The start of this discussion through the Ngā Taumata o te Moana and Te Tai Tokerau Climate Adaptation Strategy are a solid beginning but these will need to be followed with courageous discussions with our communities and brave leadership.
- The significant strides we have made to improvement of land-based biodiversity and biosecurity needs to be maintained if these gains are to be preserved and enhanced. The same level of commitment needs to engendered for our freshwater and marine environmental assets.

We can at best say we have laid a solid foundation from which future generations can build. So, in wishing Jonathan Gibbard well as our new Chief Executive from the beginning of October, I would encourage him and the in-coming council to preserve and further enhance this organisation

commitment to environmental guardianship, resource stewardship and social equity for **all** the people of Northland.

I would take this opportunity to thank all the elected members, staff and colleagues across local and central government for their support and sound advice over the past ten years.

In the words of the Ariki of Ngati Hine, Te Ruki Kawiti uttered immediately after the battle of Ruapekapeka in Jan 1846:

“Titiro atu ki ngā taumata o te moana”

Look to the horizons of the ocean – think strategically and maintain a global outlook while appreciating the ground upon which we stand.

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 Ōpua Boat Yard in Walls Bay, Ōpua	Environment Court appeal hearing scheduled for week of 21 November 2022.
Consent decision appeal	Irrigation of avocado orchards and horticulture crops	Interim decision issued by the Court on 7 July 2022 stating that the consents could be granted with appropriate conditions. The Court has requested all parties to file a memorandum, preferably jointly, by 28 October 2022 advising on whether they have reached agreement on the consent.

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

Unbudgeted operational expenditure of \$65,000 has been approved for work on reviewing council's investment strategy.

Fraud Declaration

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

Quality Management System (QMS)

Over the past year, Council's Continuous Improvement Steering Group, with support from ELT, have

been working to review council's quality management system. The review discovered that the system as it was, and accredited under ISO 9001, was not fit for purpose and presented multiple challenges that were not able to be overcome despite ongoing work and improvement initiatives. In acknowledgement of this, the group worked to develop a new council-wide quality management system, which was successfully trialled across council activities.

The new system, 'Te Huarahi Tika – The Pathway to Achieving our Goals' has now been approved by the Executive Leadership Team as the new QMS, replacing ISO 9001.

Accordingly, Telarc (Council's ISO certification auditing body) have now been notified that council will not be proceeding with the ISO recertification process. References to ISO accreditation have been removed from council's website.

Council Property Update

Good progress on the NIWA Kingfish RAS Project has been made on site in the last month with the equipment installation in progress and shelter frame construction complete (see photo). The shelter fabric installation is now in-train with the roof complete and side-walls pending (see photo). The works within the RAS treatment area (fibreglass, screens, diffusers, UV lights, RAS bridge) are critical to enable commissioning to commence in early October 2022. With the completion targeted for December 2022, the Project Manager is working with the head contractor to ensure slippage into early January 2023 is avoided if at all possible.



HR Update

In the last 10 years we have essentially doubled in size (154 staff in 2012 and 296 in 2022). The CEO has undertaken various restructures to reshape the organisation so that we are more fit for purpose. The human resources and health and safety delivery has changed significantly, moving from what was more of a transactional approach to one that is more collaborative, inclusive and focused on the wider organisation. It is now more of a partnership model between managers with specialist assistance when needed.

There has been a greater than ever focus on our culture, performance management, wellbeing, growth and development of staff, improved use of our network of managers and flexibility of working arrangements, which has been achieved through the leadership of HR working closely with a range of staff through the likes of our OD Group, Wellbeing Group and H&S Committee to gain better uptake and implementation of our HR and H&S strategies across the organisation. We have also been working to ensure that we have diversity of our people throughout the organisation including management. Although initial discussions have been had as it relates to all things HR, moving forward we will have more emphasis on ensuring our obligations under Te Tiriti are being met.

8.2.4 REGULATORY SERVICES

Consents in Process

During August 2022, a total of 226 Decisions were issued. These decisions comprised:

• Moorings	3
• Coastal Permits	38
• Air Discharge Permits	2
• Land Discharge Permits	25
• Land Use Consents	116
• Water Permits	30
• Water Takes	4
• Bore Consents	8

The processing timeframes for the August 2022 consents ranged from:

- 319 to 5 calendar days, with the median time being 119 days;
- 118 to 3 working days, with the median time being 79 days.

Forty-seven applications were received in August 2022.

Of the 124 applications in progress at the end of August 2022:

- 38 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	7
– On-hold pending new rules becoming operative	6
– Other	16
- 18 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 68 less than 6 months.

Appointment of Hearing Commissioners

The following commissioner was appointed in August 2022 for one consent hearing:

- Ms Sarah Shaw as Sole Commissioner for consents associated with earthworks for a canal development. The hearing is scheduled for 28 September 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 August 2022 is (by number):

• Progress on Applications Previously Notified	7
• Appeals/Objections	2

COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 31 August 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	13	12	0	1	0	0
Bore Consent	27	26	1	0	0	0
Coastal Discharge	34	29	1	4	0	0
Coastal Permit	65	48	11	1	0	5
FDE – Discharge permit	80	65	0	8	0	7
FDE – Permitted activity	42	39	0	2	1	0
Land Discharge	62	45	6	9	0	2
Land Use Consent	46	43	3	0	0	0
Water Discharge	58	38	4	16	0	0
Water Permit	38	35	3	0	0	0
Water Take	245	141	69	18	0	17
Total	710	521	98	59	1	31
Percentage		73.4%	13.8%	8.3%	0.1%	4.4%
Year to date	1113	808	150	81	3	71
Percentage		72.6%	13.5%	7.3%	0.3%	6.4%

Coastal

Coastal structure permit monitoring in the Bay of Islands continued. There was also further enforcement action from the annual marine farm inspections, including the issuing of abatement and infringement notices, for non-compliances with consent conditions.

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

- Contaminated Land Management*

Six incidents involving the discharge of hazardous substances and 21 enquiries regarding contaminated land were received and responded to. No hazardous waste was disposed of at the amnesty day, and nine 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
Hihi Expires 2022	No recent issues	None currently
Kaeo	No recent issues	None currently

Expires 31 October 2022; replacement consent application has been received		
Kaikohe Expired 2021 (replacement consent application on hold)	Intermittent non-compliances with ADW flow, ammonia and 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 - 21 submissions received	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 (to optimise ammonia treatment)
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
Whangarei 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
Whāngārei City Expires 2022; replacement consent application publicly notified – six 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 has been received	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	None currently

Environmental Incidents

No environmental incidents closed in August resulted in a significant environmental impact.

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	11
Infringement Notice	6

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 22% 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.

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
90	125	21	22	0	2
81%	84%	19%	15%	0%	1%

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
50	48	3	11	3	1
89%	80%	5.5%	18%	5.5%	2%

Other Enforcement

- Open burning on industrial/trade property – Whangārei**
 Two charges were laid against an individual for open burning on industrial/trade premises; the burnt items included prohibited items. The Judge convicted the defendant on both charges. The defendant then applied for discharge without conviction. Sentencing took place on 15 September 2022 and the presiding judge convicted the defendant and fined him \$15,520 of which we get 90% (\$13,968).
- Breach of enforcement orders - Kaitaia**
 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 which also required a resource consent. On 28 June 2022, a charging document was filed to court for prosecution for the breach of enforcement orders. In August 2022, the defendant appointed a contaminated land expert to finalise the resource consent application. They have advised that the application shall be lodged soon.
- Earthworks & vegetation clearance within a wetland – Teal Bay**
 Charges were laid in the Whangarei District Court on 7 December 2021 against four parties for offences relating to earthworks, vegetation clearance and discharge of sediment that occurred in December 2020. A joint memorandum was signed on 28 June 2022 regarding one issue - whether the 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 was to be filed by 25 August 2022. The defendants have failed to file their expert evidence by the deadline. The next appearance date is 18 October 2022.

- *Farm dairy effluent - Hikurangi*
On 27 June 2022, charges were laid in Whangarei District Court against four defendants for offences relating to the discharge of farm wastewater that occurred in November 2021. First appearance date has been adjourned to 18 October 2022.
- *Discharge of contaminated water to stormwater - Whangarei*
On 14 July 2022, four charges were laid in Whangarei 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

Staff are working towards the delivery of objectives for the final year of the programme. A key focus will be working towards the soil conservation plan target 2022-2023 of either 136 plans or a total of 34,030 ha covered by completed plans. 3 soil conservation plans have been completed covering 296ha to date, with 10 covering 1224ha in progress.

Poplar and Willow nursery

As reported in July, work is underway to improve the productive capability of the nursery, which included the propagation of new poplar cultivars as containerised cuttings to supplement our pole, stake and wand supply. A parallel research programme is supporting nursery operations by diversifying our planting stock and field-testing new cultivars and planting methods.

Environment fund progress

Staff are preparing grant applications ready for approval late September. Staff are also working on criteria and processes for the new Community Fund, with the aim of ensuring a streamlined process is up and running to enable effective delivery of the fund by the 23/24 financial year.

Whangārei urban awa project

A mailout was sent to appropriate landowners in the Otaika catchment, as approved by the recent MFE deed variation. So far over 30 responses have been received, of which 29 are suitable for follow up. The team is busy working with fencing contractors to get quotes ready for fencing to get underway once ground conditions are dry enough.

The last of the planting projects for this year are currently being completed.

Waimā Waitai Waiora partnership

The partnership is currently completing its final season of planting with 70,000 native plants expected to be distributed to seven planting sites. The partnership has been successful at engaging with Māori with five of the seven planting sites being Māori owned whenua. This successful engagement has been created through utilising the partnership's Mana Enhancing Agreement to instil the partnership's values to Council staff which influences the manner that staff engage and work alongside landowners.



Waimā Waitai Waiora partnership staff off-loading native plants at Awarua

BIODIVERSITY

FIF Dune Lakes Project

Objective	Status
Aquatic weed and pest fish control	Staff responded to the Environmental Protection Agency Letter of Inquiry in relation to the accidental damage to wetland vegetation at Lakes Tutaki and Mt Camel North. Lake Tutaki was visited during the annual lakes ecological survey, no hornwort was found in the lake during snorkel surveys and the wetland damaged during the herbicide operation is showing signs of a full recovery. Planning is underway to control hornwort in Lake Karaka in October. Dive surveys are underway to see if the lakes treated in March need further treatment in October.
Sediment and nutrient mitigation	Feasibility study is complete. Awaiting engineers estimate to know if the project can go ahead due to budget constraints.
Education Days	The last two FIF Dune Lake Education days are planned for September 8 and 15 at Ruakākā and Kai Iwi.
Ministry for the Environment reporting	The Year 5 Annual Report and payment and Year 6 Annual Work Programme have been supplied to MfE.

Lakes Ecological Survey

Nine lakes were visited during the week of 8-13 August with a crew from NIWA. No oxygen weed (*Lagarosiphon major*) was found in Lake Ngatu, so we are one year closer to being able to declare eradication of the weed. Good populations of the rare native plant *Trithuria inconspicua* were found at Lake Ngatu. Hornwort has increased in Lake Karaka and is due for control in October. Hornwort was not found in any other lakes. NIWA will provide full reports by early November.



NIWA staff with a rake full of hornwort in Lake Karaka during the Lakes Ecological Survey in August. The weed is programmed for control in October.



The Critically Endangered plant *Trithuria inconspicua* was found on all transects at Lake Ngatu.

CoastCare

August has been busy for CoastCare with a lot of planting events.

- Planting days were held at Ruakaka wildlife refuge and reserve with Bream Bay Coastal Care Trust, volunteers and contractors. Over 3000 native dune plants, including spinifex, pingao, wiwi and sand coprosma were planted as part of restoring the natural dune ecosystem of the area. Extensive plant and animal pest control has been undertaken in this area, focused on the invasive coastal wattle, and animal pests including rabbits, stoats and rats.
- At Largs Beach the next stage of reshaping and planting was done as part of a project to gradually replace the eroding kikuyu bank with an active dune, albeit narrow due to the constraints of the road being very close to the beach.
- Oruaiti School's Rōpū Ngaio have been working on dune and dotterel protection at Taupo Bay, with CoastCare support. In August spinifex and pingao were planted on the sandspit and a new sign, designed by the students was printed and put up at the beach.



- Two planting days were held at Matapouri. North of Morrison Road a working bee was held with DOC, Te Whanau a Rangiwhakaahu Hapū, WSP and residents. An area of degraded dune was weeded, planted with natives and fenced off to protect it. Ngunguru School continued the great job they have been doing with weeding and planting in Te Wairoa Reserve and on the sandspit.
- Dune planting also took place at Long Beach Russell, Pataua North, Paraparea Bay, Glinks Gully and Baylys Beach.
- We have a new staff member who will be working in particular on further developing iwi and hapū relationships with CoastCare and on facilitating expanding kaitiaki ranger programmes.
- The new staff member was recently involved in Taipa Area weeding and planting days that hosted over 4 days along the Taipa area foreshore. This work included working alongside the tamariki from the Taipa area early childhood centres, Primary and Intermediate schools and a number of volunteers. An enormous effort was made by all and the result shows what can be achieved when we all work together as one.



Wetlands

Staff attended a site visit to the Hikurangi repo and hui with the Parliamentary Commissioner for the Environment, Simon Upton. This was the initial scoping visit for the PCE Integrated Landscape modelling project involving the Northland case study, the Northern Wairoa catchment.

Natural Resources

Coastal/Water Quality Operations

The quarterly Litter Intelligence survey was undertaken at our Hātea and Onerahi sites. 332 items (mainly unidentified hard and soft plastic fragments) were found. At Onerahi 255 items were collected; the majority was foamed plastic. A slight increase of litter items was observed compared to the last quarter's surveys (296 and 161 respectively). The August survey followed a period of prolonged rainfall.

Continuous dissolved oxygen data logger chains were fabricated for all water quality lakes and a number have been installed following discussion with landowners and tangata whenua. The remaining will be deployed following consultation. These devices will greatly increase our understanding of lake processes and ecosystem health, increasing from 12 data points a year to around 33,000.

Natural Resources Science

Air quality

A technical report was prepared providing evidence that the PM₁₀ exceedance on 25 May 2022 at council's Mairtown air monitoring site was the direct result of illegal vegetation burning at Paranui Valley Road between 24 and 26 May 2022. This report was part of an application

to the Minister for the Environment to consider that the exceedance on 25 May 2022 was an exceptional circumstance. The Air Report, along with a covering letter, has been sent to the Minister.

No breach of air quality standard for PM₁₀ and PM_{2.5} has occurred in July 2022.

Freshwater ecology

Nationally threatened mayfly, *Zephlebia* aff. *pirongia* sp. 1 has been identified at multiple streams in Whangārei using eDNA samples taken by Water Quality Operations, Biodiversity, and Science teams.

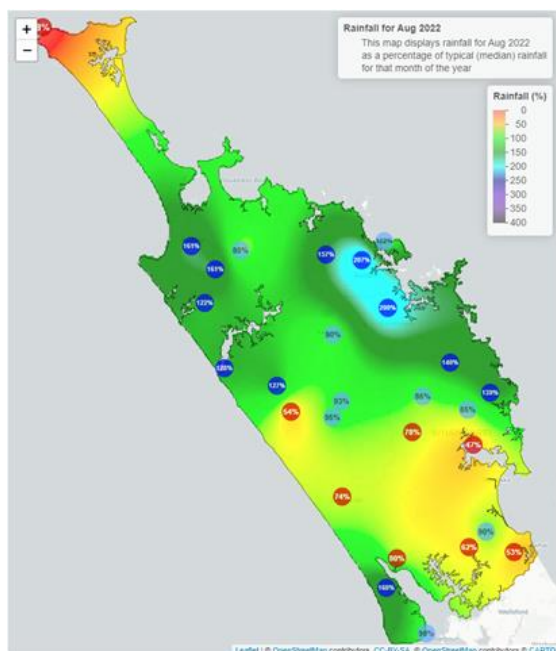
Freshwater quality

Works related to LiDAR based high resolution digital river network (DRN) model for Northland are showing good progress. The GIS deliverables for the Northern Wairoa catchment have been shared with the Kaipara Moana Remediation (KMR) project team and Auckland Council for its use in the KMR modelling. The final report is due by February 2023.

Natural Resources Data

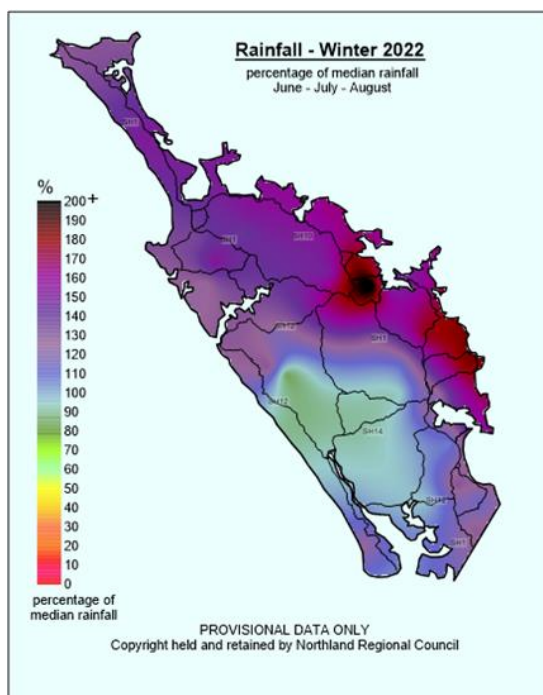
The annual refresh for the LAWA water quality modules is now complete and the new data will be displayed on LAWA from late September.

Hydrology



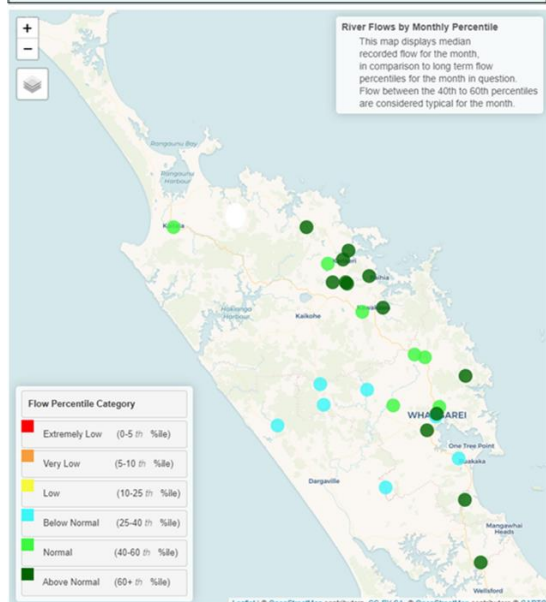
Rainfall

- North-western and north-eastern areas of Northland received well over the typical (median) August rainfall totals, the wider Bay of Islands area being the highest at about 200% of normal.
- Mid to northern central areas received close to typical rainfall totals for the month, with Kaikohe recording 90% of typical.
- Most southern areas experienced lower than typical rainfall (except the Poutō peninsular). Mangawhai received only 53% of typical August rainfall.



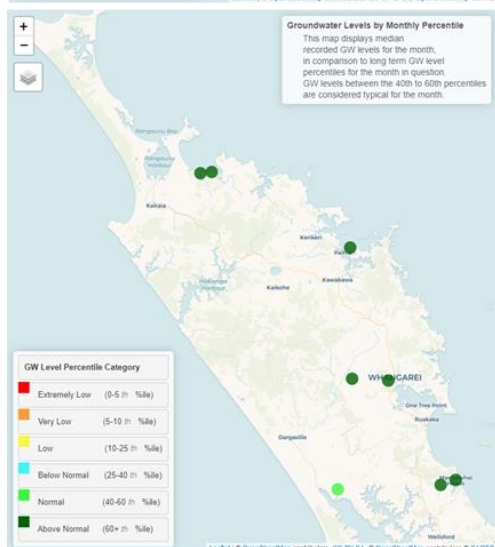
Winter Rainfall

- There was significant regional variation in rainfall across the Northland region during the winter months.
- North-eastern areas received well over the expected winter rainfall, with the highest at Oromahoe (Waitangi at McDonald Road) being 210% of normal.
- South-western areas received less, with the lowest at Tutāmoe with 83% of normal winter rainfall.



Rivers

- Most river catchments along eastern Northland had normal to above normal flow for the month.
- Most western and central river catchments had below normal flow for the month.



Groundwater

- Groundwater levels in all monitored aquifers were above normal for August, except Ruawai, which was normal.

POLICY AND PLANNING

Freshwater Plan

The Primary Sector Liaison Group (PSLG) had a full-day workshop with an external facilitator on 16 August 2022 to further develop their feedback on NRC's freshwater plan change framework. A draft of their report will be presented at the next PSLG meeting in September.

NRC is developing a programme of internal workshops to develop a working draft of the freshwater plan change. The draft is to be workshopped with Council and TTMAC (scheduled for next year) as part of its development before going out for public consultation.

NRC commissioned NIWA to model some additional freshwater mitigation scenarios to support the freshwater plan change process. A final report has been received and is currently being checked by staff. It will be made available to the two advisory groups and key stakeholders under the same non-disclosure agreements covering the initial reports.

The Tangata Whenua Water Advisory Group's (TWWAG) advice on how council might engage with tangata whenua on the freshwater plan change was endorsed by TTMAC at its August meeting. TWWAG also held a wananga on 19 and 20 August at Ngāraratunua marae, where presentations from Te Mana o Te Wai project teams and korero from tohunga provided valuable input to TWWAG's discussions on their recommendations to council on the freshwater plan change.

National Initiatives

Consultation on changes to the National Environmental Standards for Freshwater (NES-F): The Ministry for the Environment released a discussion document outlining potential changes to the wetland regulations of the (NES-F). The consultation is focused on the application of the NES-F natural wetland regulations to the coastal marine area. Council lodged a submission stating a strong preference that the NES-F wetlands regulations should not apply in the coastal marine area. The submission was approved under delegated authority as the consultation timeframe did not allow for consideration at a formal council meeting.

Proposed Regional Plan Appeals

Staff continue to work to resolve the remaining appeals on the Proposed Regional Plan for Northland. Key points arising since the last report include:

- **Topic 15 Mangrove Removal** – final decision of the Environment Court was received 18 August. Overall the Court generally found in favour of the package of provisions supported by council. Parties had until 8 September to appeal this decision to the High Court. No appeals have been lodged
- **Topic 14 Fishing Control** – Hearings on this topic have concluded and parties are awaiting an interim decision from the Environment Court.
- **Plan updates** – The Proposed Regional Plan has been updated to reflect recent direction of the Environment Court on earthworks, land preparation and livestock exclusion. Another update will be rolled out in September to reflect decisions on Aquaculture, Mangrove Removal and Dredging in the Coastal Marine Area.

