

**Joint Regional Economic Development
Committee**

Friday 23 September 2022 at 10.00am - 12.00pm

AGENDA

Joint Regional Economic Development Committee Agenda

Meeting to be held in the Dargaville Town Hall
on Friday 23 September 2022, commencing at 10.00am - 12.00pm

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

MEMBERSHIP OF THE JOINT REGIONAL ECONOMIC DEVELOPMENT COMMITTEE

Chairperson, Councillor Justin Blaikie

Councillor Terry Archer

Councillor Anna Curnow

Councillor David Clendon

Councillor John Vujcich

Councillor Peter Wethey

RĪMITI (Item)	Page
1.0 NGĀ MAHI WHAKAPAI/HOUSEKEEPING	
2.0 NGĀ WHAKAPAHĀ/APOLOGIES	
3.0 NGĀ WHAKAPUAKANGA/DECLARATIONS OF CONFLICTS OF INTEREST	
4.0 NGĀ WHAKAAE MINITI (CONFIRMATION OF MINUTES)	
4.1 Confirmation of Minutes - 29 July 2022	4
5.0 RECEIPT OF ACTION SHEET	
5.1 Receipt of Action Sheet	7
6.0 REPORTS	
6.1 Northland Inc Limited: Annual Report for the Year Ending 30 June 2022	9
6.2 Investment and Growth Reserve: Allocation of funding to Northland Inc for primary sector related activities	32
6.3 Northland Inc Limited Directors: Appointment of directors for term beginning 1 July 2023	48
6.4 Proposed Induction Programme for the next Joint Regional Economic Development Committee	52



Opening Karakia | Karakia Timatanga

Tukua te wairua kia rere ki ngā taumata
Hei ārahi i ā tātou mahi
Me tā tātou whai i ngā tikanga a rātou mā
Kia mau kia ita
Kia kore ai e ngaro
Kia pūpuri
Kia whakamaua
Kia tina! TINA! Haumi e, hui e, TĀIKI E!

Closing Karakia | Karakia Whakamutunga

Unuhia, unuhia
Unuhia ki te uru tapu nui
Kia wātea, kia māmā, te ngākau, te tinana, te wairua
i te ara tangata
Koia rā e Rongo, whakairia ake ki runga
Kia tina! TINA! Hui e! Tāiki e!

Joint Regional Economic Development Committee

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

From: Meloney Tupou, Maori Governance and Engagement Support Admin

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 16 September 2022

Ngā mahi tūtohutia / Recommendation

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

Attachments/Ngā tapirihanga

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

Joint Regional Economic Development Committee
29 July 2022

Joint Regional Economic Development Committee Minutes

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

Tuhinga/Present:

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

I Tae Mai/In Attendance:

Full Meeting

Economist (NRC)
Economic Policy Advisor (NRC)

Part Meeting

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

The Chair declared the meeting open at 10.05am.

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

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

Carried

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

Joint Regional Economic Development Committee
29 July 2022

Confirmation of Minutes - 29 April 2022 (Item 4.1)

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

Moved (Peter Wethey / Anna Curnow)

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

Carried

Receipt of Action Sheet (Item 5.1)

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

Moved (John Vujcich / Justin Blaikie)

That the action sheet be received.

Carried

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

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

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

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

Moved (Peter Wethey / Anna Curnow)

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

Carried

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

Whakamutunga (Conclusion)

The meeting concluded at 11.10am.

TITLE: **Receipt of Action Sheet**

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 16 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: Action Sheet - 23 September 2022 [↓](#) 

Joint Regional Economic Development Committee - schedule of actions

Meeting date	Item	JREDC Action	Responsible staff	Status	Notes
30-Jul-21	Investment and Growth Reserve: Funding available for 2021/22	Future workshop discussion on how funding can be increased, including investigation to what other regions are doing in this space, i.e. loans, collaboration with banks, bonds etc.	Darryl Jones, Emmanouela Galanou	Completed	Item discussed at the JREDC workshop on 11 March. Further discussion will take place at July workshop.
30-Sep-21	Investment and Growth Reserve: Allocation of funding for Regional Economic Development Strategy	Prepare an information paper on the progress of the Economic Development Strategy to share with all council elected members twice a year.	Northland Inc	In progress	Following the March meeting, the committee would like to receive an information paper so to circulate with their councils.
29-Apr-22	Local elections	Schedule time to plan for handover pack to new JREDC members. Alternatively email JREDC members to receive their input on the induction.	Darryl, Emmanouela, Justin	Completed	Email was circulated in September seeking comments from the JREDC to prepare handover notes for the new committee.
29-Jul-22	JREDC Meeting venue	September JREDC meeting to take place in Kaipara.	Darryl, Emmanouela, Justin	Completed	This meeting.
29-Jul-22	Economic Development Strategy	Update on the Steering Group's activity to be given to the JREDC at their September meeting.	Jude, Piripi	Completed	Item added to the JREDC Quarterly Workshop time.
29-Jul-22	Northland Inc's SOI 2022-2025	Letter be prepared and provided to Northland Inc on their SOI	Darryl, Emmanouela, Justin	Completed	Letter delivered on 26 August.
29-Jul-22	IGR: Update on the reserve	Long-term exercise on IGR projects evaluation.	Darryl, Emmanouela, Justin	In progress	To be prepared during year 2022/23.

TITLE: Northland Inc Limited: Annual Report for the Year Ending 30 June 2022

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

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on 16 September 2022

Whakarāpopototanga / Executive summary

Northland Inc Limited's (Northland Inc) 2022 Annual Report conforms to the requirements of the Local Government Act 2002 (LGA). Northland Inc reported a surplus after tax of \$14,606 in the 2021/22 financial year compared to a budget surplus of \$615 (2020/21: \$10,588 surplus compared to a budget surplus of \$961), producing a closing equity position as at 30 June 2022 of \$176,137 (\$161,491 as at 30 June 2021). In addition, 13 of the 16 performance measures set out in Northland Inc's Statement of Intent 2021-2024 have been achieved.

Representatives from Northland Inc will attend the Joint Committee meeting to comment on the report and answer any questions.

Ngā mahi tūtohutia / Recommendation

That the report 'Northland Inc Limited: Annual Report for the Year Ending 30 June 2022' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 12 September 2022, be received.

Background/Tuhinga

As required under section 67 of the LGA, Northland Inc has delivered to its shareholders, within three months after the end of the financial year, their annual report for the year ended June 2022 (**Attachment 1**). This is the first annual period since Northland Inc became a jointly owned council-controlled organisation (CCO) on 1 July 2021. Under the LGA, the responsibility of shareholders is simply to receive the report, which it is doing by way of this report. Each council must publish the annual report on its website within one month of receiving it.

Staff have reviewed the annual report and confirm that the requirements of the LGA in relation to the content (i.e. sections 68 and 69) have been met, e.g. performance reporting against the Statement of Intent (SOI), audited consolidated financial statements, and an independent auditor's report.

In terms of reporting against the key performance indicators (KPIs) set out in Northland Inc's SOI 2021/2022, the results are set out on pp. 3-4 of the annual report. Northland Inc achieved 13 of the 16 targets. The three KPIs not met fall under the Regional Investment Pou and were the following:

- (a) number of inward delegations hosted
- (b) value of grant funding and investment facilitated for Māori businesses
- (c) number of high impact projects implemented.

The impact of Covid-19 was the main reason for not achieving the three targets. Apart from the Covid-19-related delays, the change in focus of Kānoa affected the outcome of the number of high impact projects that Northland Inc were able to implement. Finally, the value of grant funding and investment facilitated for Māori businesses was achieved by 96%, thus nearly achieved.

Northland Inc reported a surplus after tax of \$14,606 in the 2021/22 financial year compared to a budget surplus of \$615 (2020/21: \$10,588 surplus compared to a budget surplus of \$961), producing a closing equity position as at 30 June 2022 of \$176,137 (\$161,491 as at 30 June 2021).