Proposed Far North District Plan and Kaipara Draft District Plan

Far North and Kaipara District Councils have recently released their Proposed and Draft District Plans for public submission / comment. A workshop has been held with councillors to discuss the content and provide guidance to staff on matters to include in NRC's input. These submissions are currently being prepared and will be lodged under delegated authority by the Planning and Policy Manager. Copies of the submissions will be circulated to councillors and TTMAC.

8.2.6 BIOSECURITY

Biosecurity staff attended the New Zealand Biosecurity Institute Conference in Christchurch between 02 and 05 August. The theme was *Changing Landscapes* and it was a great chance to connect and share progress and new research with biosecurity practitioners from around the country kano ki te kano for the first time in a couple of years. The next national conference will be hosted in Northland in 2023 and we are looking forward to celebrating our strong regional biosecurity collaborations.

INCURSIONS

WILD ANIMAL CONTROL - Deer

Several successful operational activities were undertaken during the month of August targeting feral deer.

- Five red deer of mixed age and sex were culled during August at Mangonui. These animals were from a wild herd established from a farm outbreak three years ago. Significantly three of the animals were mature hinds and in fawn indicating an established healthy wild breeding herd. None of these animals had ear tags. This successful operation was a result of putting in place a managed plan to target these animals and allocating the required contractor hours to support operations.
- A mature fallow hind was also culled, and this lone hind had been seen periodically over the last two years and was finally located after some good intelligence gathering by the team. This combined contractor- staff operation used a combination of methodologies being with a thermal night vision camera on a drone guiding the ground hunter and indicator dog to the specific location.



WILD ANIMAL CONTROL – Feral Pigs

- Early reports from the public indicate a spike in feral pig numbers for this year. All Northland Regional Council (NRC) pig traps are out on loan with some catching well. The trial with landowners utilising collapsible cages has been very successful, with more to be ordered.

FRESHWATER PESTS

The annual work plan for 2022-2023 has been completed for operational fieldwork including grass carp and tench removal, and koi carp presence/absence surveillance outside the containment zones around Northland.

KAURI PROTECTION

Key tasks completed the month included workshops, interagency relations, Tiakina Kauri meetings, and landowner visits relating to fencing. Highlights included:

- First workshop for the financial year with North Tec pest animal group
- Staff attended plant pass workshop as part of the new NPMP rule relating to nursery standards
- Staff also attended a Tiakina Kauri roles and responsibilities meeting for the new rules inductions of new team member

PARTNERSHIPS

Northland Regional Council – Kiwi Coast partnership

Over the last month Kiwi Coast Trust has been focussed on administrative tasks to complete the last financial year and planning the operations of the upcoming financial year. This included prioritising Kiwi Coast Co-ordinator work streams and planning the key operations and events for the year, including a Northland Kiwi Hui for 02 October in collaboration with Save the Kiwi Trust, the summer series of public events such as the various A+P shows and early discussions for upcoming kiwi and pāteke translocations and releases. Kiwi Coast were also proud to support Mangawhai School's Photography Competition and sponsor prizes for the winners:



Kiwi Link High Value Area

The inaugural Kiwi Link High Value Area (HVA) steering group meeting was held in August, with Kiwi Coast confirmed in a coordinating role, and a representative from Kohinui Stream Landcare appointed as Secretary. The budget for the financial year was confirmed and key operational and monitoring tasks were planned and scheduled.

All regular predator control work was completed, with some pleasing catches of feral cats and large adult mustelids across the Kiwi Link network. Due to the prolonged rains and series of storms, trapping contractors took extra health and safety precautions to keep themselves safe and no accidents or incidents occurred despite the wet, slippery conditions. Annual late-winter possum and rat knockdowns have been delayed due to the weather but are poised to be implemented shortly once the weather clears.

The focus weed of the month for control was Taiwan Cherry, their bright pink flowers identifying new hotspots and an opportunity for "Weed Action" groups to eradicate them before the seeds are viable and spread to new sites.



Taiwan cherry in full bloom

Whangārei Heads High Value Area

This month saw a fantastic weed control collaboration on the slopes of Mount Manaia. Weed Action Whangarei Heads obtained funding from the Whangarei District Council, and in partnership with Aki Tai Here, a local hapū based weed and pest team used the funding to undertake an impressive amount of weed control work in a highly invaded part of this significant maunga. The effort also doubled as a great training opportunity for Northtec students and members of Ngatiwai's Kauriora team, extra hours were able to be undertaken, and skills and knowledge shared. Over 500 weed control hours will be spent on the Manaia by the completion of the project.



Aki Tai Here and Weed Action Coordinator Mike Ulrich with members of Kauriora, Manaia Forest Care and students from Northtec preparing to tackle weeds on the slopes of Manaia.

Tutukaka High Value Area

Predator control

Predator trapping continued as normal with monthly checks during July-August, baited with whole eggs and/or rabbit. The total catch of cats and mustelids for the two months July-August was 23; 17

of which were caught in Tutukaka Landcare and Rayonnier (forestry) projects. Rat catches are now at 66 per cent of the long-term mean. A pair of pigs at Riverlands have been sighted for about five weeks and attempts are being made to trap them. Double Tap (possum bait) will be laid in the Crawford Reserve bait stations within the next 2 or 3 weeks and the KiwiSaver (1080) operation is progressing well, with the first round of Feratox (cyanide) prefeed put out last month. The uptake has been great, and the possum knockdown has been successful. However, there was pig interference at the stations, so hunting dogs have been put through the operation area during the month. The group intend to keep the pressure on the pigs to push them out of the operation area until the toxin is deployed.

Biodiversity and kiwi monitoring

Kākā are continuing to be seen regularly at Tutukaka – with groups of up to six at a time, often squawking and whistling loudly. Tutukaka Landcare Coalition (TLC) have been keeping pests at low numbers for over two decades now and the increased presence of kākā most likely visiting from offshore islands may indicate the habitat is more favourable for them to nest and breed on the mainland.

Species enhancement

Enhancing kiwi recruitment with Operation Nest egg (ONE) continues with monitoring of birds that have transmitters as part of community Pest Plans. Tracking of three of the birds released in April 2021 around the Tutukaka coast continues and their movements are described below...

A male kiwi called Awanui has now been sitting for 44 days in a valley on Blue Water Heights in Matapouri and with the assistance of the Ngunguru School interns (Figure 1) his general location was identified. Thanks to community initiatives we have two trail cameras on the nest and some great footage has been obtained, showing both Awanui, and we presume his attentive girlfriend.

A male kiwi named Mango has been in the forest adjacent to the top of the Tutukaka Quarry. His transmitter has switched to mortality mode however the terrain is safe, this is most likely because the transmitter has come off rather than the kiwi has been injured or has died. It is planned to search and locate Mango during September. Searching at the eastern end of Horseshoe Bay has also found the third transmitted kiwi called Kotahi which was still active.

Advocacy

The group coordinated with the year-seven interns from Ngunguru school to assist with locating the re-introduced kiwi Awanui. This was a great hands-on experience for the interns in an activity engaged directly with our kiwi population.



TLC's education project interns from Ngunguru School assisting with locating Awanui, the re-introduced kiwi, via his radio transmitter at Blue Water Heights, as part of the Enhancing kiwi with the Operation Nest Egg project.

Piroa Brynderwyn (PLB) High Value Area

PBL has teamed up with Waipū community groups “About Terns” and Kiwi North to develop packages of curriculum- based activities that can be undertaken in the classroom, on the beach, in the bush and on school camps. Learning is led by qualified teachers with a raft of experience working with conservation and community-based volunteer groups. The group recognise the importance of raising awareness and understanding among young people and involving them in conservation projects.



Rats traps built by Waipu MenzShed with Mangawhai Beach School

PBL have also recently worked with the Mangawhai Beach School and Mangawhai Nature School to establish a rat trapping programme for their grounds and with the Waipu Surf Club Rookie Camp where the focus was on shorebirds and dune planting as well as trapping.

Mid North High Value Area

A Toxin Plan for Puketōtara across several private landowners is nearing completion and will soon be submitted for approval. A successful “Trap NZ” workshop was run as well as Controlled Substances License (CSL) training section for those in the area who are either applying for or about to renew their CSL.

Western Northland Pest Control

Maunganui Bluff, Te Toa Whenua, Native Forest Restoration Trust, Waipoua Forest Trust, Wekaweka and Pupurangi CPCA’s are doing the operational planning for toxin operations through their bait station networks with a first pulse of toxin to go out in September.

Data analysis of the kiwi listening acoustic devices that were put out as part of the baseline monitoring for the Kohaututaka Otaua project has been completed. Kiwi (including a pair) were detected at only one of the eight sites. Kiwi recovery is needed, and this result provides baseline information about the current distribution of kiwi in their project area and will contribute towards future decision making about priority areas for pest control.

PREDATOR FREE

Predator Free Whangārei

August saw a wide range of engagement activities to help build and strengthen relationships. With the visit of newly appointed CE of PF2050 Ltd, Rob Forlong. A hui was held with community groups and Predator Free 2050 Limited in both Whangārei and Pēwhairangi Whānui.

The Predator Free Whangārei team is currently reviewing its governance structure to ensure our treaty partners particularly hapū are represented into the future.

For Pēwhairangi Whānui, ongoing hui are held to finalise the eradication plans and governance structures for each respective peninsula.

Predator Free Whangārei

- Continuous servicing of bait stations and traps from field team.
- A Dog Advisory Group was established to be able to consult with community on the best way to approach the possum dog methodology at Whangārei heads.
- The Whangārei project welcomed onboard Aki Tai Here, a mana whenua working group based at Pataua who will be working with our field team over the next 3 months to gain skills and experience in the eradication space, and to also share their knowledge of matauranga maori.
- Parua Bay School and Whangārei Heads welcomed our team into their schools to kick start the Guardians on the Lookout programme, a interactive education programme in which students are monitoring their local environments using trail cameras and lure devices.
- Predator Free Whangārei was involved with EnviroSchools' event Project Pest Control, held at Kiwi North.

Predator Free Pēwhairangi (Bay of Islands)

Predator Free 2050 Pēwhairangi Whānui *(Covers three projects)*

The first collective hui between all project partners from each peninsula was held successfully at The Landing. This was a meaningful way for each group to meet all key project partners involved in the development and implementation of the PF2050 Pēwhairangi Whānui kaupapa. It was also a good opportunity to meet kanohi ki te kanohi with PF2050 Ltd.

PF2050 Kororāreka (delivered by Russell Landcare Trust (RLT))

PF2050 Kororāreka under RLT has recently contracted new Project Manager, Ken Thwaites. They are developing Methodologies and the Eradication Plan 1st year roll out plan. The Eradication Plan is still yet to identify the importance of working with mana whenua, this is currently being agreed upon. RLT continue to develop the Trap Infrastructure of trap lines.

PF2050 Rakaumangamanga (delivered by 3B2 Ahu Whenua Trust)

3B2 Ahu Whenua Trust are still ongoing with engaging with hapū and local trappers to pull together the Eradication Plan. Input from local trappers has been of huge value with regards to how the eradication is being shaped.

PF2050 Mataroa (Purerua) (delivered by Ngāti Rēhia, Ngāti Torēhina, Kiwi Coast)

Ngāti Torēhina requests the name of the peninsula to be changed from Purerua to Mataroa, the historically correct name of the rohe, which we are working towards getting honored and changed for this Predator Free 2050 project. Ngāti Rēhia are developing their hapū plan in support of the overall eradication plan. This still needs to be tabled at the next Governance meeting planned for the end of the month. Ngāti Torēhina and Kiwi Coast Trust will be working collaboratively to deliver the eradication plan.

Predator Free 2050 Pēwhairangi Whānui

Met with Eastern Bay Society who has asked for financial support for their work in suppressing Norway rats in the Southwestern area of Rakaumangamanga. This area is in the Eradication Zone for the PF2050 Rakaumangamanga kaupapa. The projected financial cost is \$5000.00 annually. It is envisaged that this funding will come from the PF2050 Rakaumangamanga budget.

MARINE BIOSECURITY

Hull surveillance

This month saw the formal start of the marine biosecurity surveillance season slightly earlier than previous years. Staff directed dive contractors to inspect all hulls in Houhora after a weak positive signal of fanworm was detected in an eDNA sample taken by staff during an educational event a month earlier.

Divers surveyed all 29 vessels present and found three individual fanworm on a commercial fishing vessel. Apart from the three fanworm, the vessel was otherwise clean and without this pest present would have been compliant to travel. Staff directed divers to carefully remove the fanworm thus mitigating the risk. Subsequent analysis of the fanworm revealed that there was two males and one female. The size of the female and histological analysis confirmed that while it had a significant number of eggs it was still immature and had not achieved a size where it was reproductively viable.

The vessel owner was contacted, and the vessel traced back to having spent time in Auckland where it had likely picked up the unwanted hitchhikers. In this instance, the vessel owner had maintained the hull to a high standard, however, the application of the antifouling coating was inadequate in a niche area of the vessel. Situations like this highlight the need for industry antifouling and cleaning standards. Staff will continue to work with the Ministries and the Top of the North partners to facilitate the creation of these standards.

Staff have been engaging with Ngāti Kuri's taiao team who are interested in continuing eDNA sampling in the area to contribute to and complement NRC's marine biosecurity programme.

Table 1: Hull Surveillance Programme Results to 08th September 2022

Hull Surveillance Programme Results	Total this period	Total YTD
Pathways Plan Compliance if Moving*		
Number of vessels surveyed this period	56	86
% Pathways Plan Compliance if Moving (all vessels) *	67.9	64.3
Vessels found with Marine Pests		
<i>Sabella spallanzanii</i> (fanworm)	1	1
<i>Styela clava</i> (clubbed tunicate)	0	0
<i>Undaria pinnatifida</i> (Japanese kelp)	0	0
<i>Eudistoma elongatum</i> (Australian droplet tunicate)	4	4
<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.

Ngāti Kuri Partnership

Members of the NRC marine biosecurity staff supported kaiārahi tikanga māori, attended a three-day wānanga hosted by Ngāti Kuri at the taiao unit's headquarters in Te Paki. This wānanga focussed on the whanaungatanga of NRC and the taiao unit in hope of future collaborations in the marine monitoring space. The taiao unit presented their current work through field trips and storytelling across their rohe with presentations from other attending organisations including Auckland Museum, Department of Conservation, and 4th Generation in the evenings. The wānanga was concluded with a planning and reflection session of what collaboration would look like between Ngāti Kuri and its partners. A reciprocal wānanga hosted by NRC in Whangārei is being planned for late September 2022.

Additionally, a representative of the marine biosecurity team was invited to 'He Wai Ora, He Puna Mātauranga' – a wānanga organised by Te Ara Whānui Research Centre (part of the Ngāti Kuri Trust Board) and the University of Auckland to discuss and plan short-term and long-term research goals for the moana rohe of Ngāti Kuri. After two days of deep discussions, a draft five-year plan was developed, centred around the unique physical oceanography of the rohe, and will be taken back to the Ngāti Kuri Trust Board.



Attendees at the Ngāti Kuri Taiao Wānanga held at Te Paki in August.



Members of the Ngāti Kuri Taiao unit, staff from Auckland Museum, DOC and NRC help to identify and count biodiversity in Lake Ngakeketo.

eDNA Work and Partnership with NorthTec

NRC's marine biosecurity team and students from North Tec joined forces with Ngāti Torehina ki Matakā and TriOceans Marine Research and Technology Institute to conduct environmental DNA (eDNA) sampling of Opito Bay, Kerikeri. eDNA as a tool for pest surveillance is a relatively new approach that allows for the detection of genetic material shed by organisms into the environment and is a rapid way to detect if an unwanted organism is present. Stormy conditions on the day couldn't deter the team from collecting the samples and they were processed and labelled for later analysis in the laboratory. This project is in collaboration with Ngāti Torehina ki Matakā who will be conducting regular monitoring of their rohe moana.



Wet and windy conditions during eDNA sampling at Opito Bay, Kerikeri.

PEST PLANTS

An extended survey beyond known sites was undertaken in Kerikeri this month for the eradication weed called Micky mouse plant *Ochna spp.* A substantial number of new sites have been identified indicating the need for additional inspection resource for this area.

The southern regime inspections for progressive containment species Mile-a-Minute, *Dipogon lignosus*, were also completed. In total the proportion of seedling, juvenile and adult regrowth across eight active sites was 5:3:0, indicating good progress is being made towards eradication of active sites. *Pultenaea (Pultenaea daphnoides)* inspection and control also began this month outside of the Progressive Containment Zone, with further contracts due to take place in the next month during the peak flowering season.

Demand for Sustained control rule enforcement continues, particularly for gorse and privet. This work can be time consuming and has to be balanced with the eradication and Progressive Containment Programme workload.

Weed Workshops

The annual weed workshops attracted 165 participants this year and were spread over 11 workshops from mid-July until early August. Two of these workshops were put on especially for larger groups of people engaged in the forest or weed space. Te Rarawa in Kaitiaia had a team of 13 people engaged in work in the bush from Kauri Ora and the jobs for nature programme. 20 people from City Care, the new contractors for Whangarei District Council, also participated in a separate workshop.



Participants working on identification

National Wilding Conifer Control Programme

A new partnership with Ngāi Takoto is now underway at Kaimaumu. This work seeks to support the existing Job for Nature program, which is targeting a number of weeds species in the Kaimaumu gumland/wetland, including wilding pines. The Regional Council managed work is focusing on removing hazardous burnt, and partly burnt, seed source trees that are beyond the capacity of the Ngāi Takoto jobs for nature crew. This work will complement the other restoration planning and delivery work underway at the site after the major fire that started in December of last year and will help to reduce the reinvasion rate of wilding conifers in this very disturbed landscape.

8.2.7 GOVERNANCE AND ENGAGEMENT

MĀORI ENGAGEMENT

TTMAC Governance Review

During August 2022, a survey was conducted with iwi and hapū members of TTMAC and also distributed throughout their networks to form the basis of a number of recommendations for the incoming council to consider when they establish the wider governance structure of council. This is separate to the Tiriti Health Check evaluation in which a separate independent report will be provided in conjunction with these recommendations by Whaia Legal and Buddle Findlay to TTMAC (refer to Item 7.8 of the agenda).

The survey questions and findings are collated and attached. MTAG considered that the survey results complemented the Te Tiriti Health Check draft report, and, at a high level, both support the view that:

- TTMAC continue as it represents an important relationship with council focused on reflecting and enacting council's Te Tiriti obligations and commitments
- Māori councillors are there to represent the region Te Raki and TTMAC provides representation of the multiple layers across council, the voice of iwi and hapū
- That better recognition is needed for the significant work done by iwi and hapū members to maintain their considerable level of commitment.

Waitai, Waimāori Wānanga

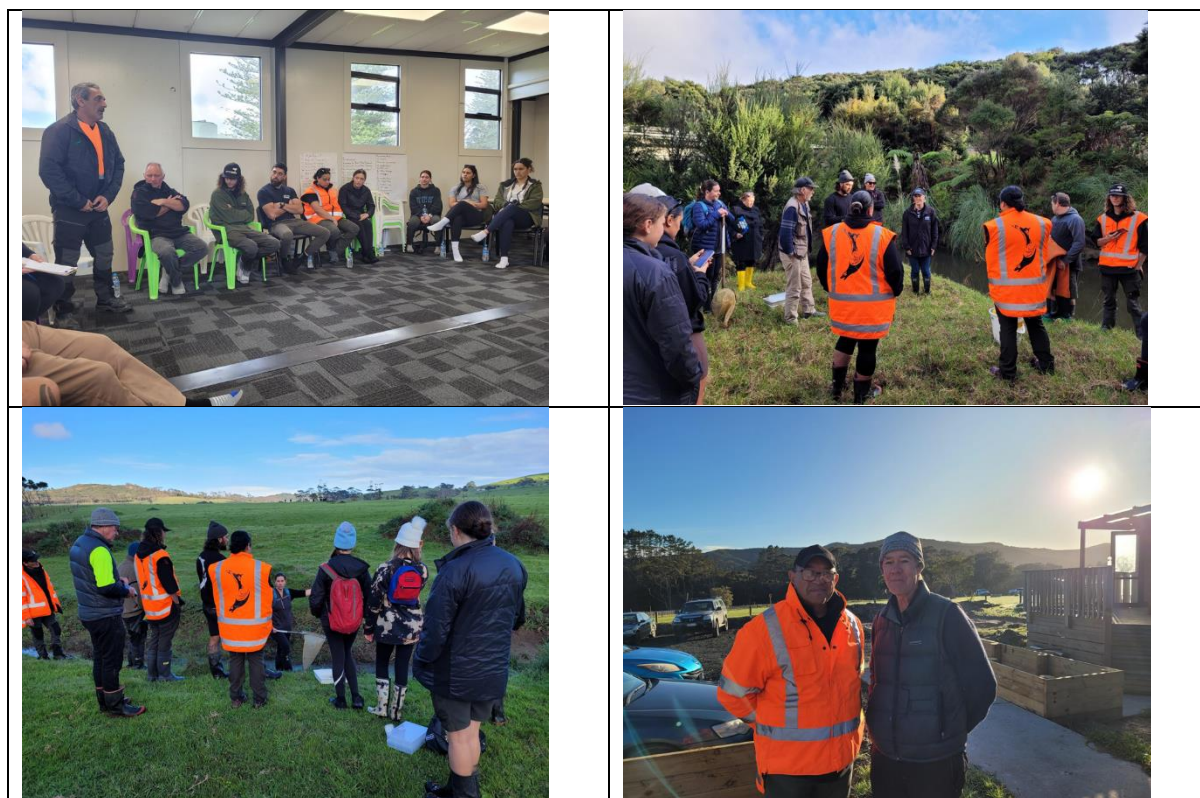
Recently our Kaiārahi Tikanga Māori, supported NRC staff to attend the Ngāti Kuri Waitai, Waimāori wānanga held at the Te Haumihi Headquarters at Te Paki. Ngāti Kuri invited a number of agencies to share their home fire and to connect with the intention of building enduring relationships. Those present were NRC, DOC, Habitat, Auckland Museum and Whitebait Connection.

As well as being treated to the amazing manaakitanga and hospitality of Ngāti Kuri our staff were able to learn first-hand from Ngāti Kuri about:

- Te Ara Whanui – Ngāti Kuri Flight path and Strategic Plan
- best practice when working with whanau, hapu and Iwi using the Wai262 Best Practice Guidelines
- knowledge exchange in practice out in the field
- opportunities to co create and collaborate together

There were monitoring activities throughout the hui and kaitiaki were given the opportunity to learn more about equipment and processes.

At the end of the hui Ngāti Kuri posed the question – how can you support us? Those who attended (Pou Tiaki Pūtaiao GM Biosecurity, Biosecurity Manager Marine, Biosecurity Specialist Marine, Kaiārahi Tikanga Māori) have undertaken to host a Kaitiaki wānanga here in Whangārei to reciprocate what was generously offered by Ngāti Kuri, to continue to strengthen our relationships and provide the meaningful support. The wānanga will take place from 28-30 September and we look forward reporting back next month.



Pictures from Waitai, Waimāori Wānanga

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
REL	Initial payment under the Deed of Settlement received.	Quarterly financial statements and resulting repayments to be received beginning for the period ending 30 September.
Extension 350	Attended evaluation meeting and provided comments on draft final report to consultants.	Final evaluation and project reports to be released and reviewed end of September.

Other Work Undertaken

- **Regional Projects Reserve** – Prepared a business case for an investment proposal from Marsden Maritime Holdings Ltd.
- **Regional Economic Development Strategy** – Attended the Steering Group’s second meeting and organised the second meeting of the local government staff group.
- **Northland Inc** – Prepared letter from the Joint Regional Economic Development Committee regarding agreement to the Board approved Statement of Intent 2022-2025.
- **Economic Information** – Facilitated training session on the Infometrics platform for the Te Hiku Iwi Development Trust.
- **CLUES scenarios and costings** – Presented the scenario costings report to Te Taitokerau Water Advisory Group and provided comments on the additional scenarios report prepared by NIWA.
- **Destination Management Workshop** – Participated in workshop organised by Northland Inc.

ONLINE CHANNELS

Most popular content on Facebook: Facebook post on “Snapped! Feral Deer” (5 August 2022). Reaching 16,884 with engagement 3,181.

*Engaged – number of people who ‘reacted’, commented, or shared the post.

Key Performance Indicators	Apl-22	May-22	Jun-22	Jul-22	Aug-22
WEB					
# Visits to the NRC website	37,900	31,600	26,946	50,527	57,337
E-payments made	7	11	14	77	50
# subscription customers (cumulative)	1,368	1,366	1,365	1,364	1,359
SOCIAL MEDIA (CUMULATIVE)					
# Twitter followers	1,570	1,580	1,590	1,591	1,593
# NRC Facebook followers	10,600	10,700	10,682	10,817	10,884
# NRC Overall Facebook Reach	62,700	44,000	102,991	117,053	75,741
# NRC Engaged Daily Users	3,838	3,507	5,011	8,692	5,195
# CDEM Facebook fans	26,300	26,300	26,305	26,717	27,049
# CDEM Overall Facebook Reach	111,100	37,000	6,569	203,071	120,694
# CDEM Engaged Daily Users	7,168	1,895	147	25,258	12,890
# Instagram followers	1,526	1,540	1,547	1,557	1,559

COMMUNICATIONS AND COMMUNITY ENGAGEMENT

Media Liaison

The following media releases were created and distributed.

- Awanui flood scheme proves worth
- Changes to Freshwater management

- Pest control programme educates students
- Marine pest worker off to French Polynesia
- Courtesy call, warning as spring burning season looms
- Twenty-four put names forward for regional council
- Wilding Pines

Media monitoring agency Fuseworks recorded 159 items mentioning Northland Regional Council. Top five sources of Northland coverage were:

1. Northern Advocate (50)
2. Northland Age (15)
3. Northern News (10)
4. Stuff.co.nz (9)
5. Kaipara Lifestyler (6)

Local Elections

The 2022 Local Government elections is a historic occasion for Te Taitokerau. All four councils in the region, including NRC, will be introducing Māori constituencies. Te Taitokerau and Taranaki are the only regions in the entire country to be introducing Māori constituencies throughout all councils in their respective regions.

As a part of the elections campaign, all four councils in Te Taitokerau combined forces for a joint campaign focussing on three distinct phases: Enrol, stand, and vote. Over this campaign, a series of regional future councillor information sessions were held throughout the region. These sessions featured panels composed of local government staff, councillors, electoral commission staff, and TTMAC members Mike Kake and Nora Rameka. The purpose of the workshops was to provide information and encouragement to those interested in standing in the elections.

Another aspect of the strategy has been a joint social media and advertising campaign which featured a series of short videos produced by a local media agency. Other paid ad spaces are being utilised also, such as bus backs and billboards. The results (as at time of the report) of the campaign and snapshots of the ads are included as an attachment to this report. There has also been media coverage of the elections campaign to date, including print, radio, and television coverage.

Finally, NRC has engaged the services of local media personality Luke Bird to further assist with the campaign. As part of his services, Luke has produced a series of audio ads to be played out via radio stations throughout Te Taitokerau. He will also be participating in weekly interviews on all three major iwi radio stations in the region, as well as sharing content via his social media channels. In total, NRC received 24 nominations for nine seats. One Councillor, Rick Stolwerk, was elected unopposed in the Coastal South General Constituency. There were four nominations received for the two Te Raki Māori Constituency seats.

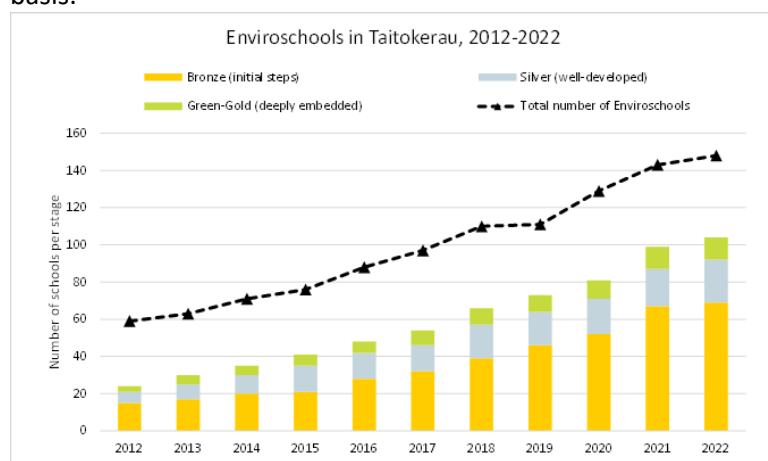
Freshwater Plan Change

The communications element of the Freshwater Plan Change requires significant resourcing and is a key priority for the team. General communications and tangata whenua engagement comms plans have been created and adopted. Work to date includes print advertising in newspapers, flyers and social media content. The focus at this stage is around making people aware that change is coming and that they'll have the opportunity to have their say.

ENVIROSCHOOLS / EDUCATION

Enviroschools in Taitokerau – 2012 to 2022

During our current CEO's time with NRC, the Enviroschools Programme in Te Taitokerau has experienced massive growth in the breadth and depth of the sustainability kaupapa across all education sectors. The number of schools and centres becoming Enviroschools has continued to increase, as has the number of environmental actions per Enviroschool - evidenced as they move through the stages of Bronze, Silver, and Green-Gold. This growth has been possible due to an associated increase in Enviroschools Facilitators working in Enviroschools communities on a daily basis.



NB: Not all Enviroschools opt into the Enviroschools stage framework.



Then: NRC CEO speaks with ngā tamariki at Oturu School's Enviroschools Green-Gold celebration, 2013.



Now: NRC CEO with One Tree Point Envirokids at the school's Enviroschools Bronze celebration, 2022.

Project Pest Control – Whangārei and Far North

In August, the wet weather did not deter students or council's Biosecurity tutors at either the Project Pest Control Whangārei skills course (Kiwi North) or the Far North assessment day (Lonsdale Park). A total of 100 students from 13 secondary schools were immersed in multiple-animal pest trapping, possum skinning and machine plucking, plus biology and environmental and economic impact knowledge. The Predator Free Whangārei team made an excellent addition to the skills course by showcasing high-tech pest control tools.



Students taking part in Project Pest Control at Lonsdale Park, near Kāeo.

Technology and Science fair presentations made

Council's special category 'Environmental Excellence Award' was presented in both Whangārei (Central) and Kerikeri (Far North) Science and Technology Fairs. The award recognises creative and innovative students whose projects demonstrate a strong scientific approach to solving environmental issues and concerns which will in turn enhance and protect Northland's environment.



The Central winners were Hannah and Harshinni Nayyar from Whangarei Girls' High School with their project 'Slurp it!'. This 'wobbly water' product aims to reduce the impact of single-use plastic bottles in our hāpori by creating edible water bottles using food grade chemicals.

At the Far North Fair, the award was split amongst four winners from Kerikeri High School. The projects covered: pine versus native carbon sequestration, the effectiveness of solar panels and how to optimise their output, vegetable pest control using a noxious weeds spray repellent and the cleanliness of water sources.

Enviroschools' sustainability milestones celebrated

Kaingaroa and Waitotira schools both celebrated becoming Bronze Enviroschools. These schools have laid the foundations and can show changes in their practices towards becoming a sustainable school community.

Kaingaroa School is actively involved in growing its own kai, composting, strengthening relationships with local hapu, generating solar power, and participating in community planting days and the local māra kai. The school looks forward to providing more habitat for native wildlife, controlling animal pests, and investigating local waterways.



Kaingaroa School's 'crop swap' was part of their EnviroSchools Bronze celebration



Waioitira School celebrates becoming a Bronze EnviroSchool

Waioitira School enjoys bee keeping, gardening, raising chickens, supporting monarch butterflies, composting, and propagating native plants. Next steps for the school include creating a pataka kai and nature play areas using learnings from Harko Brown and Te Mara Hupara.

EnviroSchools communities facilitated

During August EnviroSchools Facilitators held specific interactions with 59 school and early childhood communities.

LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Total LGOIMAs	August 2020 to August 2021	August 2021 to August 2022
	23	13
Number of LGOIMAs not responded to within 20 working days		0

CUSTOMER SERVICES

Telephone inbound call statistics and enquiries

	June	July	August
Call volume via Customer Services	1558	1959	2073
Average wait time	9 secs	9.6 secs	10 secs
Calls answered in under 30 seconds			2030

Average wait time is up due to staff away.

Telephone call volume over the last three years

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

Mailroom email processing performance

	June	July	August
Mail processed	677	741	909

Satisfaction monitoring

Feedback cards, compliments, and complaints

Compliments received	Total
• City link	1
• Zivana and Nyla	1
Total compliments recorded	2

Complaints received	Total
• City Link	5
• Compliance Monitoring	1
Total complaints recorded	6

All complaints have been attended to and are closed.
No feedback cards were received via mailroom.

8.2.8 COMMUNITY RESILIENCE

TRANSPORT

*BusLink figures are reported one month in arrears, due to the required information being unavailable at the time of the agenda deadline

Bus Link stats for July 2022 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted	Variance
CityLink Passengers	21,282	25,740	-4,458	21,282	25,740	-4,458
CityLink Revenue	\$28,599	\$33,205	-\$4,606	\$28,599	\$33,205	-\$4,606
Mid North Link Passengers	209	160	49	209	160	49
Mid North Link Revenue	\$841	\$709	\$131	\$841	\$709	\$131
Hokianga Link Passengers	53	48	5	53	48	5
Hokianga Link Revenue	\$301	\$334	-\$33	\$301	\$334	-\$33
Far North Link Passengers	286	325	-39	286	325	-39
Far North Link Revenue	\$740	\$822	-\$82	\$740	\$822	-\$82
Bream Bay Link Passengers	77	24	53	77	24	53
Bream Bay Link Revenue	\$545	\$173	\$372	\$545	\$173	\$372
Hikurangi Link Passengers	17	24	-7	17	24	-7
Hikurangi Link Revenue	\$39	\$63	-\$24	\$39	\$63	-\$24

National Bus Driver Shortage

This issue continues to effect services nationwide and, while our services in the Mid and Far North can continue to operate all trips, the Whangārei CityLink have had two days where one trip has been dropped due to illness and driver shortages. Notices continue to be placed on the CityLink website, Facebook and TrackaBus advising the public of these disruptions.

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.

TM Whangarei	Total Clients	Monthly Actual Expend	Monthly Budgeted Expend	Monthly Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Annual Variance

July 2022	1277	\$28,457	\$25,000	\$3,457	\$28,457	\$25,000	\$3,457
TM Far North	Total Clients	Monthly Actual Expend	Monthly Budgeted Expend	Monthly Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Annual Variance
July 2022	95	\$587	\$6,250	-\$5,863	\$587	\$6,250	-\$5,863

Total Mobility figures

The total TM figures including the extra government subsidy is \$42,685, we have seen an increase in travel due to the extra central government funding (50% discount on fares) \$14,228 is fully claimable.

Total Mobility National meetings

The structure of the national TM meetings is changing, this is coordinated by NTA staff. There will be 4 meetings a year, two will be operational, dial in optional, no agendas or minutes, discussion on challenges/ issues faced by TM coordinators across the country and scenarios they want to share with the group who are in a similar role. There will also be two formal meetings, updates from Waka Kotahi and MOT.

Transport Operators – Wheelchair hoist vehicles

Since COVID-19 transport operators all over NZ are struggling to stay in business, some operators are closing who have fleets of vehicles, including wheelchair capable vehicles, effecting our Total Mobility clients across the country. NTA staff gathered this information from all the regions and presented this to Waka Kotahi - The chart with evidence around taxi operating environment pressures will be provided by MoT directly to Minister Wood.

Total Mobility Scheme – Far North

NTA staff met with the Disability Action Group (DAG) in the Far North on 01 August, to update them on the Total Mobility scheme that started in the Kerikeri area on 01 July, there were 45 trips for the month of July, and for the month of August there were 100 trips, the TM scheme continues to grow.

ROAD SAFETY UPDATE

Road Trauma Update

Road Fatalities Statistics for the period 1 January 2021 – 6 September 2021

Fatalities Jan – June 2021	Far North	Whangārei	Kaipara	Northland	National
Local roads	3	2	2	7	119
State highways	5	3	7	15	94
TOTAL	8	5	9	22	213

Road Fatalities Statistics for the period 1 January 2022 – 6 September 2022

Fatalities Jan – June 2022	Far North	Whangārei	Kaipara	Northland	National
Local roads	3	6	0	9	134
State highways	10	4	2	16	109
TOTAL	13	10	2	25	243

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.
- R4E – 2022/2023 - Financial YTD - 29
 - Bronze Course – 10
 - Silver Course – 6
 - Gold Course – 13

ACC Ride Forever (R4E) Motorcycle Safety Awareness Month (MAM)



- 1 September: Ministerial Launch at Parliament Grounds
- **Local Media:** Road Safety Messages on More FM and the Rock
- **Northland Events** include -
 - **Saturday 24 September** from 10.00am to 2.00pm in store at North Coast Honda, Port Road, Whangarei. A Britton motorcycle will be on display. The Ride Forever trainers will be in store to talk to. An opportunity for a visual check of your motorcycle and go in draw for 1 of 10 checks by mechanic. Free coffee and BBQ. Trade-in your helmet discount. Draw for an Alpinestar Airbag vest.
 - **Wednesday 28 September** from 5.00pm to 7.30pm at the Old Pak n Save car park, Commerce Street, Kaitaia. Slow speed skills testing – Who is the slowest rider in Te Hiku over 20 metres? Visual checks of motorcycles. Free BBQ, Basic Handling Skills trainer.

Statistics

On average a motorcyclist involved in a serious crash will be off work for 168 days. Total number of days of lost productivity (2019) Motorcycle and Mopeds related claims:

- Whangarei District 46,963 New Zealand 1,744,288. Recent evaluations of ACC data for the Ride Forever Coaching programme participants have shown a decrease in the likelihood of a crash by 27% for those riders who have completed a Ride Forever course. Number of Ride Forever courses delivered in Northland Financial year 2021/22 as at July: 182
- Northland Partners for MAM: Northland Road Safety Trust, Northland Regional Council, Building Safer Communities – Kaitaia, Far North REAP, North Coast Honda, Pro-Rider, Passmasters, AA rider training, Media Works, Northland Transportation Alliance, Waka Kotahi.

Waka Kotahi & NZ Police Road Safety Promotion/Media themes

Drugs, Speed, Motorcycling & Safe Vehicles.

EMERGENCY MANAGEMENT

New Emergency Management Bill

- Drafting of the Bill is underway with the intention to introduce it to the House of Representatives after the local government elections.
- There will be an opportunity to provide feedback via the Select Committee process.
- Written submissions to the Select Committee are likely to be called for in late November 2022, with hearings in early 2023.

National Civil Defence Emergency Management Plan and Guide

- The review of the National Civil Defence and Emergency Management Plan and accompanying Guide is happening alongside the development of the new Emergency Management Bill to ensure alignment.
- As a result of feedback from stakeholders and the rapidly changing emergency management environment, the intention is that the new Plan is more accessible, user-friendly, and responsive as things change.
- NEMA is aiming to engage with sector partners on an early draft of the National Plan from October to December 2022.

Response

On 17 and 18 August widespread flooding and damage to roading in the Far North, particularly around Kaitaia, occurred as a result of a northerly weather event. The Northland CDEM Group coordinated the response and provided regular briefings and updates for partner agencies.

As a result of this event, SH1 Mangamuka is closed as assessments are carried out on damage to the road. Also, part of State Highway 10, Kaeo to Kaitaia, was closed for a period.

Although there was widespread flooding there were only a small number of evacuations and requests for welfare assistance near Awanui. **Of note, the Awanui river and the recent flood mitigation works carried out reduced the potential for flooding and damage to the Kaitaia township (see Rivers update).**

Declarations in the immediate period post Local Government elections

As noted in the NEMA update the following arrangements exist in the event there is a need to declare a local emergency over the period post Local Government elections. During the period from the official announcement of the election results to the date of the first meeting of the local authority, a state of local emergency will only be able to be declared by the Minister for Emergency Management.

Marae Preparedness Planning

From recent events over the past year and through our engagement with our Māori communities it has highlighted the need to refresh and update our Marae Preparedness Plan documentation. A word version of a templated plan is currently with a designer being refreshed and a few members of the team have been meeting regularly to workshop the content and to plan for a roll out with Marae who are interested in having their own plans in place. Members of the team plan to consult with some of our iwi partners in October before finalising all the documentation.

Multi Agency Coordination Centre

A reviewed concept design has been developed for the Northland Multi Agency Coordination Centre together with updated quantity surveyor estimates. The updated concept has reduced the overall projected costs, however there is still a gap between what is currently budgeted and the proposed concept design.

Youth in Emergency Services Program

The Youth in Emergency Services program for the 2022-23 year is planned to be held in the Far North District in May next year. A preliminary meeting has been undertaken to determine the potential location and availability of venues. The tentative location will be in Paihia during the month of May 2023.

Welfare Coordination Group (WCG)

The WCG met on 2 September 2022 with presentations on the Tai Tokerau Support Services Directory (Hearts and Minds – Linda Marsh), FENZ Community Readiness and Recovery Team (FENZ – Kim Boyce, Michael Champaloup and Kori Puckey) and the main feature for the meeting: Kaimaumau – A Community of Action (CDEM - Sarah Boniface and FENZ - Wipari Henwood).

EMAT Annual Deployment Camp

Over the week 21 – 24 November 2023, Northland will host the Emergency Management Assistance Team (EMAT) Annual Deployment Camp at the Orongo Bay Holiday camp in Russell. A site visit with NEMA personnel was completed 3-4 August to identify scenario opportunities and look at opportunities for to integrate the home agency into EMAT training.

The programme for the week is being developed and will include a one-day desk top exercise, cultural development, and further training on technical and soft skills. The exercise scenario allows for a multi-agency response with a series of complex and novel problems.

The Northland CDEM team will be included in the exercise, providing the opportunity for the team to further develop capability.

Tsunami Siren Upgrade

Representatives from HSS Engineering, Denmark recently accompanied CDEM staff in visiting a selection of the proposed new tsunami warning siren sites on their trip to Northland. They also undertook a demonstration of the new tsunami siren. The voice test message and siren warning tone were demonstrated. A flyer drop was made to neighbours within an approximately 2km sound radius advising of the demonstration as a precaution prior to the demonstration.

Representatives from the CEG, CDEM Group and interested Stakeholders attended the demonstration. This was an opportunity to test exactly what the sirens sound like when activated, both voice and siren in the Northland environment and for those attending to engage with HSS engineering representatives.

Photos of the demonstration and recordings will be available as part of the engagement campaign.



The Northland sirens are three and five tiers and will be mounted on poles 8-10 metres tall, along with the cabinet hardware.

MARITIME

During August a total of 15 maritime incidents were recorded. These incidents were predominantly mooring issues. Relating to either vessels in deteriorating condition on moorings, or incidents where vessels broke away from moorings during weather events and washed ashore. It has been identified that some of these incidents are the result of inexperienced vessel owners mooring their vessels incorrectly. To help address this the Maritime team is working on an education campaign around mooring and anchoring best practices.

Summary of costs associated with Abandoned, Derelict, and Unseaworthy Vessels 2021-2022

Derelict vessels and wrecks pose a substantial risk for Northland, both have the potential to be a source of pollution and navigational safety hazards. Removal can be expensive and complex; it is often unpredictable and must be dealt with quickly to minimise negative impacts. Preventative measures are taken by the team through closely monitoring vessels in declining states with the aim to avoid them becoming wrecks. The costs summarised below were incurred through undertaking activities to address derelict vessels and wrecks.

2021/22 Budget \$56,581

Total costs of NRC staff and NRC vessel hours - \$78,703.85

Total external costs - \$73,685.00

External costs

- External waste management contractors are required for transport and disposal of derelict vessels.
- In the case of larger derelict or wrecked vessels external contractors with tugs and/ or barges are required.

Recovered costs \$4,284.00

- Wherever possible the Maritime team seek to recover costs through the selling of scrap metal off vessels.
- When the owner of a vessel can be located an invoice is issued for costs including NRC staff and vessel hours.

This summary accounted for 24 vessels:

- 17 vessels destroyed
- 7 restored to an acceptable seaworthy condition.

This is very effective way to reduce costs to the environment and ratepayer. Salvage costs for wrecked vessels are generally very expensive and time consuming.

The maintenance of the Aids to Navigation in Whangārei Harbour continued this month and buoys to replace the Kioreroa Reach beacons have been fabricated by the Maritime team and are ready to be deployed by a contractor.

The review of the Safety Management System for the Bay of Islands received a good report and was found to be code compliant. 54 Cruise ships are booked to visit the Bay of Islands this season.