The audit report prepared by Deloitte gave an unqualified opinion that the financial statements and KPI reporting presents fairly the performance of the company and complies with legislative and standard account practices.

At the time of writing this paper, a decision had not yet been made from the board of Northland Inc on holding an annual meeting of shareholders. However, Northland Inc staff have indicated that they recommendation to the board will be not to hold an annual meeting as there is nothing to be done at that meeting. Under clause 5.3 of the Constitution of Northland Inc, the board can resolve not to hold an annual meeting of shareholders if there is nothing required to be done.

In addition to the audited annual report, a report including details on highlights / success stories of projects and activities carried out or underway for the year 2021/22 will be provided by Northland Inc in due course.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Limited's Annual Report for the Year Ended 30 June 2022 [↓](#) 

The cover features a large blue triangle on the left side, with a dark grey diagonal line separating it from the white background on the right. A small blue triangle points from the white area towards the blue area.

Annual Report

Statement of Service Performance and Financial Statements

For the Year Ended 30 June 2022

TITLE: Investment and Growth Reserve: Allocation of funding to Northland Inc for primary sector related activities

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

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on 16 September 2022

Executive summary/Whakarāpopototanga

The purpose of this paper is to seek agreement from the Joint Regional Economic Development Committee (JREDC) to allocate \$60,000 (plus GST) from the Enabling Investment category of the Investment and Growth Reserve (IGR) to Northland Inc Limited (Northland Inc) to allow the continuation of service delivery to the primary sector and the development of a programme business case for GROW Northland. The board paper outlines the proposal including details of the GROW Northland concept (**Attachment 1**). The Northland Inc board approved this request at its meeting on 2 September 2022 (**Attachment 2**).

Staff have assessed the request and conclude that while funding is available, the allocation is inconsistent with the current criteria and procedures for the allocation of Enabling Investment funding from the IGR as agreed to by Northland Regional Council (NRC) on 22 June 2021 (**Attachment 3**). This is because the request for allocation is being made without being accompanied by a robust business case (clause 13 of the criteria). However, Section 80(1) of the Local Government Act 2002 provides for the JREDC to make an inconsistent decision under specific conditions, and these conditions have been met within the content of this agenda item.

Staff recommend that council supports this allocation of funding to Northland Inc. However, staff also recommend that it be made specific that this allocation of funding does not indicate any commitment to the future funding of the GROW Northland programme. This will require a future funding decision and be dependent upon the findings of the programme business case. Furthermore, in developing the GROW Northland programme, it is recommended that Northland Inc actively seek input from Northland Regional Council land management staff to ensure that the GROW Northland programme considers the learnings of Extension 350 and does not duplicate other actions being taken to provide support and advice to the primary sector. In accordance with the IGR criteria, quarterly report is also recommended.

Representatives from Northland Inc will be in attendance to answer any questions regarding this request.

Recommendation(s)

1. That the report 'Investment and Growth Reserve: Allocation of funding to Northland Inc for primary sector related activities' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 13 September 2022, be received.
2. That \$60,000 (excluding GST) be allocated as Enabling Investment funding from the Investment and Growth Reserve to Northland Inc Limited to support the continuation of service delivery into the primary sector and the further development of the GROW Northland work programme.
3. That in making this allocation of funding to Northland Inc, the Joint Committee:
 - a. Notes that this support does not constitute a long-term commitment to the funding of the GROW Northland programme. That will be dependent of the development of a suitable programme business case.

- b. Requests that Northland Inc seek input from Northland Regional Council land management staff on the development and design of the GROW Northland programme.
4. That Northland Inc provide quarter reports for the periods ending 30 December 2022, 31 March 2023 and 30 June 2023 detailing the work achieved across the three actions:
 - a. providing support and connection services to the primary sector
 - b. deliver a programme business case for GROW Northland
 - c. engage with key stakeholder and potential funders.