RIVERS AND NATURAL HAZARDS

AWANUI

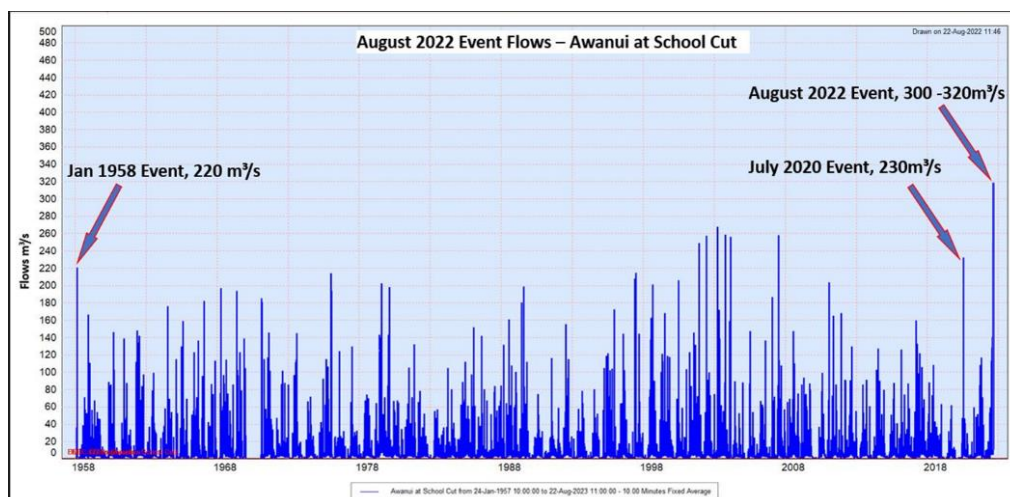
Weather Event 18 August 2022

Kaitāia experienced a three-day weather event from 18 to 20 August. Peak flows between 300 m³/s and 320 m³/s were recorded at the School Cut gauge, which are approximately 25% larger than the next biggest flow ever recorded since the gauge was installed in 1958. This is approximately 45% bigger than the January 1958 flood which recorded a flow of 220 m³/s, an event which saw floodwaters up to a metre deep inundating Kaitāia township and vast areas of the rural farmland under water for weeks (see below graph).



Image 1 – 1958 flood event along Kaitāia main street (220m³/s = 1m deep along main street)

Subsequent analysis from NRC Hydro team and independent consultants are indicating this to be in the neighbourhood of a 1 in 100yr event (in terms of flow). A comparison of the recent flooding to that of 1958 is given in the table below.



Graph 1 – Flow events recorded at School Cut Gauge between 1958 and 2022

No overtopping was recorded through Kaitāia township; however, some overtopping was experienced in the lower Whangatane spillway, and a small number of properties were inundated in this area. Floodwaters had largely dissipated by the 24th of August, including in the lower Whangatane.

The improved scheme performed as designed and successfully mitigated widespread flooding of the Kaitāia township, potential risk to life and property and possibly millions of dollars' worth of damage.

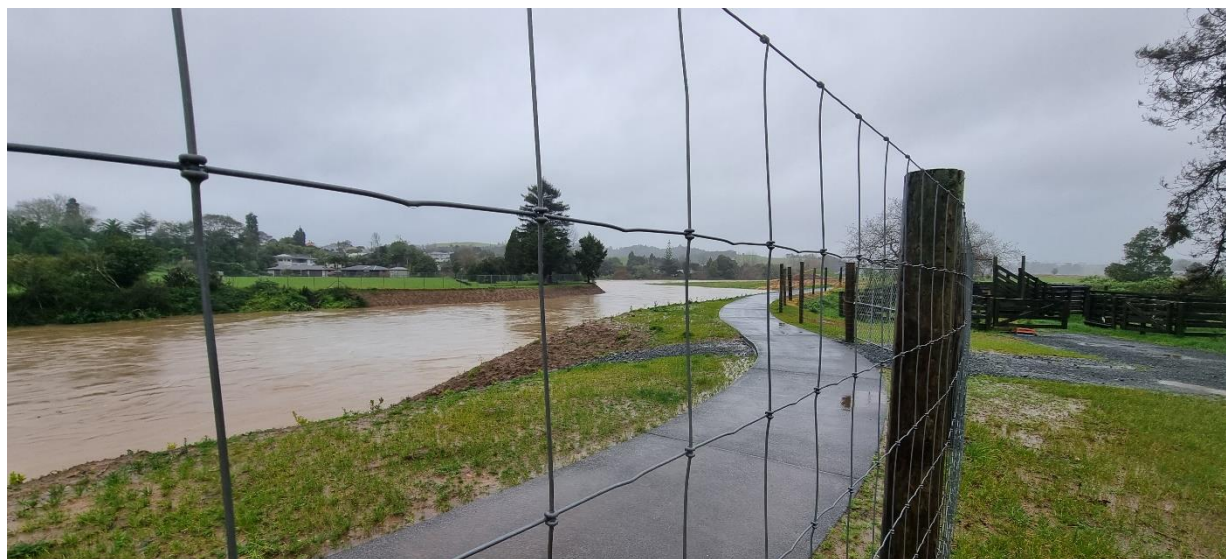


Image 2 - Awanui River looking SE towards Rongopai Place – Kānoa funded Awanui Scheme Upgrade works

The scheme upgrade is designed to increase protection of Kaitāia to 1:100-year flood from 1:30 year flood and the rural area to 1:20 year protection from 1:10 year.

A media release was distributed and multiple messages of positive feedback from the community have been received.



Image 3 - Awanui River at the rear of Bell's Produce, Kaitāia – Kānoa funded Awanui Scheme Upgrade works



Image 4 - Awanui River looking North-East, Matthew's Park in the foreground – Kānoa funded Awanui Scheme Upgrade works

Awanui Scheme Upgrade Progress

The winter period has been busy with design & procurement for the final year of Kānoa funded scheme upgrade works.

There is a full programme of works this earthworks season, including benching, stopbanks and floodwalls. There are also improvements programmed to improve flows around several bridges along the scheme. Programming of the proposed works has been updated to focus on the lower reaches of the Whangatane Spillway to help address the overtopping in this area.

We are pursuing the purchase of a further 3 properties to enable improved channel alignments, particularly downstream of SH10 bridge, these will be re-sold after flood works are completed.

Two to three tenders are expected to be released to GETs in the coming month, with others following as the designs and property purchases are completed.

Positive feedback has been received from Kānoa, particularly regarding the recent flooding event and it is understood the Rivers SIG group plan to make media releases over the coming weeks which highlight the positive effects of the scheme upgrade during the flood event.

Otīria/Moerewa

Stage 1 is now 100% complete. The team has awarded the Stage 2 Bridge construction to Ventia Contractors. 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.

The project will continue while additional funding sources are investigated.

There is a cultural induction for Stage 2 with hapu, NRC, Ventia and WSP next Wednesday 14 September.

The landowner agreement has been signed and has been submitted to the Māori Land Court and a response is expected before mid-September.

Stage 3 tenders were received on the 8 September and will be evaluated next week.

Kerikeri

The job is 90% completed and has been over-wintered. It performed well, despite the wet weather through August.

NATURAL HAZARDS

Work Streams	Status	Comments
Whangārei (CBD) River Catchment Flood Model	80% complete	Nothing new to report <i>Consultant: Ewaters</i>
Website Natural Hazards Portal	Complete	The Natural Hazards Portal is now complete and live on NRC's website. https://www.nrc.govt.nz/environment/natural-hazards-portal/ <i>Consultants: Morphum</i>
Raupo Drainage Scheme – Coastal Flood Hazard Analysis & Mitigation Options	95% complete	Nothing new to report <i>Consultants: Water Technology</i>
Natural Hazards technical and planning support to TAs in Te Taitokerau on District Plans	Ongoing	We have provided support to WDC with their Plan Change and Rules for "Natural Hazards, Hazardous Substances and Esplanade Areas." Similar support will be provided for KDC and FNDc throughout the year: <ul style="list-style-type: none">KDC's Exposure Draft District Plan change is currently open for consultation https://www.fndc.govt.nz/Whats-

		new/Have-your-say/Proposed-District-Plan-notification <ul style="list-style-type: none"> FNDC's Proposed Plan is currently open for consultation https://www.fndc.govt.nz/Whats-new/Have-your-say/Proposed-District-Plan-notification .
Natural Hazards Work Programme 2022-23	Ongoing	<p>Additions to previously reported tasks are:</p> <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.

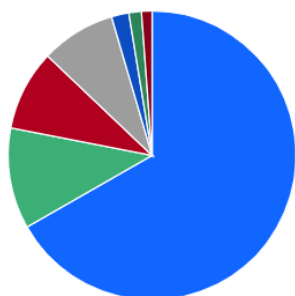
CLIMATE CHANGE RESPONSE

MITIGATION

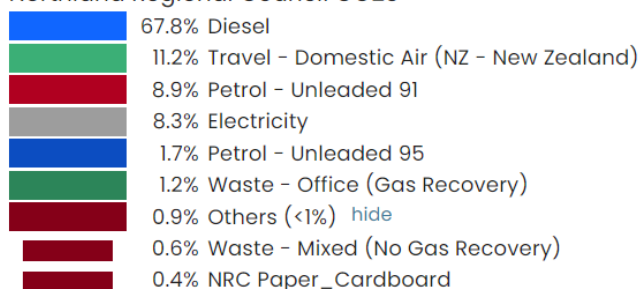
- Staff drove a Council EV to Auckland and attended the *Smart and Sustainable Building Summit* where the CEO of New Zealand Infrastructure Commission, Te Waihangā spoke to the urgency with which we must move toward a carbon neutral economy and the role that local government can facilitate this by setting ambitious targets and implementing relevant legislative change.
- Staff visited Whangārei Girls High School science students alongside Whangārei District Council climate staff to deliver a message of hope and opportunity in the fight against the climate crisis and inspire them to be future leaders in this field. The intention is to continue to deliver these messages to our Tai Tokerau rangitahi through periodic engagements and continued collaboration with EnviroSchools.
- Work is coming to completion collating the required information for the carbon inventory audit scheduled with Toitū for October 5. We can expect the verified inventory report to be available for distribution by December 2022. Next steps with this project are to engage additional expertise to develop a **Corporate Climate Positive Transition Plan**. This Plan will look at the costs and benefits of various scenarios, options for emissions reduction within NRC and identify existing and future potential carbon credits to offset our residual emissions. It is anticipated this Plan will set a clear and urgent goal for the organisation being carbon neutral. Procurement for this work will commence later this year, with the intent of the plan being finalized by mid-2023.
- Staff visited Tahī honey with the Planning and Policy team to look at the native ecosystem restoration work they have undertaken on their land at Pataua North. Meetings with various staff across council have begun to discuss how NRC might be able to contribute to enabling more indigenous carbon sequestration and the associated biodiversity benefits that come with it. Tahī are currently getting their estimates of native forest and wetland sequestration verified – this will provide valuable evidence to assist in influencing Government (MPI) to undertake changes to the ETS settings to enable alternatives to exotic pine plantations to be considered by landowners.
- Consideration is being given to how the council might play a role in community scale solar generation and have been approached by several solar providers keen to explore potential in Te Taitokerau.

NRC CORPORATE EMISSIONS

Below is a snapshot of the organization's greenhouse gas emissions for the April-June quarter of 2022 (Q2).



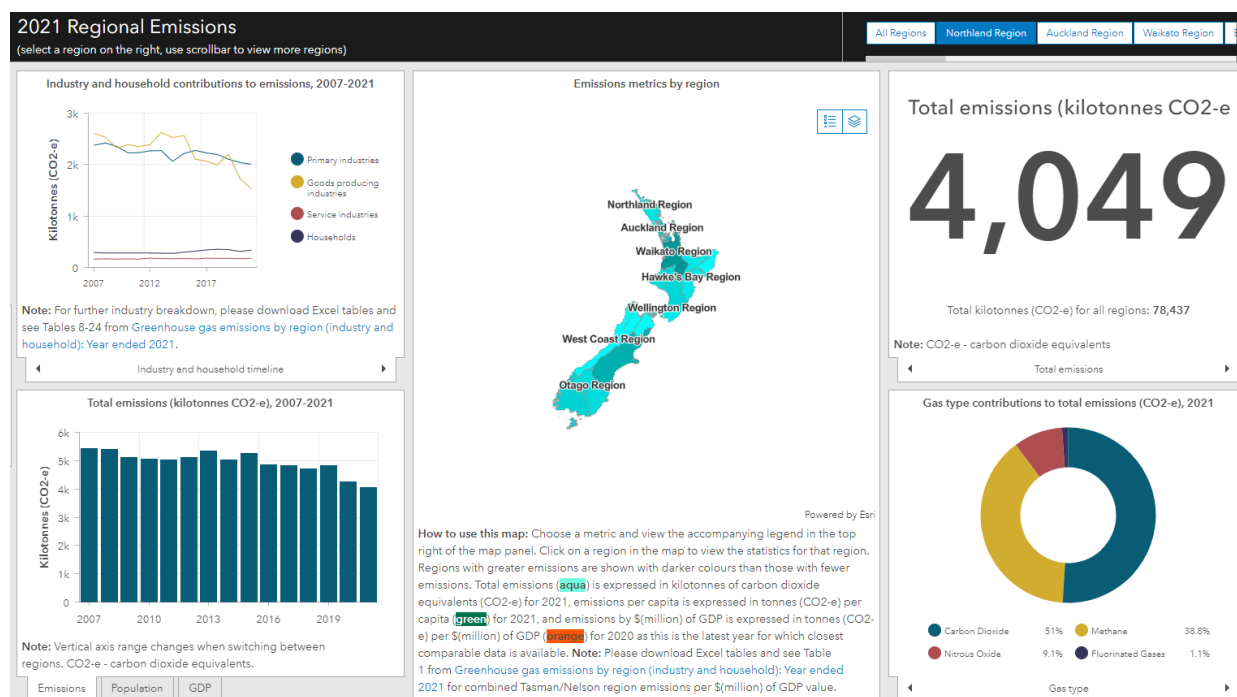
Northland Regional Council CO2e



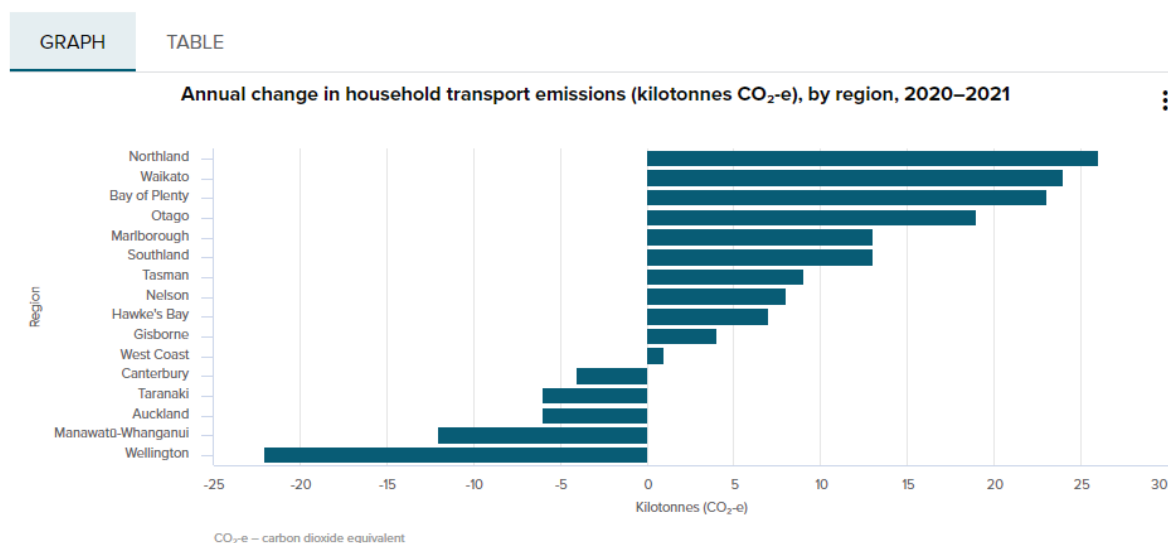
Fuel use is still the dominant source of emissions, particularly Diesel. Travel increased from 4% in Q1 to 11.2% in Q2.

REGIONAL EMISSIONS

- Statistics NZ has this week released an updated summary of regional emissions around Aotearoa.
- Staff are in the process of analysing this update, but a snapshot is provided below.



- In Northland there was the drop in industrial emissions (due to the refinery closing) but a rise in household emissions. The large majority of what is called 'household emissions' comes from transport



- Over the same period, Northland's manufacturing emissions decreased the most of any NZ region due to the closing of the oil refinery at Marsden Point.

ADAPTATION

- Community Adaptation Planning:* Kaipara District Council continues to lead the way in developing the region's first **Community Adaptation Plan in the Raupō / Ruawai area**. NRC staff are supporting through project management of a new detailed flooding and inundation model of the drainage system and by providing advice into the procurement of new work on facilitation and risk assessment. FNDC and WDC are in the early stages of scoping out their future adaptation work programmes.
- Tom FitzGerald has been appointed to the newly established Climate Change Special Interest Group under the umbrella of Te Uru Kahika.
- The *Aotearoa Climate Adaptation Network (ACAN)* that was founded and convened by Tom FitzGerald is meeting kanohi-ki-te-kanohi in Wellington 22-23 September. The Network has grown from a small event last year in Lyall Bay, Wellington focused on coastal adaptation to now connecting over 120 local government practitioners across at least 40 councils from all round the motu with a broad remit to look at adaptation more generally.

This is one of two staff-led Networks on climate change in the country, the other being led by Tony Moore is focused on mitigation. The huge growth in both of these Networks represents the urgency and desire of local governments to do more to address the climate crisis. Both Networks have arisen in advance of anything from Taituarā or LGNZ and has formed 4-5 years before the Ministry for the Environment anticipated in its National Adaptation Plan. As the group is run on a volunteer basis by a small steering group, work is ongoing to establish a more permanent level of support and discussions are ongoing with LGNZ and MfE in this regard.

Below is a snapshot of the intended work programme for this Financial Year from across the four Te Taitokerau Councils. Many of these projects support the implementation of the Te Taitokerau Climate Adaptation Strategy. The recently established Professional Services Panel will likely be called upon to assist in the development and implementation of many of these work streams.

Project	Description
NORTHLAND REGIONAL COUNCIL	
Climate change communications	King Tides initiative, climate survey, CoastSnap
Review of RMA policies and plans	Review of key NRC external plans and policies such as the Regional Plan and Regional Policy Statement, to ensure alignment with legislative landscape. Also to test alignment with NRC's climate change strategy, find areas for improvement and identify areas of potential inconsistency.
Tangata whenua adaptation grant programme development	Scoping and establishment of grant fund to support hapū-led adaptation planning facilitation programme. In coordination with NRC IHEMP programme.
Regional flood risk approach	Region-wide flood risk strategy scoping.
Corporate climate positive transition plan	Development of corporate climate positive transition plan including an optimised greenhouse gas emissions reduction plan and carbon removal/offset investment plan. Will define organisational GHG emissions reduction and carbon removal targets and set out prioritised actions for council to become net-zero emissions before 2050, with an end goal of reaching climate positive (i.e., net negative emissions). Dependent on carbon footprint work currently underway.
Climate governance and reporting review	Climate governance and reporting review. Gap analysis and review of key NRC internal policies to test alignment with various strategies and best practice. Includes review of governance arrangements at joint regional level to ensure best fit for future and ensure delivery.
WHANGAREI DISTRICT COUNCIL	
Alignment of Climate change policies	Review of WDC plans and policies such as the Draft Climate Action Plan, sustainability policy, Te Tai Tokerau Climate adaptation strategy, to ensure alignment across council workstreams and including future proofing for anticipated legislative requirements. Identify areas for improvement and inconsistencies.
Climate change education	Design a flexible education resource to disseminate Northland specific climate information across multiple audiences.
Community engagement support	Manage engagement process (including Community meetings) ensure accountability to the Terms of Reference, secure the

<p>Vulnerability assessment</p> <p>Adaptation technical support</p> <p>Option evaluations and adaptive pathways report</p> <p>Values Survey</p>	<p>necessary outcomes from community engagement in an efficient, fair, and transparent manner.</p> <p>Assess coastal and natural hazard impacts on communities. Assess cultural, socio-economic, environmental effects. Assess risk tolerability against Community Objectives to identify thresholds and explore signals / triggers (STATs) – including cultural indicators. Option to develop tool / dashboard to support visualisation and communication of impacts. Will include monitoring and evaluation, reporting.</p> <p>Specific scientific assessments of particular issues e.g., freshwater, groundwater, stormwater, wastewater, land instability, flooding, geomorphological, natural hazard and emergency management etc. Other relevant science expertise may include geography, ecological, hydrological, climate science, adaptation science, social sciences.</p> <p>Identify range of adaptation options + pathways, preliminary design advice, costing advice, and impact assessments. Assess adaptation options + pathways against Community Objectives using selected decision analysis/decision framework (including MCDA, RDM, BCA etc.). Produce report detailing process and recommended pathways.</p> <p>Assist in the design/ adaption of community values survey to monitor and respond to changing social structures over time. May include graphic design and web design.</p>
<p>KAIPARA DISTRICT COUNCIL</p>	<p>For Raupō/Ruawai</p>
<p>Community Panel Facilitation</p> <p>Hazards Risk Assessment</p> <p>Vulnerability and Impact Assessment/s:</p>	<p>Define vulnerability standards and framework and identify key vulnerabilities based on framework.</p> <p>Assess social, community wellbeing and livelihood impacts.</p> <p>Assess ecological impacts.</p> <p>Identify cascading and/or transitional impacts to wider KDC services.</p> <p>Support KDC staff to scope options to visualise and communicate key impacts across domains.</p>

Tangata Whenua impact assessment based in Te Ao Māori	<p>Build from decision making guidance for local government based on Te Ao Māori.</p> <p>Establish a partnership process with Te Uri o Hau kaumatua, haukainga, ahikaroa, and Settlement Trust kaimahi to identify and assess impacts from coastal hazards and river flooding.</p> <p>Engage wider Tangata Whenua in Ruawai area to review impacts.</p>
FAR NORTH DISTRICT COUNCIL	
Adaptation engagement	Pick up on initial engagement with community groups in the Bay of Islands.
Risk Assessment	Looking for help in Asset risk assessment.
New Council Workshop	Proposal to finalise community adaptation pilot locations. Will request for Nov/Dec post new council induction. Will require some consultant help pulling this together.
Implement Adaptation Pilot project	Feb commence pilot project.

8.2.9 KAIPARA MOANA REMEDIATION

As a *Jobs for Nature* investment, KMR has a dual focus on growing people into new 'green economy' jobs. Since November 2021, KMR developed training courses to upskill 51 local 'KMR field advisors', including tangata whenua, to work alongside landowners. KMR also accredited 19 nurseries and 22 local contractors, and generated more than 60,000 hours of work, bringing tangible benefits to local communities. While much more is to be done through the KMR Workforce Development programme, progress to date in the programme is encouraging:

- 22 Contractors and 19 nurseries have been assessed and accredited since October 2021
- 51 people attended training programmes since November 2021, with 21 currently contracted as KMR Field Advisors and a further 13 likely to be contracted this financial year.
- Over 61,000 hours of additional activity (~39 FTE) was supported by KMR by 30 June 2022, with a further 34,000+ hours committed for the current financial year (~21 FTE)

- KMR and MSD have shared the costs of a Kaitiaki Workforce Coordinator based with the Kaipara Uri environmental units, with a similar commitment to other Kaipara Uri as circumstances allow.

Importantly, KMR is actively mentoring and supporting the Field Advisors we have trained. To this end, we are implementing a strategic partnership with NZARM, the NZ Association of Resource Management, to build the capacity of current KMR Field Advisors, including Kaitiaki Advisors, in support of future Freshwater Farm Plans. Under the partnership, NZARM will access and roll-out third-party-funded support for KMR Field Advisors across the following areas, subject to third-party discussions:

- Pastoral care support
- ‘Engaging with landowners’ training
- ‘Soils 101’ – a very basic overview of soil types/classification relevant to the KMR catchment
- ‘Wetlands 101’ – a very basic overview of wetlands and wetland identification relevant to the KMR catchment (in partnership with NRC, TBC)
- ‘Riparian management classification training’ that is relevant specific to the KMR catchment (in partnership with NIWA)
- Development of formalised teaching documentation / teaching approach for KMR Field Advisors to assist potential future accreditation of a FEP Sediment Module micro-credit
- Relevant business support – the ABCs of setting up a business

As a co-governance programme, KMR takes care to monitor equitable access to our opportunities as one of our informal KPIs. The attached document sets out how we monitor KMR activity (including training and employment) by iwi/hapū affiliation.

Overview of KMR activity by affiliation (30 August 2022)

	Kaipara Uri	Other iwi/hapū	Other / Unknown
Capability development			
KMR Maurikura			
Whāngarei team	3 ¹	3	5
Auckland team			2
Current vacancies (2)	Unknown as yet		
KMR Field Advisors (FAs)			
November 2021 training	3		13
Feb 3, 2022 - Training at Te Aroha Pā (Arepārera Marae)	5	6	
Feb 15-18, 2022 - training Tangihua	3	3	17
March 8-11, 2022 -Training Te Ātiu creek	8	3	3
July 5-7, 2022 -Training Te Ātiu Creek	8	3	3
2 x Extension days - Te Hana marae	2	3	8
Sept 15, 2022 - KMR Information Day - Naumai marae	Unknown as yet		
In process to be contracted as Field Advisors	7	5	1
Currently contracted as Field Advisors	3	3	15
KMR accredited providers			
Fencers			
Accredited	2 (also do site prep/planting)	0	6
Site preparation / Planting teams			
Accredited	6		11
Nurseries			
Accredited	1	4	14
Grants & other investments			
Landowner Grants			
New SRPs completed in 2021-2022 financial year (as @ 30 June 2022)	205 – unknown [Note: Only 8% of the KMR catchment is estimated to be Māori land, 4% in pasture. We will seek to identify SRP land blocks on the Māori Land Register when time allows]		
Whenua Whānui Fund			
Contracted	2		
SRP in development			
EOI submitted	8	1	2
Engaging with interested group	8	1	9
Other relevant direct KMR investments			
Mātauranga Māori Strategy	1 (\$241k)		
Kaipara Uri Partnership	1 (\$300k)		
Nursery & Seedbank development	1 (\$145.5k)		
Te Paiaka – Native Root Project	\$108k		
Proposed KMR direct investments			
Catchment Reference Group funding (to support sediment reduction activities in the 3 upper catchments)		\$1.16m per annum (1/3 rd in each catchment)	

TO NOTE:

- 'Kaipara Uri' is defined as the Kaipara Uri that signed the MoU with the Crown
- 'Other iwi/hapū' are other non-Kaipara Uri with Māori whakapapa
- The ethnicity of landowners is unknown at present. For Privacy Act and other reasons, KMR would be reluctant to ask for this data. See Māori Land Court Register proposal.

Attachments/Ngā tapirihanga

Nil

TITLE: Residents' survey results to year end 30 June 2022

From: Kyla Carlier, Corporate Strategy Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 12
Group Manager/s: September 2022

Whakarāpopototanga / Executive summary

This report presents the results of the Northland Regional Council residents' survey, now a perpetual survey running on council's website, for the year ending 30 June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Residents' survey results to year end 30 June 2022' by Kyla Carlier, Corporate Strategy Manager and dated 27 July 2022, be received.

Background/Tuhinga

NRC carry out an annual survey of Northland residents to measure things like customer satisfaction, what people know about NRC, what's important to them, and how well they think we're responding to those issues.

Historically this data was collected once a year via a third-party research company, however earlier this year council agreed to run the survey differently.

The new survey format features a perpetual survey available for residents to complete at any time, and publicised via a QR code on the rates brochures, via social media, and on our website. The advantage of the change is that it allows residents to provide feedback at a time when they feel engaged. It was acknowledged during development that this could result in a more negative skew, although to date this doesn't seem to have eventuated, and would also remove the random-selection element of the previous survey.

The survey is centred around council's six community outcomes:

- Healthy waters for the environment and our people
- Protected and flourishing native life
- Resilient, adaptable communities in a changing climate
- Meaningful partnerships with tangata whenua
- A strong and sustainable regional economy
- Safe and effective transport networks connecting our region

It asks respondents how important each issue is to them, how well they think council is doing at achieving the outcome, and invites open comments for each outcome.

The survey was initiated in April 2022. Between then and 30 June 2022, 443 survey responses were received. These responses highlighted that during the period of data collection the three areas that mattered most to respondents (they selected 'this really matters to me') were:

- Having healthy waters (67%)

- Protecting and caring for native life (64%)
- A prosperous and thriving Northland for current and future generations (61%)

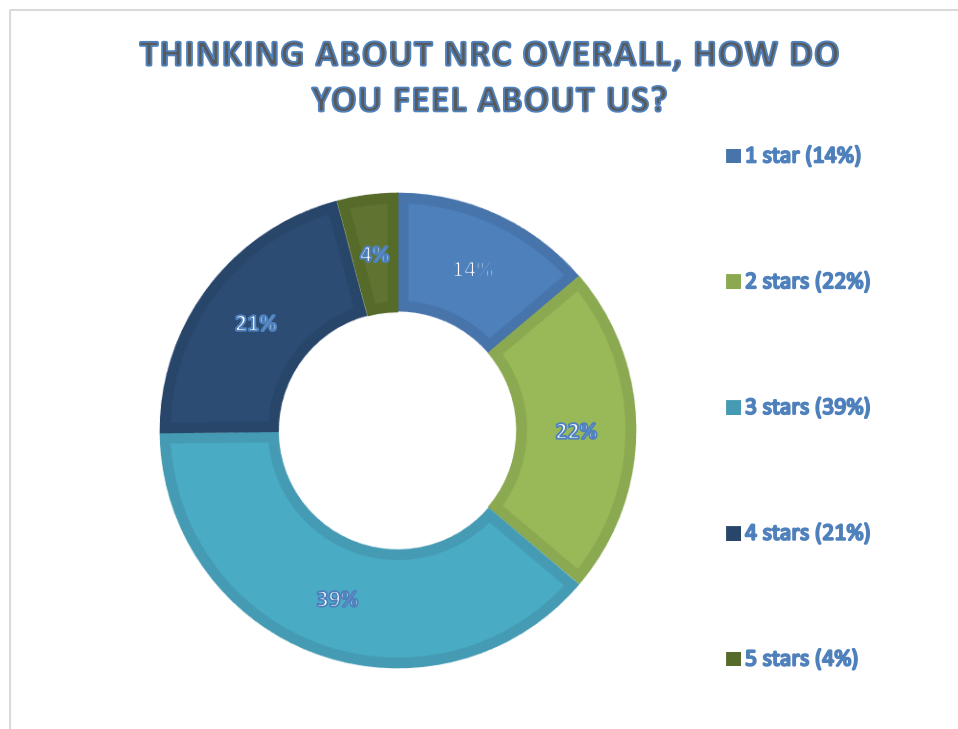
	This really matters to me	It's pretty important	It's important but not top priority	This is not important to me
How important is having healthy waters for you?	67%	24%	9%	0%
How important is it to you that we protect and care for native life?	64%	26%	8%	2%
How important is a prosperous and thriving Northland for current and future generations?	61%	32%	5%	2%
How important do you think community resilience and climate change is?	45%	36%	12%	7%
How important is it for you to have safe, effective and low emission transport options connecting our communities?	33%	35%	19%	13%
How important do you consider partnerships between council and tangata whenua to be?	27%	26%	20%	27%

Of the areas identified by respondents where council is 'not doing a good job', the top three were:

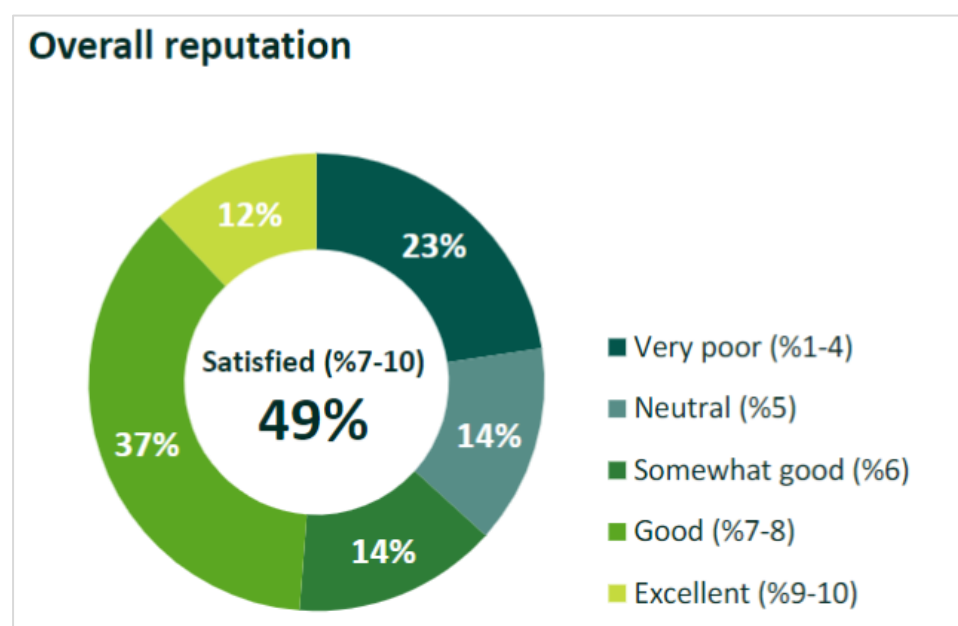
- Safe, effective and low emission transport options connecting our communities (39%)
- A prosperous and thriving Northland for current and future generations (30.5%)
- Community resilience and climate change (27%)

How well do you think we're doing at achieving this?	You're doing great	You could do better	Not doing a good job	I don't know
Protect and care for native life	17%	57%	18%	8%
Partnerships between council and tangata whenua	16%	28%	12%	44%
Having healthy waters	13%	49%	27%	11%
Community resilience and climate change	9%	45%	27%	19%
A prosperous and thriving Northland for current and future generations	8%	46%	30%	16%
Safe, effective and low emission transport options connecting our communities	4%	33%	39%	24%

The survey identified an overall 'satisfaction' rating of 2.79 out of 5, based on the question "thinking about Northland Regional Council overall, how do you feel about us?", as outlined in the graph below:

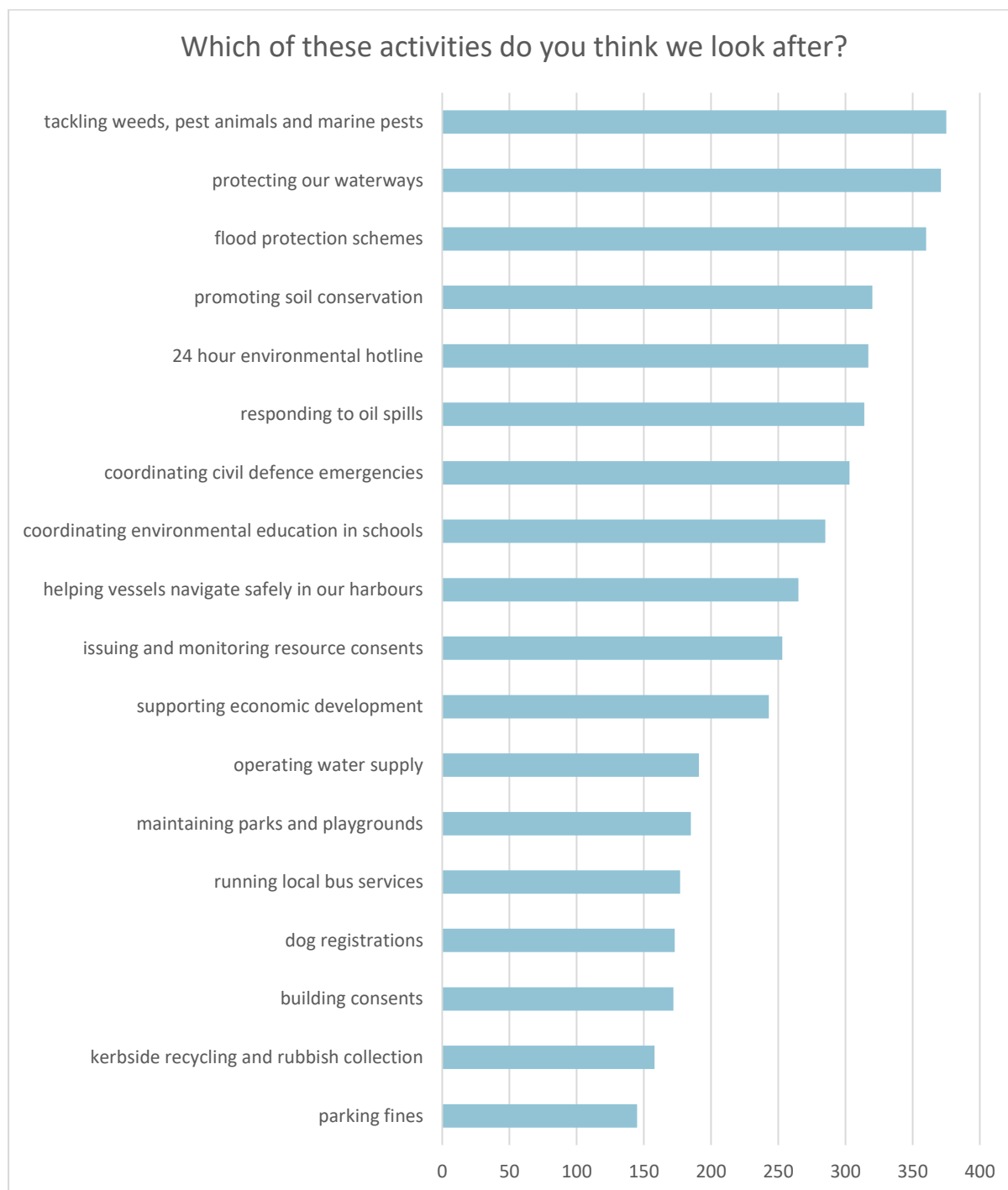


While this question is different from those asked in previous surveys, it can be compared with the 'overall reputation' ratings from the 2021 resident survey:



The survey also measured awareness of the community about the type of activities NRC is responsible for, which highlighted a lack of knowledge about provision of the bus service and operation of water supply in particular. This is outlined in the graph below, which shows the number

of participants that selected each activity as something they thought NRC looks after. This data will be useful to monitor knowledge and awareness over time.



In addition to the six community outcome areas, overall satisfaction and demographic questions, the survey is also used to measure a key performance indicator (KPI) included in the Long Term Plan (LTP) 2021-2031, *'Percentage of residents surveyed who are satisfied with overall communication, community involvement and engagement'*. This KPI has a target to maintain or increase the percentage of residents who are satisfied, once a baseline is established. A baseline of 33% was established with the data ending 30 June 2022, with this result informing council's Annual Report 2022 which is reported to council separately.

The responses provide information to council and staff about the priorities of the community, can highlight any areas of concern, and can be relied upon by council if they are seeking information about a specific area of council work, in order to make a decision. The open comments that are provided for each area, after being censored, are provided to the relevant teams for their assessment.

The results, exclusive of the free-text comments, are set out in the attached report.

Attachments/Ngā tapirihanga

Attachment 1: Residents' survey ending June 2022 Report to Council [↓](#) 



Residents' survey

Results to year end 30 June 2022

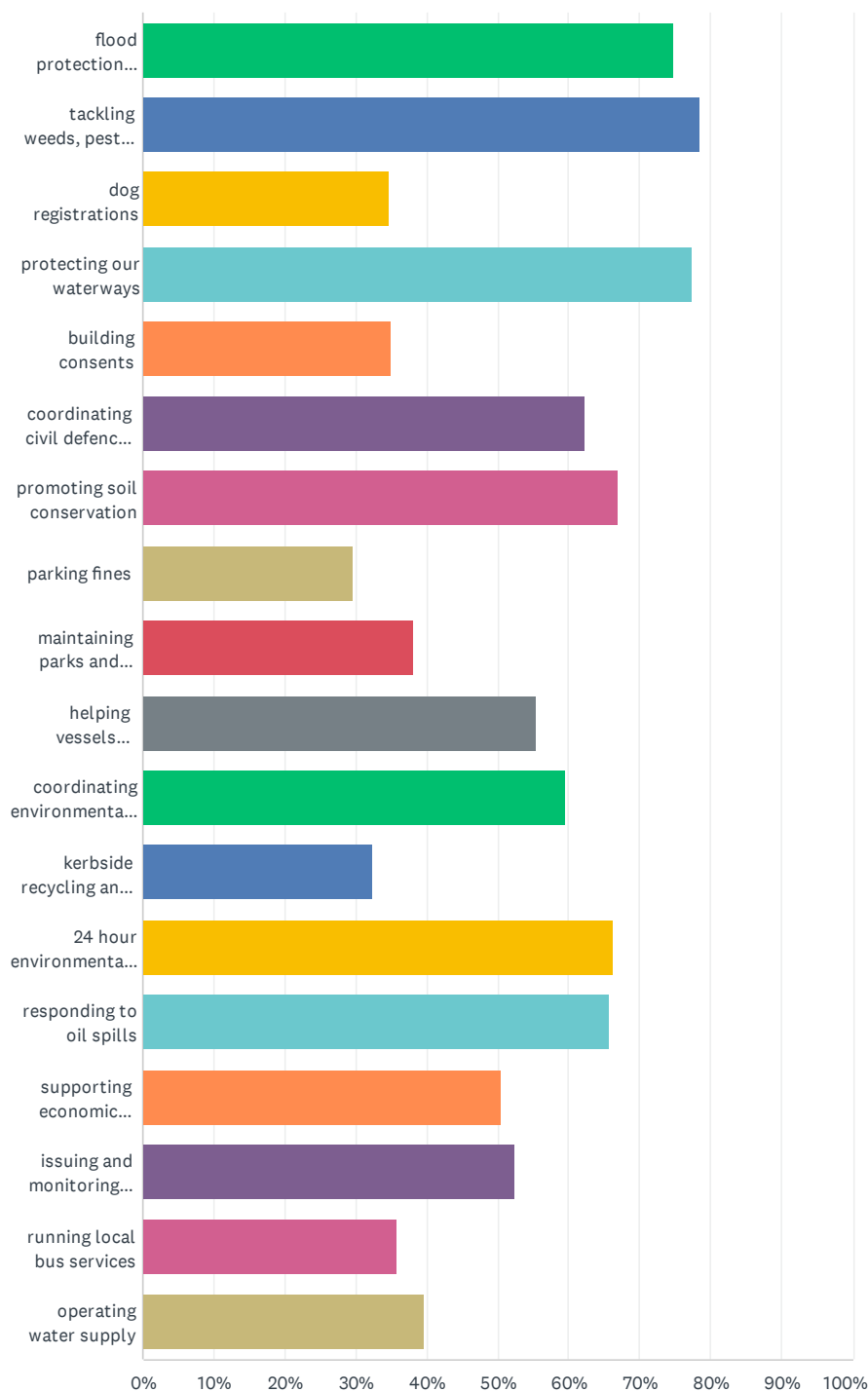
Date: 5 August 2023

Author: Kyla Carlier

2022 RESIDENTS SURVEY

Q1 Which of these activities do you think we look after?

Answered: 443 Skipped: 0



Northland Regional Council Resident's Survey to June 2022

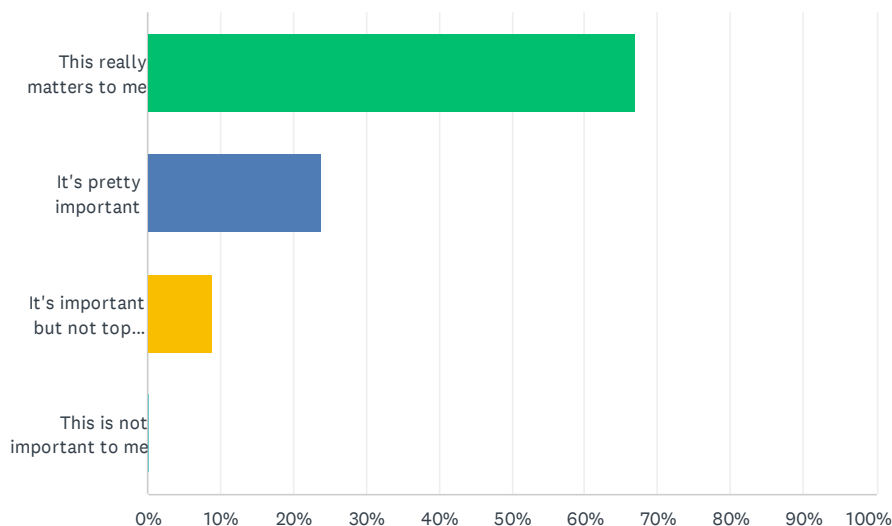
2022 RESIDENTS SURVEY

ANSWER CHOICES	RESPONSES	
flood protection schemes	74.94%	332
tackling weeds, pest animals and marine pests	78.56%	348
dog registrations	34.76%	154
protecting our waterways	77.43%	343
building consents	34.99%	155
coordinating civil defence emergencies	62.30%	276
promoting soil conservation	67.04%	297
parking fines	29.57%	131
maintaining parks and playgrounds	38.15%	169
helping vessels navigate safely in our harbours	55.53%	246
coordinating environmental education in schools	59.59%	264
kerbside recycling and rubbish collection	32.51%	144
24 hour environmental hotline	66.37%	294
responding to oil spills	65.69%	291
supporting economic development	50.56%	224
issuing and monitoring resource consents	52.37%	232
running local bus services	35.89%	159
operating water supply	39.73%	176
Total Respondents: 443		

2022 RESIDENTS SURVEY

Q3 How important is having healthy waters for you?