Options

No.	Option	Advantages	Disadvantages
1	Allocate \$60,000 in funding	Provides support for the preparation of a programme business case for GROW Northland.	Uses all the funding currently available in the Enabling Investment category for two years.
2	Allocate a lesser amount of funding	Provides some support for the preparation of a GROWN Northland programme business case. Limits the reduction in funding available for future Enabling Investment projects	Preparation of programme business case for GROW Northland will be significantly impaired.
3	Not allocate funding	Maintains funding in the IGR to allocate to future Enabling Investment projects.	Preparation of a GROW Northland programme will not occur.

The staff's recommended option is Option1, to allocate \$60,000 (plus GST).

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) The specific work being funded by this allocation will have a limited impact on corporate greenhouse gas emissions. Any emissions generated by this work will be included within Northland Inc's greenhouse emissions calculation. In its Statement of Intent 2022-2025, Northland Inc have a target to reduce their net emissions in 2022/23 by 5%. In 2021/22, Northland Inc estimated an annual baseline carbon footprint of 55,260 kgCO₂.

One of the purposes of the funding is to enable Northland Inc to deliver a programme business case for GROW Northland. A major issue that will be covered by this programme is to consider how to assist farmers respond to the growing pressures of climate change.

2. Environmental Impact

The specific work being funded by this allocation does not have any environmental risks or impacts. One of the purposes of the funding is to enable Northland Inc to deliver a programme business case for GROW Northland. A major issue that will be covered by this programme is to consider how to assist farmers respond to increasing environmental requirements and reduce the impacts of current farming systems. Staff recommend that Northland Inc work closely with Northland Regional Council (NRC) land management on this matter to ensure the programme adequately addresses the environmental challenges and opportunities facing the agricultural sector and ensure there is no overlap of service delivery.

3. Community views

There are no community views on this decision that need to be considered.

4. Māori impact statement

There are no known particular impacts on Māori which are different from other members of the public that need to be considered in relation to this decision. However, in developing the programme business case for GROW Northland, it will be important consult with Māori to ensure the proposed programme adequately addresses the Māori primary sector participants.

5. Financial implications

Table 1 sets out the forecast cash flow balance of the IGR based on current funding commitments, detailing income and withdrawals including operational funding of Northland Inc. Based on current forecasts, there is enough money in the IGR to allocate \$60,000 in 2022/23. However, this will use up all the funding currently available in the Enabling Investment category of the IGR.

Table 1. Forecast cashflow balances of the IGR, 2022/23 to 2026/27

based on current funding commitments
\$000

Investment and Growth Reserve	2021/22		Based on LTP commitments and Northland Inc SOI 2022-25				
	Budget	Actual	2022/23	2023/24	2024/25	2025/26	2026/27
Opening Balance	\$533	\$533	\$80	\$20	\$20	\$20	\$20
Deposits							
Northland Regional Council	\$1,864	\$1,864	\$1,894	\$1,937	\$1,984	\$2,033	\$2,084
Far North District Council	\$82	\$82	\$169	\$246	\$335	\$416	\$500
Kaipara District Council	\$29	\$29	\$61	\$89	\$121	\$149	\$180
Total local government contribution	\$1,975	\$1,975	\$2,124	\$2,272	\$2,440	\$2,598	\$2,764
Other revenue ¹	\$11	-\$3	\$0	\$0	\$0	\$0	\$0
Total deposits	\$1,986	\$1,972	\$2,123	\$2,272	\$2,440	\$2,598	\$2,764
Withdrawals							
Northland Inc operational expenditure funding	\$1,637	\$1,637	\$1,824	\$1,972	\$2,140	\$2,193	\$2,248
Project Development ²	\$300	\$175	\$300	\$300	\$300	\$300	\$300
Enabling Investment (EI)							
Committed EI funding	\$533	\$533	\$0	\$0	\$0	\$0	\$0
Potential funding available for EI allocation ³	\$30	\$80	\$60	\$0	\$0	\$105	\$210
Total withdrawals	\$2,499	\$2,424	\$2,184	\$2,272	\$2,440	\$2,598	\$2,758
Closing Balance	\$19	\$80	\$20	\$20	\$20	\$20	\$26

Notes

1. Other revenue includes interest earned on the IGR.
2. The IGR criteria provides for up to \$300,000 per annum to be provided for Project Development category. If funding is not used for Project Development, then it remains in the IGR and is available for allocation in future years.
3. This figure represents a quantum that could be spent. If it is not spent, then it stays in the IGR and increases the funding available for later years.