Answered: 393 Skipped: 50

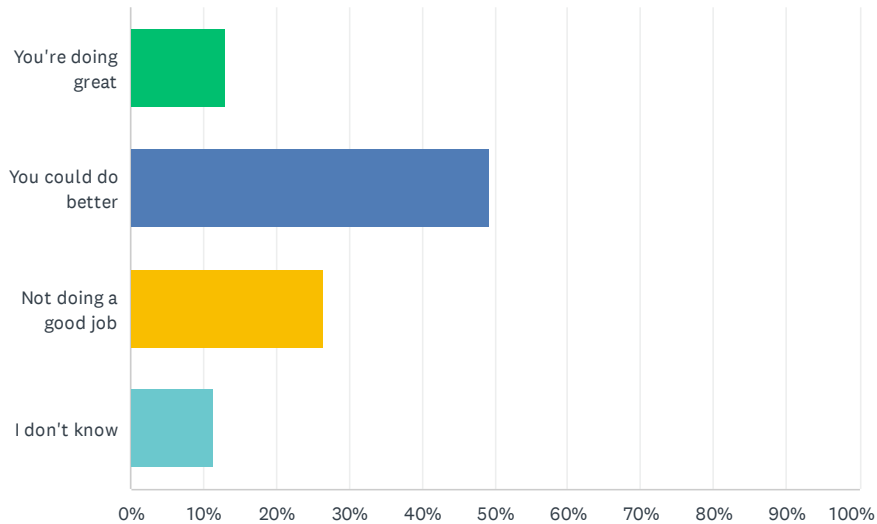


ANSWER CHOICES	RESPONSES	
This really matters to me	66.92%	263
It's pretty important	23.92%	94
It's important but not top priority	8.91%	35
This is not important to me	0.25%	1
TOTAL		393

2022 RESIDENTS SURVEY

Q4 How well do you think we're doing at achieving this?

Answered: 390 Skipped: 53

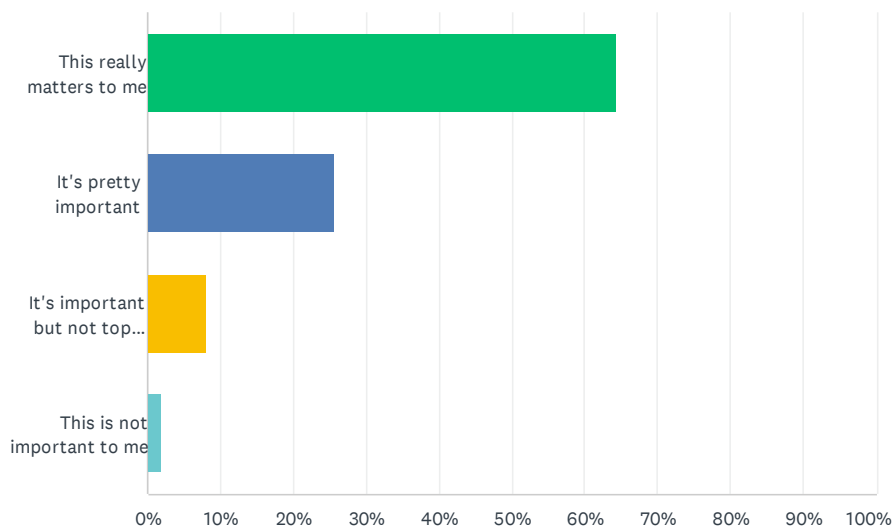


ANSWER CHOICES	RESPONSES	
You're doing great	13.08%	51
You could do better	49.23%	192
Not doing a good job	26.41%	103
I don't know	11.28%	44
TOTAL		390

2022 RESIDENTS SURVEY

Q7 How important is it to you that we protect and care for native life?

Answered: 370 Skipped: 73

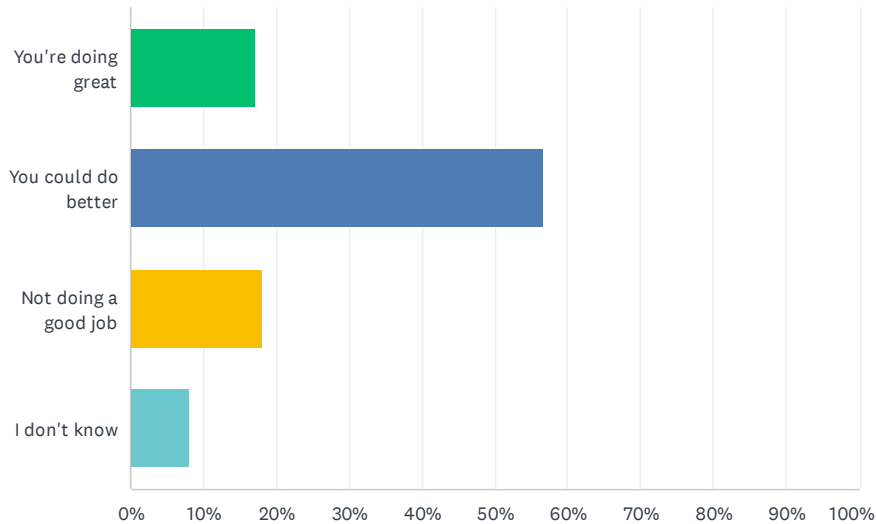


ANSWER CHOICES	RESPONSES	
This really matters to me	64.32%	238
It's pretty important	25.68%	95
It's important but not top priority	8.11%	30
This is not important to me	1.89%	7
TOTAL		370

2022 RESIDENTS SURVEY

Q8 How well do you think we're doing at achieving this?

Answered: 370 Skipped: 73

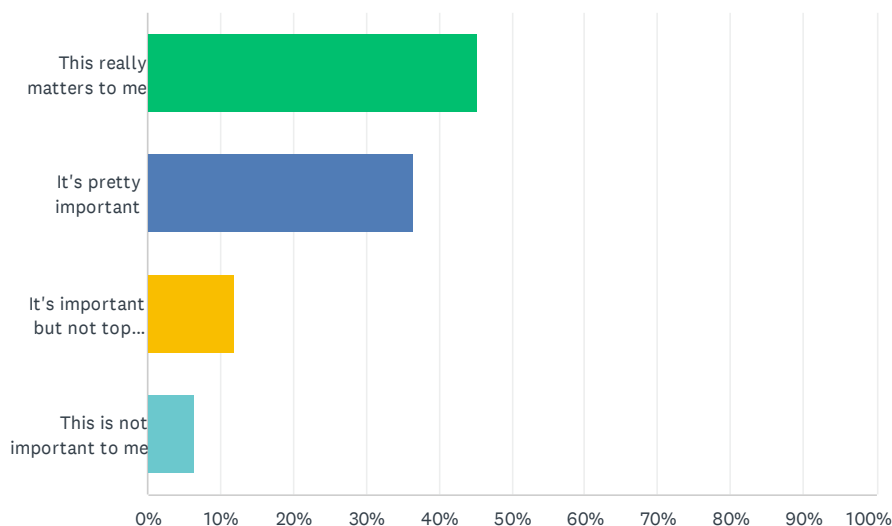


ANSWER CHOICES	RESPONSES	
You're doing great	17.03%	63
You could do better	56.76%	210
Not doing a good job	18.11%	67
I don't know	8.11%	30
TOTAL		370

2022 RESIDENTS SURVEY

Q11 How important do you think community resilience and climate change is?

Answered: 359 Skipped: 84

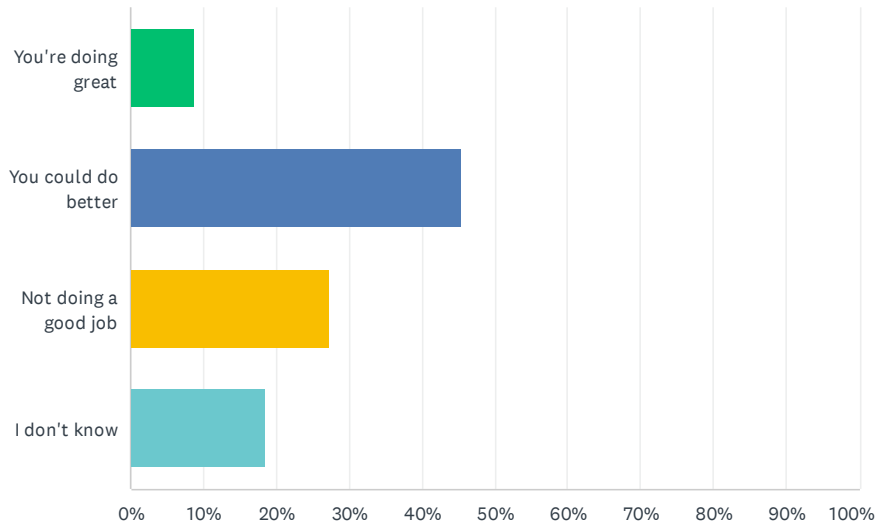


ANSWER CHOICES	RESPONSES	
This really matters to me	45.13%	162
It's pretty important	36.49%	131
It's important but not top priority	11.98%	43
This is not important to me	6.41%	23
TOTAL		359

2022 RESIDENTS SURVEY

Q12 How well do you think we're doing at achieving this?

Answered: 356 Skipped: 87

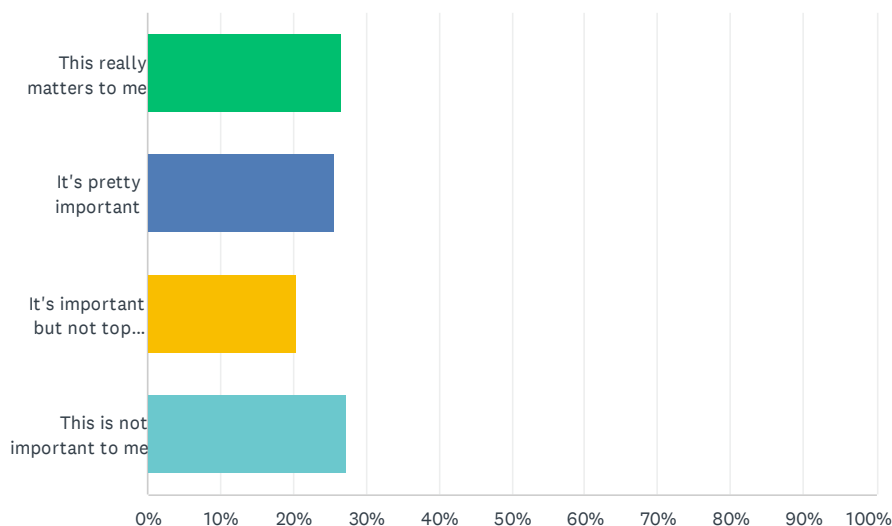


ANSWER CHOICES	RESPONSES	
You're doing great	8.71%	31
You could do better	45.51%	162
Not doing a good job	27.25%	97
I don't know	18.54%	66
TOTAL		356

2022 RESIDENTS SURVEY

Q15 How important do you consider partnerships between council and tangata whenua to be?

Answered: 348 Skipped: 95

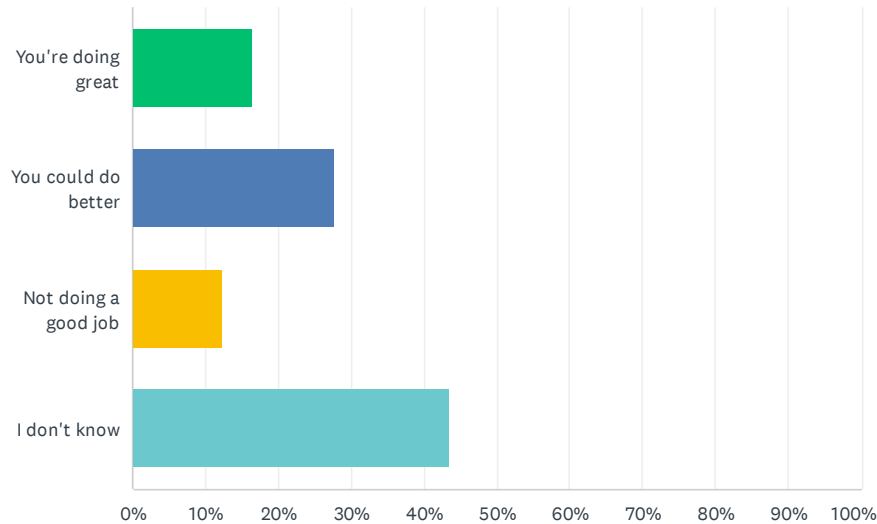


ANSWER CHOICES	RESPONSES	
This really matters to me	26.72%	93
It's pretty important	25.57%	89
It's important but not top priority	20.40%	71
This is not important to me	27.30%	95
TOTAL		348

2022 RESIDENTS SURVEY

Q16 How well do you think we're doing at achieving this?

Answered: 333 Skipped: 110

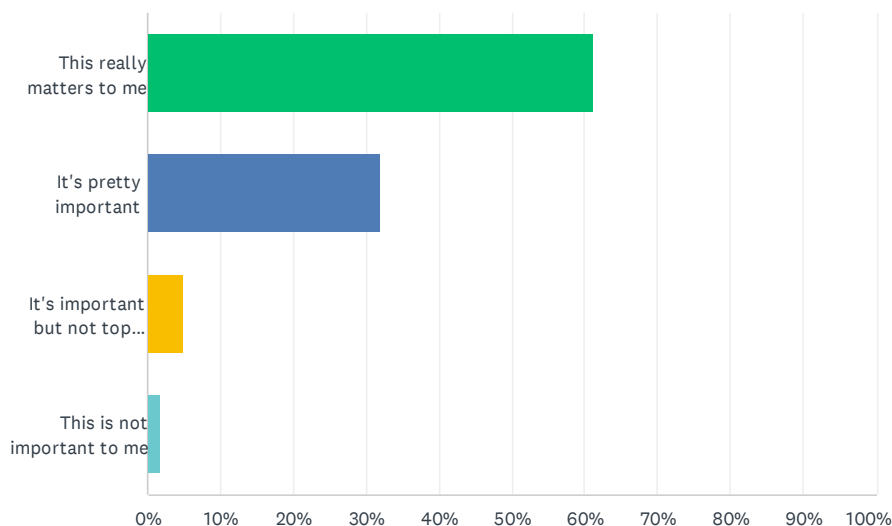


ANSWER CHOICES	RESPONSES	
You're doing great	16.52%	55
You could do better	27.63%	92
Not doing a good job	12.31%	41
I don't know	43.54%	145
TOTAL		333

2022 RESIDENTS SURVEY

Q19 How important is a prosperous and thriving Northland for current and future generations?

Answered: 341 Skipped: 102

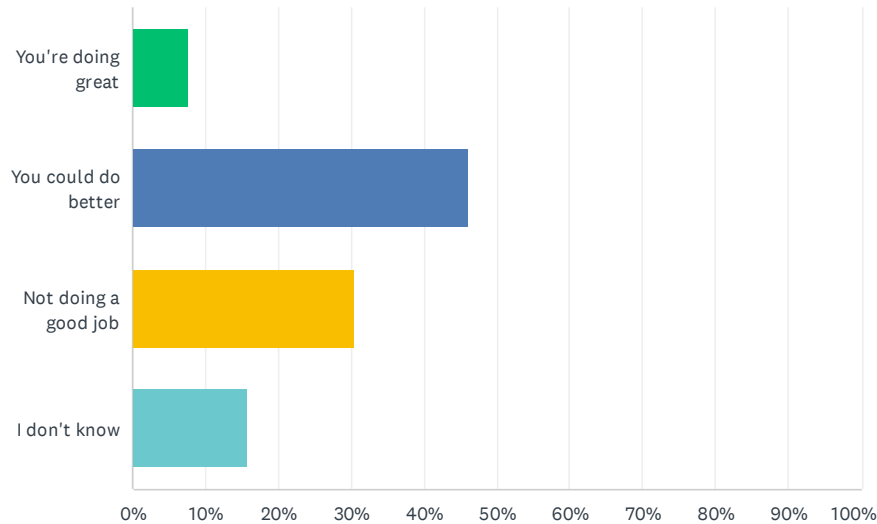


ANSWER CHOICES	RESPONSES	
This really matters to me	61.29%	209
It's pretty important	31.96%	109
It's important but not top priority	4.99%	17
This is not important to me	1.76%	6
TOTAL		341

2022 RESIDENTS SURVEY

Q20 How well do you think we're doing at achieving this?

Answered: 337 Skipped: 106

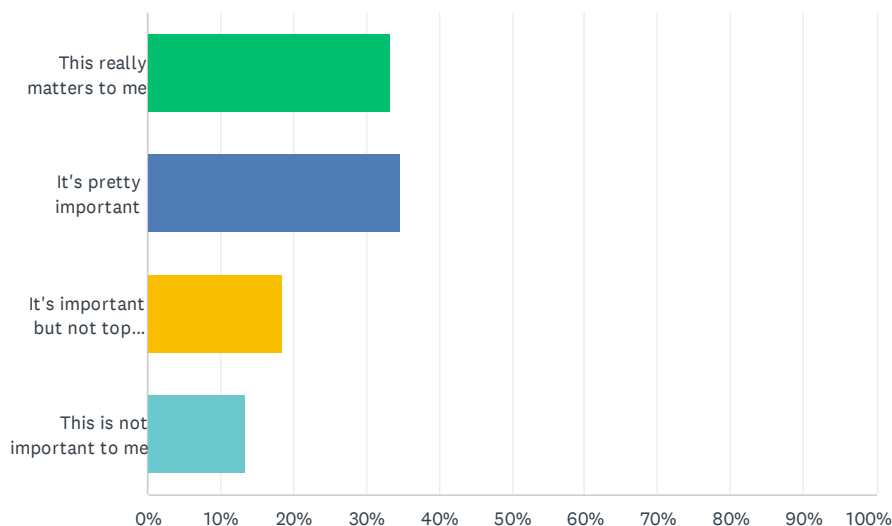


ANSWER CHOICES	RESPONSES	
You're doing great	7.72%	26
You could do better	45.99%	155
Not doing a good job	30.56%	103
I don't know	15.73%	53
TOTAL		337

2022 RESIDENTS SURVEY

Q23 How important is it for you to have safe, effective and low emission transport options connecting our communities?

Answered: 334 Skipped: 109

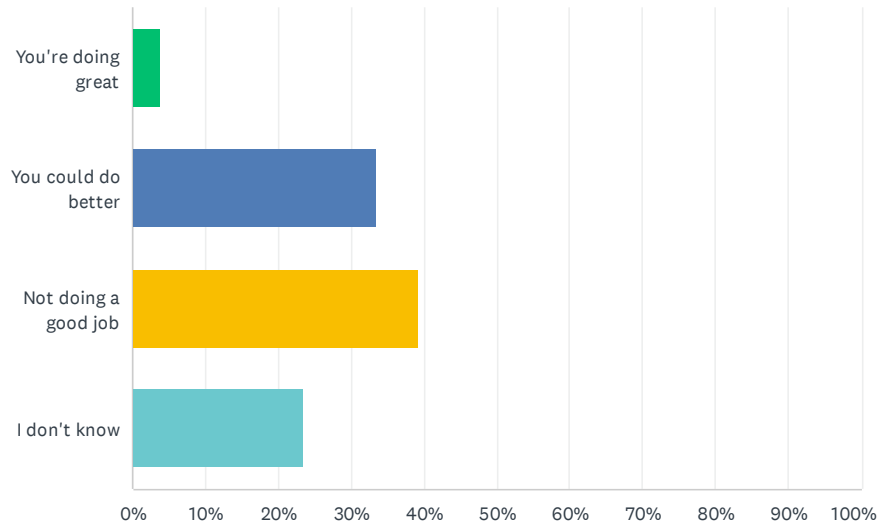


ANSWER CHOICES	RESPONSES	
This really matters to me	33.23%	111
It's pretty important	34.73%	116
It's important but not top priority	18.56%	62
This is not important to me	13.47%	45
TOTAL		334

2022 RESIDENTS SURVEY

Q24 How well do you think we're doing at achieving this?

Answered: 332 Skipped: 111

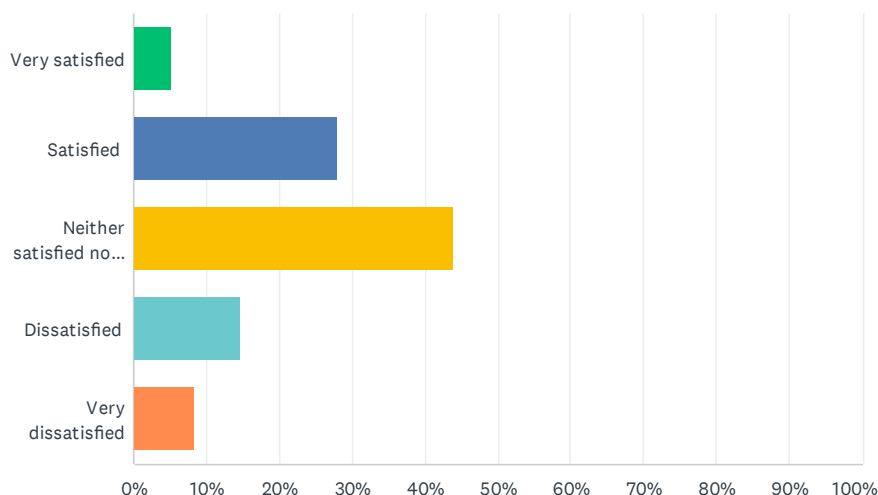


ANSWER CHOICES	RESPONSES	
You're doing great	3.92%	13
You could do better	33.43%	111
Not doing a good job	39.16%	130
I don't know	23.49%	78
TOTAL		332

2022 RESIDENTS SURVEY

Q26 We do our best to keep Northlanders up-to-date with the mahi we're doing, how we're spending your rates and to give you the chance to have your say. You'll find information about our work on our website, in social media, email newsletters and more. How satisfied are you with how we communicate and engage with you?

Answered: 333 Skipped: 110

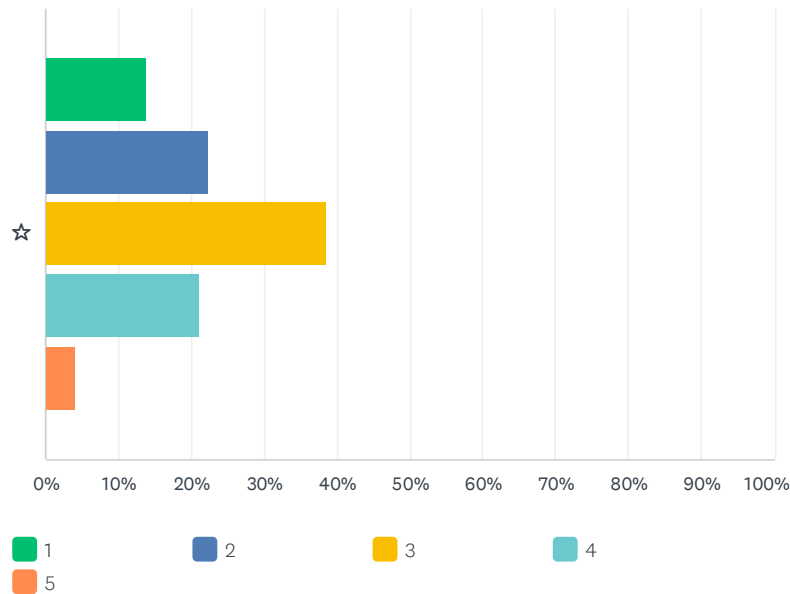


ANSWER CHOICES	RESPONSES	
Very satisfied	5.11%	17
Satisfied	27.93%	93
Neither satisfied nor dissatisfied	43.84%	146
Dissatisfied	14.71%	49
Very dissatisfied	8.41%	28
TOTAL		333

2022 RESIDENTS SURVEY

Q27 Thinking about Northland Regional Council overall, how do you feel about us?

Answered: 290 Skipped: 153

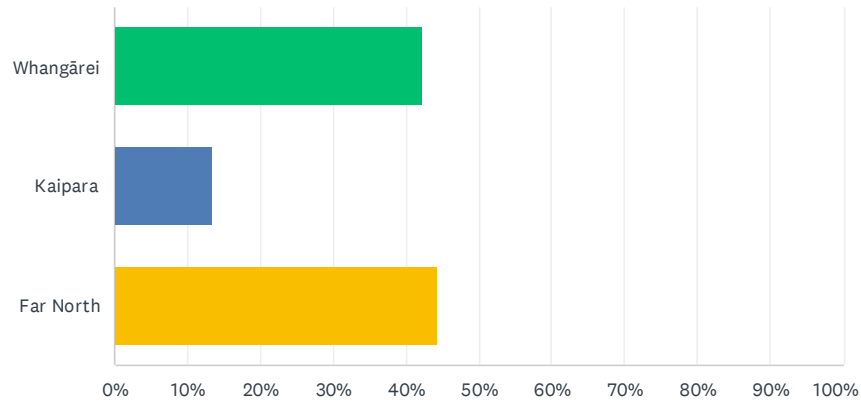


	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
☆	13.79% 40	22.41% 65	38.62% 112	21.03% 61	4.14% 12	290	2.79

2022 RESIDENTS SURVEY

Q29 Which district of Northland do you live in?

Answered: 336 Skipped: 107

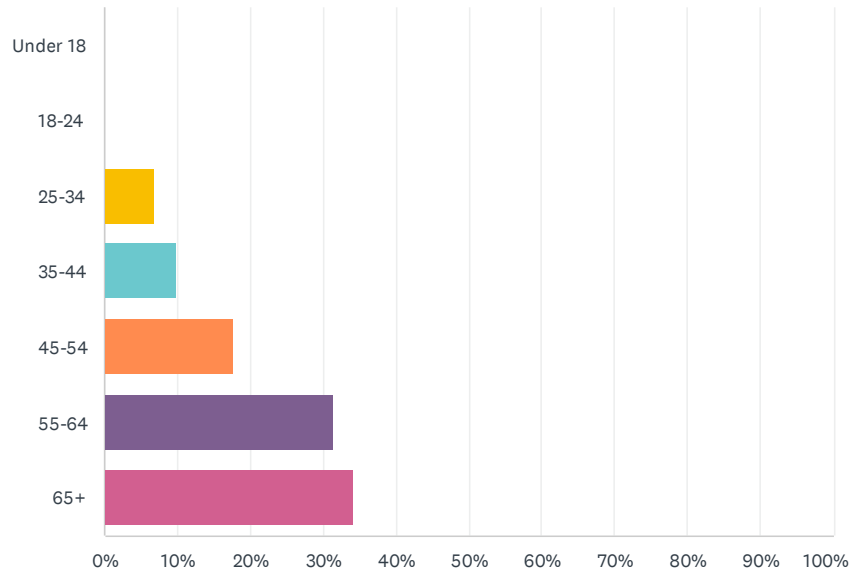


ANSWER CHOICES	RESPONSES	
Whangārei	42.26%	142
Kaipara	13.39%	45
Far North	44.35%	149
TOTAL		336

2022 RESIDENTS SURVEY

Q30 How old are you?

Answered: 334 Skipped: 109

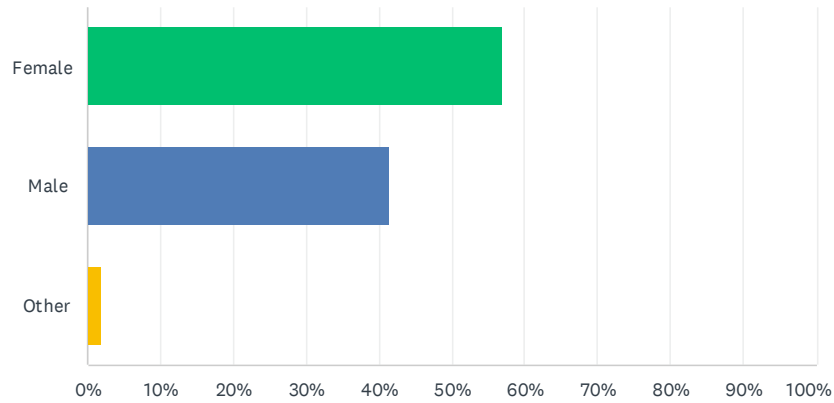


ANSWER CHOICES	RESPONSES	
Under 18	0.00%	0
18-24	0.00%	0
25-34	6.89%	23
35-44	9.88%	33
45-54	17.66%	59
55-64	31.44%	105
65+	34.13%	114
TOTAL		334

2022 RESIDENTS SURVEY

Q31 What is your gender?

Answered: 329 Skipped: 114

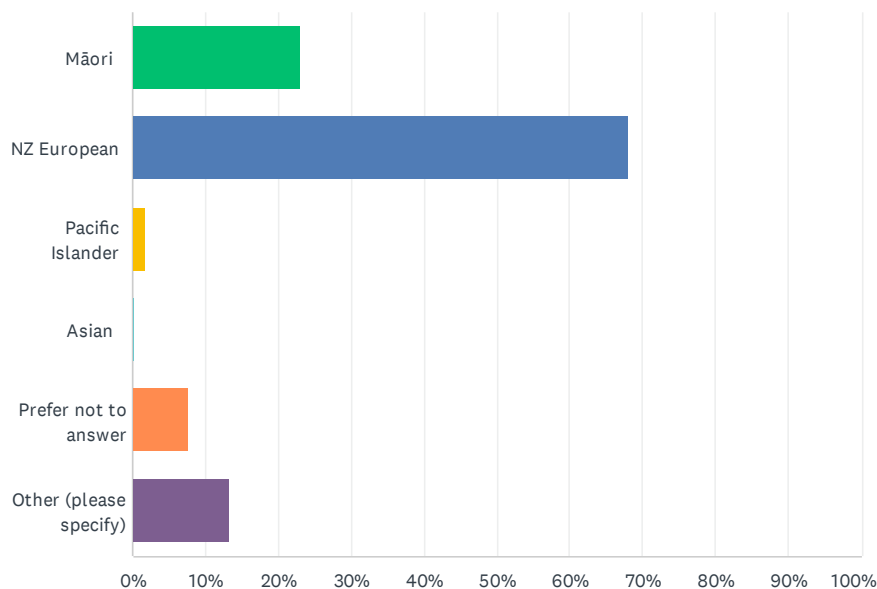


ANSWER CHOICES	RESPONSES	
Female	56.84%	187
Male	41.34%	136
Other	1.82%	6
TOTAL		329

2022 RESIDENTS SURVEY

Q32 Which ethnic group(s) do you identify with?

Answered: 335 Skipped: 108



ANSWER CHOICES	RESPONSES	
Māori	22.99%	77
NZ European	68.06%	228
Pacific Islander	1.79%	6
Asian	0.30%	1
Prefer not to answer	7.76%	26
Other (please specify)	13.13%	44
Total Respondents: 335		

TITLE: Chief Executive Officer's Key Performance Indicators - final report

From: Kyla Carlier, Corporate Strategy Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 21
Group Manager/s: September 2022

Whakarāpopototanga / Executive summary

This report presents a brief summary of the tenure of the Chief Executive Officer, Malcolm Nicolson, including the report of Chief Executive Key Performance Indicators for the year ending 30 June 2022.

Ngā mahi tūtohutia / Recommendation

That the report 'Chief Executive Officer's Key Performance Indicators - final report' by Kyla Carlier, Corporate Strategy Manager and dated 19 September 2022, be received.

Background/Tuhinga

The tenure of Malcolm Nicolson, Chief Executive of the Northland Regional Council, comes to a close this month with his retirement. This is the last meeting of council where Malcolm will be Chief Executive Officer.

Malcolm's 11 years with council, beginning in January 2012, have spanned three general elections, three local body elections and two by-elections, and four different councils. The number of elected members on council has changed, constituency boundaries have moved, and demographics have shifted from the 100% male council elected in 2012 to a council with improved demographic and gender balance.

Early on in his role as CEO, Malcolm traversed the implementation of the 2012 Local Government Amendment Act which saw the purpose statement of local government change to focus on infrastructure, service delivery and cost-effectiveness, and saw this through to the 2019 amendment bill that changed focus again to community well-beings.

The first purpose of local government remained throughout these changes to be to "enable democratic local decision making and action by, and on behalf of, communities"; Malcolm's consistent leadership as CEO over these years saw this purpose continuously brought to the forefront of the minds of those serving on council, as he advocated for increasing levels of participatory democracy and, worked with elected members and staff to negotiate the community's increasing involvement and expectations.

The organisation itself has also changed a lot in that time to keep pace, with annual operating revenue increasing from \$30M in 2012 to \$73M, and staff numbers increasing from 142 to 296 today, with diversity, equity and inclusion now much more central to growth.

Malcolm's tenure has seen the development of multi-million dollar flood schemes and the Hopua te Nihotetea Detention Dam in Whangārei, the launching of the Kaipara Moana remediation programme, and the launch of the successful predator free project at Whangārei Heads. He was instrumental in the establishment of council's economic development agency Northland Inc, and in collaborations such as the civil defence emergency management group, Northland | Forward Together, the climate change working party and the Northland Transportation Alliance.

In recognition of council's responsibilities under Te Tiriti o Waitangi, partnerships between māori and council were strengthened under Malcolm's guidance with the establishment of Te Taitokerau Māori advisory committee, an MoU with Te Uri O Hau, the signing of Whanaunga ki Taurangi by Iwi Chairs and Mayors, and the signing of a mana whakahono-ā-rohe agreement with two hapū. The two new dedicated māori seats on council are the most recent achievement in this partnership work.

In addition, Malcolm has led the organisation through an ever-increasing BAU workload, the expansion of council's network of service-centres, and other projects such as the granting of a loan to the Northland Emergency Services Trust to enable procurement of two rescue helicopters for the region.

Malcolm's astute financial mind has provided oversight of council's multi-million dollar investment portfolio, and developments such as the Kensington Crossing mixed-use development.

Each year Malcom has worked with his Executive Leadership Team and council (or a sub-committee) to establish a set of measures of his performance as Chief Executive Officer. These key performance indicators are closely tied to delivery of council's long term plan goals, and are reported on at the end of each year. This year they are aligned with council's six groups of activities.

Malcolm's final set of indicators, for the financial year ending 30 June 2022, are presented below. Where targets are not achieved an explanation is provided, including where these have been affected by the ongoing impacts of the Covid-19 pandemic.



Environmental Services

Achieved: 8
Not achieved: 4
Not applicable: 1



Regulatory Services

Achieved: 2
Not achieved: 1
Not applicable: 0



Community Resilience

Achieved: 7
Not achieved: 1
Not applicable: 0



Biosecurity

Achieved: 1
Not achieved: 0
Not applicable: 0



Governance and engagement

Achieved: 4
Not achieved: 1
Not applicable: 1



Corporate services

Achieved: 5
Not achieved: 0
Not applicable: 0



Environmental Services

Biodiversity - Maintain and enhance indigenous biodiversity and eco-systems

How we'll measure performance	2021/22 - Target	Results	Commentary
Number of plants provided through CoastCare programme	2021/22: 14,000 2022/23: 15,000 2023/24: 16,000 2030/31: 20,000	12,290 plants 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.

Land and water - Improved water quality, sustainable land management and soil conservation

How we'll measure performance	2021/22 - Target	Results	Commentary
Number of subsidised poplar poles provided for erosion-prone land by the council-owned nursery	2021/22; 5,000 2022/23: 7,000 2023/24: 9,000 By 2031/31: 25,000	Achieved	8,030 poles.
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	83% 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.

Percentage of routinely monitored river sites with a Water Quality Index (WQI) score of 'Excellent' or 'Good'	Maintain or increase (baseline not yet established)	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.
Percentage of NRC freshwater activities implemented in accordance with the NRC Freshwater Improvement Framework.	100%	NA Too early to report on this.	The framework outlines key activities NRC will undertake to improve freshwater management across a 3- and 10-year time period. It was adopted by council in July. The process was put on hold when the government released the essential freshwater package, and reporting on completed activities is not yet available.

Kaipara Moana Remediation Project - The Kaipara Remediation Project is continuing to work successfully. With a high performing business unit within the NRC team

How we'll measure performance	2021/22 - Target	Results	Commentary
Achievement of three key indicators of the project and business unit: - Council's obligations under the programme's Deed of Funding - Implementation of KMR Joint Committee decisions in a timely and effective manner. - Operation of the Kaipara Maurikura operational vehicle	33.3% - 100% of obligations are met 33.3% - Zero issues raised by the committee on programme operations 33.3% - Operation of the Kaipara Maurikura is consistent with the principles set out in the KMR MOU.	Achieved	NRC has met all obligations under the Deed of Funding, with the most recent audit identifying no areas of concern. All KMR Joint Committee decisions have been recorded and actioned in a timely way, in line with expectations. Previous outstanding decisions have been recorded, actioned and reported back to the Joint Committee. Regular feedback from the Chair and Deputy Chair indicates that the Kaipara Maurikura is operating in a manner consistent with the MOU.
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)	Achieved	

Planning - Developing and maintain regional planning documents and strategies

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of environmental planning legislative requirements achieved each year	100% of requirements met	Achieved	
The Freshwater Plan Change is publicly notified by Sept. 2023.	100%	Not achieved	The aim is now to notify in April 2024. The change in timeframe has been discussed and endorsed by council. The statutory requirement is notify the plan change by the end of 2024 – so council is still well within that timeframe. TTMAC have endorsed the approach for involving tangata whenua in the plan change development process, of particular note is the establishment of the Tangata Whenua Water Advisory Group and appointment of three TTMAC members to work with councillors in the council workshops for the development of the draft plan change.

Monitoring - Gathering and analysis of robust environmental data for the response, resolution and sustainability of a healthy environment in Northland with a climate change context.

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results made available to the community	100%	Achieved	

Percentage of time that continuous monitoring of air sheds is achieved, with any exceedances of National Environmental Standards reported and made available to the community	100%	Achieved	
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	



Regulatory Services

Consenting - Providing efficient and effective processing and administering of all regulatory instruments.

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of applications that are processed within the statutory timeframes	100%	Not achieved	99.92% One out of 1,201 consents was not processed within the statutory timeframes due to an administration error that has now been rectified.
Percentage of consents that are monitored as per the council's consent monitoring programme	90%	Achieved	95%
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	80% resolved within 30 working days	Achieved	80%



Community resilience

Natural Hazard Management - Effective responses to Identified natural hazards

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of engaged communities subject to significant hazards that are supported to develop community response plans to guide their responses	100%	Achieved	
Water Resilience Fund has been granted towards activities and projects that support improving water resilience infrastructure for vulnerable communities.	100% of the \$500,000 Water Resilience Fund has been granted, and there is a grant plan for the following 2 financial years.	Achieved	Two community water resilience infrastructure projects have been funded in the year 2021-2022. Te Kotahitanga e Mahi Kaha Trust (\$172K) and Whaingaroa Whaihanga Te Rūnanga o Whaingaroa, Tūtū Te Wai (\$376K), have received funding. Remaining funds have been used to pay the contractor leading this project.
Number of flood events occurring as a result of failures of flood protection systems below specified design levels, for the Awanui, Whangārei, Kaeo, Panguru and Otiria/Morewa schemes	Zero	Achieved	

Navigational management - Ensuring the region's navigable waters are safe for people to use in an environmentally sustainable manner.

How we'll measure performance	2021/22 - Target	Results	Commentary
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	Achieved	

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% compliance	Achieved	
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2,000 hulls annually	Achieved	

Transportation - Providing an efficient and effective public bus service

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of passengers surveyed on the Whangarei, Kaitiāia and Mid-North bus services that are satisfied with the overall service provided	90% or more compliance from 3/3 measures	Not achieved	Whangārei CityLink - 93% compliance. Far North Link and Mid North Link – survey not carried out as both services were being retendered in 2021/2022.

Climate Change Adaptation - Developing a regional climate change adaptation strategy that guides communities to identify and manage risk.

How we'll measure performance	2021/22 - Target	Results	Commentary
Development, delivery and implementation of key regional climate change plans and documents	Project goals as per methodology	Achieved	



Biosecurity

Biosecurity - Measures to slow the introduction and spread of new and established pests

How we'll measure performance	2021/22 - Target	Results	Commentary
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	5,000ha annually	Achieved	7,345 ha



Governance and engagement

Governance – Maintaining an effective relationship between Governance and Management

How we'll measure performance	2021/22 - Target	Results	Commentary
Average effectiveness score achieved by an annual Survey of ELT (50% weighting) and Councillors (50% weighting), rating effectiveness of their relationship from 0 (poor) to 5 (excellent).	Survey result of 4 or higher.	Achieved	Average rating 4.2 Survey completed by all ELT members (one acting) and 6 of 9 councillors.

Māori relationships - Integration of Māori in council decision making.

How we'll measure performance	2021/22 - Target	Results	Commentary
<p>Achievement of two key indicators:</p> <ul style="list-style-type: none"> • Average TTMAC satisfaction score achieved by an annual survey rating satisfaction from 0 (not satisfied) to 5 (very satisfied) (50% of weighting); • Implementation of recommendations resulting from 	<ul style="list-style-type: none"> • Survey result of 4 or higher • 100% of recommendations implemented in accordance with approved implementation plan. 	<p>50% - Not achieved</p> <p>50% - Not applicable</p>	<p>The TTMAC survey referenced a 1-10 scale; the target score for this KPI of 4, when converted, is a target score of 7-8. The average score for the survey was 5.6.</p> <p>It is of note that overall 78% of participants in the survey were satisfied in terms of meaningful outcomes that were achieved for iwi and hapu.</p>

the Te Tiriti/Treaty Health Check (50% of weighting)			Te Tiriti Health Check is at the recommendation stage, not at implementation stage yet. The Tāiki e (NRC Te Tiriti Strategy and Implementation Plan) document has been formally adopted.
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Community engagement - Promoting transparency and honesty in all community engagement.

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of time that information is made available to the community in a timely, accurate and accessible manner.	33.3% - Agendas and minutes made available on our website, within reasonable timeframes, 100% of the time. 33.3% - Unqualified summary document audit report on AR summary doc achieved annually. 33.3% - Website meets best practice 100% of the time.	Achieved	Part one: Conditionally achieved ¹⁰ Part two: Achieved - 2021 Annual Report Unqualified audit opinion achieved Part three: Achieved – ALGIM rating of “good rated website experience provided”

Economic development - Facilitating economic development through a collaborate vehicle to improve Northland's economic sustainability and social equity.

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year	100%	Not achieved	88% 14 of the 16 KPIs (88%) 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 all three.

¹⁰ Due to staff changes, the measuring of working party and committee agendas and minutes is very difficult. This measure has been altered to relate to council minutes and agendas only, but relates to the full 12 months, not just a one-month sample. This was 100% achieved. Can be evidenced by timeliness of emails send from Chris Taylor to Penny and Malcolm altering them of minutes being issued to webteam.

Customer services - Providing meaningful customer service

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	Maintain or increase	Achieved 68.9%	



Corporate services

Organisation - Establishing a strong positive organisational culture in which staff wellbeing is prioritised.

How we'll measure performance	2021/22 - Target	Results	Commentary
Achievement of three key indicators of culture and wellbeing prioritisation. (A wellbeing group is maintained, culture is progressed through the OD plan, and action is taken following the annual staff survey)	90% achievement from three part measure: 33.3% - Wellbeing group maintained at all times 33.3% - Achievement in all four of the objectives set out in the 'culture' pillar of the plan. 33.3% - Report to staff completed	Achieved	Part 1: group maintained Part 2: achievement occurred in all four pillars as determined by OD group at their meeting on 20 July 2022. Part 3: 'what you said, what we did' report on express.

Investments - Managing the organisations investment portfolio within the risk profiles as set by Governance

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of time that council's investment portfolio is managed within risk profiles.	100% of the time.	Achieved	Managing the organisations investment portfolio' means managing within the target ranges specified in the current SIPO, which is approved by council. Acting Finance manager (Vince) confirmed that the target has been met with any breaches reported and approved by governance.

Property Development - Investing in commercial development projects and ventures to improve the stability of the organisation's income streams.

How we'll measure performance	2021/22 - Target	Results	Commentary
Number of commercial development projects in progress at any time.	At least one.	Achieved	Three in progress: <ul style="list-style-type: none"> • Kaipara Service centre at code of compliance stage. • NIWA – mid construction • Hannah Street – due diligence state (early)

Organisation Development - Improving the operational efficiency.

How we'll measure performance	2021/22 - Target	Results	Commentary
Percentage of time that a continuous improvement steering group and strategy is maintained.	100% of the time	100% - Achieved	Continuous improvement steering group maintained 100% of the time. Strategy was approved by ELT in Feb 2022 as part of the CISG Terms of Reference. The strategy is being implemented primarily by way of the review of the Quality Improvement system.

Enterprise system - Successful staging of and implementation of new Enterprise system

How we'll measure performance	2021/22 - Target	Results	Commentary
Key project milestones for the council's technology solutions are met as per the project plan	40% of enterprise system modules implemented	Achieved – 54%	

Attachments/Ngā tapirihanga

Nil

TITLE: **Receipt of Committee Minutes**

From: Meloney Tupou, Maori Governance and Engagement Support Admin

Authorised by: Chris Taylor, Governance Specialist, on 21 September 2022


Ngā mahi tūtohutia / Recommendation

That the unconfirmed minutes of the:

- Kaipara Moana Remediation Joint Committee 15 August 2022.
- Joint Climate Change Adaptation Committee 29 August 2022.
- Civil Defence Emergency Management Group Committee 6 September 2022.

be received.

Attachments/Ngā tapirihanga

Attachment 1: Kaipara Moana Remediation Joint Committee [↓](#) 

Attachment 2: Joint Climate Change Adaptation Committee [↓](#) 

Attachment 3: Civil Defence Emergency Management Group Committee [↓](#) 

Kaipara Moana Remediation Joint Committee
15 August 2022

Kaipara Moana Remediation Joint Committee Minutes

Meeting held remotely
on Monday 15 August 2022, commencing at 09.30am

Tuhinga (Present):

Tame Te Rangi (Chair), Te Rūnanga o Ngāti Whātua
Penny Smart (Deputy Chair), Northland Regional Council,
Amy Macdonald, Northland Regional Council,
Daniel Newman, Auckland Council,
Cherie Povey, Ngā Maunga Whakahi o Kaipara,
Greg Sayers, Auckland Council,
Jane Sherard, Ngā Maunga Whakahi o Kaipara,
Malcolm Welsh, Te Uri o Hau,
Joce Yeoman, Northland Regional Council,
Georgina Connolly, Te Uri o Hau

I Tae Mai (In Attendance):

Justine Daw – Pou Tātaki, Kaipara Maurikura	Ben Hope - Ringa-Pārongo Communications Lead, Kaipara Maurikura
Lisette Rawson - Amo-Rauora Kōawa Catchment Remediation Manager, Kaipara Maurikura	William Wright - Ringa-Hononga Mana Whenua Mana Whenua Relations Lead, Kaipara Maurikura
Ilka Pelzer – Ministry for the Environment (Observer)	Robyn Stubbing – Notetaker Kaipara Maurikura
Malcolm Nicolson – NRC CEO	Sandra Harris – KMR Administrator Kaipara Maurikura

The Chair declared the meeting open at 09.38am.

Karakia Tīmatanga and Whakatau

Secretarial note: Due to the current COVID-19 restrictions the meeting was conducted fully remotely. Joint Committee Members were advised and consented to proceedings being livestreamed and recorded in order to be open to the public - <https://youtu.be/kJ2t2kTtkps>.

Ngā whakapahā/Apologies (Item 1.0)

Moved (Sayers / MacDonald)

That the apologies from Virginia Warriner (Te Rūnanga o Ngāti Whātua) with, Georgina Connolly (Te Uri o Hau) Malcolm Welsh (Te Uri o Hau) and Daniel Newman (Auckland Councillor) for late connections be received.

Kaipara Moana Remediation Joint Committee
15 August 2022

Secretarial Note: Malcolm Welsh arrived 09.57am, Daniel Newman arrived 09.59am and Georgina Connelly arrived 10.46am

Carried

Ngā whakapuakanga (Declarations of Conflicts of Interest)

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

Confirmation of Minutes - Kaipara Moana Remediation Joint Committee 13 June 2022 (Item 4.1)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Smart / Povey)

That the minutes of the Kaipara Moana Remediation Joint Committee meeting held on 13 June 2022, be confirmed as a true and correct record.

Receipt of Action Sheet - August 2022 (Item 5.1)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Sayers / Yeoman)

That the Kaipara Moana Remediation Joint Committee Action Tracker be received.

Forward Workplan - August 2022 (Item 5.2)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Smart / Sherard)

That the indicative Kaipara Moana Remediation Joint Committee Forward Workplan be received.

Preliminary Year 2 Year-End Results (Item 6.1)

Report from Justine Daw, Pou Tātaki and Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager

1. That the report 'Preliminary Year 2 Year-End Results' by Justine Daw, Pou Tātaki and Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager and dated 5 August 2022, be received

. Moved (Sherard / Sayers)

2. *Note* that audited year-end results for Year 2 of the Kaipara Moana Remediation (KMR) Programme are due to be submitted to the Ministry for the Environment by 31 October 2022.

Kaipara Moana Remediation Joint Committee
15 August 2022

3. *Note* there is an opportunity for KMR to use unaudited Year 2 results to demonstrate delivery against Deed of Funding performance targets and the rapid scaling-up of sediment reduction projects on an earlier timeframe.
4. *Note* the preliminary, unaudited Year 2 year-end results presented in this report, which will be communicated to Ministry for the Environment and others, as relevant.

Moved (Sherard / Smart)

Secretarial Note: Member Smart asked whether planting Year 2 was expected to increase in the current year, following last year's focus on fencing. The Maurikura responded that while there was some expectation of an uplift in planting in year 2 of KMR projects, the forthcoming regulatory drivers meant that landowners were likely to continue to prioritise fencing ahead of planting in the current year as well. Joint Committee members were informed the Maurikura will be moving to a regular cycle of marketing and campaigning over spring/summer fencing and site preparation and winter planting. Member Sherard enquired on any engagement with the southern Kaipara and non farming industry engagement around the Kaipara. Joint Committee members were informed discussions have taken place with further conversations required.

Conflict of Interest Management (Grants) (Item 6.2)

Report from Ben Hope, Ringa-Pārongo | Communications and Governance Lead

1. That the report 'Conflict of Interest Management (Grants)' by Ben Hope, Ringa-Pārongo | Communications and Governance Lead and dated 11 August 2022, be received.

Moved (Yeoman / MacDonald)

2. *Note* that as Kaipara Moana Remediation provides grant funding for sediment remediation projects across the Kaipara Moana catchment, various perceived or actual financial interests may arise for Joint Committee members.
3. *Note* that Section 3 of the Local Authorities (Members' Interests) Act 1968 (LAMIA) effectively sets a total annual cap for each Joint Committee member or related party of NZ\$25,000 (inclusive of GST) in grant funding from any local government source.
4. *Direct* the Kaipara Maurikura to seek a dispensation from the Office of the Auditor General in respect of Section 3 of LAMIA, given the nature of KMR and the intent and terms of its founding Memorandum of Understanding.
5. *Note* that in the meantime the Kaipara Maurikura will apply additional conflict of interest management protocols for grant funding applications to meet LAMIA requirements.

Moved (Yeoman / MacDonald)

Secretarial Note: Member Smart and Welsh abstained from voting and discussion.

Joint Committee members welcomed the conversation with the Auditor General to discuss the unique characteristics of the KMR programme. Member Sherard requested the report require more directive approach to this issue with an amendment to resolution 4 made.

Kaipara Moana Remediation Joint Committee
15 August 2022

Te Paiaka Preliminary Results (Item 6.3)

Report from Sarah Nolan, Technical Specialist Advisor

Moved (Smart / Connelly)

That the report 'Te Paiaka Preliminary Results' by Sarah Nolan, Technical Specialist Advisor and dated 9 August 2022, be received.

Secretarial Note: Member MacDonald asked if there had been any data collection on different species and their response to disturbance events, with the Auckland Council lead signalling this was one of several directions for potential future investigation. Joint Committee members were informed that the Maurikura is working with other parties to pilot on estuarine restoration project with similar aims and benefits. The Maurikura is also engaging with a national indigenous research provider with links back to the Kaipara. Member Smart queried if species that were effective in stabilising riverbanks would similarly stabilise hill country, and also what the impact of varying soil types had on stabilisation potential, with the response being that more work was needed in these areas to better understand these correlations. Member Povey acknowledged the mahi that has been undertaken. Joint Committee members were informed that while KMR was taking learnings from exotics trialled in America and Australia, root architecture and tensile strength for natives with potential to stabilise hill country was still to be examined.

Kōrero Tuku Iho (Item 6.4)

Report from William Wright, Ringa-Hononga Mana Whenua | Mana Whenua Relations Lead and Fiona Kemp, Environs Holdings Ltd Manager

1. That the report 'Kōrero Tuku Iho' by William Wright, Ringa-Hononga Mana Whenua | Mana Whenua Relations Lead and Fiona Kemp, Environs Holdings Ltd Manager and dated 9 August 2022, be received.

Moved (Povey / Smart)

2. Note that this report is an update on the Kōrero Tuku project and indicates the pathway and timeline for the programme.
3. Note that it is intended that a project manager to lead Kōrero Tuku Iho will be contracted by the end of August 2022, with a Reference Group to support the project initiated by end of September 2022.
4. Note that Kōrero Tuku Iho project development scoping is proposed to conclude in the first quarter of 2023.
5. That a further progress report on Kōrero Tuku Iho be provided to the Joint Committee by November 2022.

Moved (Smart / Connelly)

Secretarial Note: Apologies acknowledged for the absence of Fiona Kemp. Chair Te Rangi queried the timelines for the collection of data and integrity of each individual Uri Hapū, Iwi or Incorporation intellectual property of taonga species, and how provisions for this will take place. Following Joint Committee discussions, an amendment to resolution 4 was endorsed.

Kaipara Moana Remediation Joint Committee
15 August 2022

Soil Conservation Reference Group (Item 6.5)

Report from Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager

1. That the report 'Soil Conservation Reference Group' by Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager and dated 9 August 2022, be received.

Moved (Sherard / Connolly)

2. That the Terms of Reference for a Soil Conservation Reference Group (Attachment 1) be approved.
3. That the Maurikura be endorsed to establish a Soil Conservation Reference Group.

Moved (Smart / Malcolm)

Secretarial Note: Apologies acknowledged for the absence of Stephanie Versteeg. Following Joint Committee discussions, an amendment to resolutions 3 and 4 was made to empower the Kaipara Maurikura to establish the Soil Reference Group.

Pou Tātaki Update (Item 6.6)

Report from Justine Daw, Pou Tātaki

1. That the report 'Pou Tātaki Update' by Justine Daw, Pou Tātaki and dated 5 August 2022, be received.

Karakia Mutunga

Whakamutunga (Conclusion)

The meeting concluded at 12.31pm.

Joint Climate Change Adaptation Committee
29 August 2022

Joint Climate Change Adaptation Committee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Monday 29 August 2022, commencing at 1.00 - 3.00 pm

Tuhinga/Present:

Chairperson, Northland Regional Council (NRC) Councillor, Amy Macdonald
Deputy Chairperson, Whangārei and Te Karearea Representative, Delaraine Armstrong
Far North District Council (FNDC) Councillor, David Clendon
Te Uri o Hau and Te Roroa Representative, Fiona Kemp (online)
Whangārei District Council (WDC) Councillor, Anna Murphy (online)
Kaipara District Council (KDC) Mayor, Jason Smith (online) 1.22pm
NRC GM Community Resilience, Victoria Harwood (Ex-Officio)

I Tae Mai/In Attendance:

Full Meeting

NRC GM Community Resilience, Victoria Harwood (Ex-Officio)
NRC, Tom FitzGerald
NRC, Natalie Child
NRC, Nicky Hansen
NRC, Kim Peita (online)
WDC, Katy Simon
WDC, Sarah Irwin
WDC, Mark Scott
WDC, Kylie Pedersen (online)
FNDC, Simone Tongatule
FNDC, Donald Sheppard (online)
FNDC, Patariki Smith (online)
KDC, Jack Rudolph (online)
Iwi Rep, Snow Tane (online)
Iwi Rep, Alan Riwaka (online)
Level, Katy Mandeno
Level, Suz Epskamp
Member of public, Leslie Adcock

Part Meeting

NRC, Penny Smart 1.15pm
KDC, Louise Miller 1.21pm

Secretariat Note: An online attendee has not been included in attendance as their name was not fully recognised.

The Chair declared the meeting open at 1.03pm.

Joint Climate Change Adaptation Committee
29 August 2022

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Moved (David Clendon / Delaraine Armstrong)

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

Carried

Confirmation of Minutes - 30 May 2022 (Item 4.1)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Delaraine Armstrong / Fiona Kemp)

That the minutes of the Joint Climate Change Adaptation Committee meeting held on Monday 30 May 2022 be confirmed as a true and correct record.

Carried.

Receipt of Action Sheet (Item 5.1)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Anna Murphy / Delaraine Armstrong)

That the action sheet be received.

Carried.

Government Reforms Progress Update (Item 6.1)

Report from Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience; Tom FitzGerald, Climate Change Manager and Jan van der Vliet, Natural Hazards Advisor

Moved (David Clendon / Anna Murphy)

.Updates will be brought to future Climate Change Working party meetings as reforms progress.

Carried.

Whakamutunga (Conclusion)

The meeting concluded at 1.37pm.

Civil Defence Emergency Management Group Meeting
6 September 2022

Civil Defence Emergency Management Group Meeting Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 6 September 2022, commencing at 11.00am

Tuhinga/Present:

Chair, Northland Regional Council Councillor, Rick Stolwerk
Kaipara District Council Mayor, Jason Smith
KDC Councillor, Anna Curnow
Far North District Council Councillor, Dave Collard
Whangarei District Council Councillor, Nicholas Connop
Fire & Emergency NZ Representative District Manager, Wipari Henwood
National Emergency Management Agency Representative, Chloe Marshall (Observer Status)

I Tae Mai/In Attendance:

Full Meeting

NRC GM Community Resilience, Victoria Harwood
Northland CDEM, Graeme MacDonald
NCDEM, Bill Hutchinson
NCDEM, Evania Arani
NCDEM, Laura Exton
NCDEM, Mark Trüdinger
NCDEM, Rachel Hill
NCDEM, Sarah Boniface
NCDEM, Zach Woods
NEMA, Gary Knowles
NEMA, Anthony Richards
Royal NZ Navy, Peter Johnson
RNZN, Kyle Butcher
RNZN, Richard Mathers
Te Whatu Ora, Jane Rollin
Te Whatu Ora, Liz Philips
NRC Secretariat, Nicky Hansen

Part Meeting

NRC Chair Penny Smart 11.10am
NZ Police Representative Relieving District Commander Acting
Superintendent Justin Rogers 11.25am

The Chair declared the meeting open at 11.00am.

Civil Defence Emergency Management Group Meeting
6 September 2022

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Moved (Collard / Connop)

That the apologies from NZ Police Representative Superintendent Tony Hill, WDC Mayor Sheryl Mai, NRC CEO Malcolm Nicolson, WDC Simon Weston, Iwi Representative Snow Tane for non-attendance be received.

Carried

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Confirmation of Minutes - 14 June 2022 (Item 4.1)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Collard / Stolwerk)

That the minutes of the Civil Defence Emergency Management Group meeting held on Tuesday 14 June 2022, be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.1)

Report from Nicky Hansen, PA to GM Community Resilience

Moved (Stolwerk / Smith)

That the action sheet be received.

Carried

National Emergency Management Agency September Update (Item 6.1)

Report from Graeme MacDonald, Emergency Manager

Moved (Stolwerk / Connop)

That the report 'National Emergency Management Agency September Update' by Graeme MacDonald, Emergency Manager and dated 16 August 2022, be received.

Carried

Northland CDEM Group, CEG and Group Appointments (Item 7.1)

Report from Graeme MacDonald, Emergency Manager

Moved (Smith / Collard)

Civil Defence Emergency Management Group Meeting
6 September 2022

1. That the report 'Northland CDEM Group, CEG and Group Appointments' by Graeme MacDonald, Emergency Manager and dated 30 August 2022, be received.
2. That the CDEM Group appoint two new CDEM Group Controllers, Calvin Thomas WDC/NTA General Manager and Blair King FNDC Chief Executive.

Carried

Secretarial note: Alistair Dunlop is to be added to Local Controllers for the Kaipara District, as per appointment 14 June 2022.

CEG Chair's Report (Item 7.2)

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

Moved (Smith / Collard)

That the report 'CEG Chair's Report' by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience and dated 30 August 2022, be received.

Carried

Action: Mayor Smith asked to discuss with NIWA about increasing mm levels on observed rainfall maps (refer map page 18).

Secretarial note: Cr Collard acknowledged Rivers Team and Awanui Rivers Flood Scheme, the evidence of their progress when flooding occurs is noticeable.

Service Level Agreement work programs (Item 7.3)

Report from Graeme MacDonald, Emergency Manager

Moved (Stolwerk / Connop)

That the report 'Service Level Agreement work programs' by Graeme MacDonald, Emergency Manager and dated 30 August 2022, be received.

Carried

Northland Tsunami Readiness (Item 7.4)

Report from Claire Nyberg, Emergency Management Specialist - Tsunami Projects

Moved (Collard / Stolwerk)

That the report 'Northland Tsunami Readiness' by Claire Nyberg, Emergency Management Specialist - Tsunami Projects and dated 30 August 2022, be received.

Carried

24/25 July 2022 Severe Weather Warning De-brief (Item 8.1)

Report from Claire Nyberg, Emergency Management Specialist - Tsunami Projects

Moved (Stolwerk / Connop)

That the report '24/25 July 2022 Severe Weather Warning De-brief' by Claire Nyberg, Emergency Management Specialist - Tsunami Projects and dated 30 August 2022, be received.

Civil Defence Emergency Management Group Meeting
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Carried

Update on Civil Defence Community Response Plans in Northland (Item 8.2)

Report from Evania Arani, Emergency Management Specialist; Tegan Capp, Emergency Management Specialist; Sarah Boniface, Emergency Management Specialist; Bill Hutchinson, Emergency Management Specialist and Laura Exton, Emergency Management Specialist – Kaipara

Moved (Connop / Collard)

That the report 'Update on Civil Defence Community Response Plans in Northland' by Evania Arani, Emergency Management Specialist; Tegan Capp, Emergency Management Specialist; Sarah Boniface, Emergency Management Specialist; Bill Hutchinson, Emergency Management Specialist and Laura Exton, Emergency Management Specialist – Kaipara and dated 30 August 2022, be received.

Carried

Action: Sarah Boniface is to present updates at the next meeting, after maps go live in October 2022.

Northland Lifelines Group Climate Change Risk Assessment Report and Presentation (Item 8.3)

Report from Laura Exton, Emergency Management Specialist – Kaipara

Moved (Smith / Stolwerk)

That the report 'Northland Lifelines Group Climate Change Risk Assessment Report' by Laura Exton, Emergency Management Specialist - Kaipara and Presentation 'Northland Lifelines Group Infrastructure Climate Change Risk Assessment' by Lisa Roberts, Infradecision and dated 22 August 2022, be received.

Carried

Action: Laura Exton is to record any questions and report back.

Whakamutunga (Conclusion)

The meeting concluded at 12.27pm.

TITLE: **Working Party Updates and Chairpersons' Briefings**

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

Authorised by Chris Taylor, Governance Specialist, on date 21 September 2022
Group Manager/s:

Ngā mahi tūtohutia / Recommendation

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

Water and Land Working Party (Chair Justin Blaikie)

The Water and Land Working Party met on 2 August 2022. The topics for discussion included:

- Update on Lake Omapere water quality and MOU with Lake O Trust
- Harbour and Estuary ecological monitoring programme and opportunities to expand
- Update on implementation of Network Review
- Update of SOE sediment monitoring programme progress
- SWIMSAFE Trial Update
- SHaRP and WWW programme update

Following discussion, the Water and Land Working Party provided advice on the following next steps:

- Lake O Trust are yet to come back with decision around the MoU. NRC are moving at their pace and will provide support as issues arise.
- NRC are anticipating the Final SOE sediment monitoring programme report by end of this calendar year (2022).
- NRC will investigate easier access to the SWIMSAFE site on its website. There are currently too many 'clicks' to get there which can be disconcerting to the public.
- WWW programme concluding December 2022.
- SHaRP is in its final year. Funding has been sought to continue.

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 11 August 2022. The topics for discussion included:

- Te Tiriti Organisational Review (Health Check)
- Tāiki ē NRC Te Tiriti Strategy and Implementation Plan
- Hapū/Iwi Environmental Management Plans (HEMPs)
- Tangata Whenua Water Advisory Group update
- Tangata Whenua Water Advisory Group recommendations on Freshwater Plan Change engagement

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

- That staff provide an update on the more detailed implementation planning being undertaken on Tāiki E and seek endorsement for it at TTMAC's September meeting
- That the next TTMAC meeting include a workshop explaining the different Freshwater related activities and changes for TTMAC members.
- TTMAC endorsed the Tangata Whenua Water Advisory Group (TWWAG) Stage 2 Engagement Recommendations on how to engage with tangata whenua on the Freshwater Plan Change and the next step of presenting them to council.

Biosecurity and Biodiversity Working Party (Chair Jack Crow)

The Biosecurity and Biodiversity Working Party met on 31 August 2022. The topics for discussion included:

- PF2050 Update and Emerging Issues
- Feral Deer Update and Future Planning
- Marine Biosecurity Update on the Clean Hull Plan and Emerging Partnerships
- FIF Update on Project Progress and EPA Investigation
- Wetland Project Update
- Climate Change and Biosecurity
- Pest Organisms
- Kauri Protection - The New National Plan - Rules and Implications for Northland

Following discussion, the Biosecurity and Biodiversity Working Party provided advice on the following next steps:

- That staff continue to provide updates on specified topics at the next working party meeting
- That, for the Wetland Project Update, staff provide information on the platform the data will be available on and details about privacy and cost to landowners
- That, for the PF2050 update, working party discussed the project timeframe and the extra efforts being made to strengthen community and hapū relationships with a focus on longevity of the program. Working party indicated their understanding of the need to engage appropriately and that this would lead to delays in implementation
- That, for the Feral Deer update, working party support the collaboration across DOC, MPI and council

Climate Change Working Party (Chair Amy Macdonald)

The Climate Change Working Party met on 31 August 2022. The topics for discussion included:

- Climate Change Commission Update – Presentation
- Government Reforms Progress Update
- Progress of Ngā Taumata o Te Moana Implementation Plan
- Climate Change Governance Review

Following discussion, the Climate Change Working Party provided advice on the following next steps:

- It was requested the presentation "Update from the Climate Change Commission" be circulated to all NRC councillors.

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 - 23 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	Human Resources Report - August 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).
10.3	Purchase of Whangārei CBD Properties	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to 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).
10.4	Progressing an Investment Property Redevelopment	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).

10.5	Nomination of Directors to Marsden Maritime Holdings Limited	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).
10.6	Independent Director Nomination	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).
10.7	Bonus Payment	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).

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

1. Options

Not applicable. This is an administrative procedure.

2. Significance and Engagement

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

3. Policy and Legislative Compliance

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

4. Other Considerations

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