6. Implementation issues

The project will be implemented by Northland Inc. Northland Inc have been involved in managing the Extension 350 programme, the Kaipara Kai project, the peanut trials, etc.

7. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is of low significance when assessed against significance and engagement policy of Northland Regional Council (NRC) as the allocation of funding from the IGR has been specifically considered and provided for in NRC's Long Term Plan.

8. Policy, risk management and legislative compliance

The criteria and procedures for the allocation of funding from the IGR (IGR criteria) provides for three categories of funding allocation: Northland Inc operational funding, Project Development funding and Enabling Investment funding. Northland Inc are requesting that \$60,000 be provided as Enabling Investment funding. Staff have reviewed the proposal against the procedures and criteria for the Enabling Investment category and determined that while most of the criteria have been met, the funding proposal is not accompanied by a robust business case (Table 2).

Table 2. Assessment of investment proposal against the IGR criteria for Enabling Investment

IGR clause	RPR criteria or procedure	Comment
10a	Be located in Northland or substantially located in Northland	The project is located in Northland.
10b	Align with the Joint Regional Economic Development Committee's priorities for economic development (as set from time to time), including: <ul style="list-style-type: none"> i. the construction of public or community held infrastructure; or ii. the development of regionally strategic sectors as identified in Northland Inc's Statement of Intent 	The project is focused on the primary sector. Agriculture and horticulture are identified as one of five strategic sectors within Northland Inc's SOI 2022-2025.
10c	Provide viable, long-term economic development (i.e. beyond immediate short-term employment and business activity) by meeting one or more of the following: <ul style="list-style-type: none"> i. Generating ongoing net economic benefit to the region; ii. Creating ongoing new jobs in the region; iii. Increasing exports from the region; iv. Being innovation based. 	The project will support the primary sector of Northland. While the primary sector is a significant exporter and employer in the region, the added value of this project has not been estimated.
10d	Demonstrate that the development can be achieved in a way that supports strong communities and environmental sustainability in Northland.	A strong premise of the project is that the primary sector plays a significant role in supporting small rural communities. It also recognises the significant change that is coming on the primary sector in relation to environmental regulatory and climate-based pressures.

IGR clause	RPR criteria or procedure	Comment
11	For clarity, Enabling Investment funding cannot be used to fund: <ul style="list-style-type: none"> a. Projects or private businesses that generate profits which are not fully reinvested into the project or utilised for other public economic development benefits; or b. Any project that is determined to potentially have significant adverse impacts on environmental, social, and/or cultural well-being, regardless of the positive economic impacts. 	Funds are not being used for a project that it is unable to be allocated for under this criterion.
12a	Applications have been considered and evaluated for funding by the Northland Inc. Limited Board.	Yes, at their board meeting on 2 September 2022.
12b	Funding provided is intended as partnership funding and cannot account for more than 33% of the total project cost unless it is demonstrated that there are exceptional circumstances.	The \$60,000 funding allocation represents 35% of the budgeted investment of \$172,000 required for Stage One. Northland Inc believe they can leverage the remaining balance of the budget from central government, industry bodies, etc.
12c	On behalf of the Joint Regional Economic Development Committee, Northland Regional Council will issue a formal offer to the project sponsor setting out the terms and conditions for funding. This offer will include milestones, key performance indicators and regular reporting requirements	Staff recommend that Northland Inc provide a quarterly report on this project.
13	A robust business case, that has been prepared at a level commensurate with the quantum of funding being requested, must be provided with the decision paper.	A robust business case has not been prepared.


Making this decision is therefore inconsistent with the criteria and procedures for the allocation of funding from the IGR. Section 80(1) of the Local Government Act 2002 provides for a local authority to make a decision that is inconsistent with policy provided when making the decision, the local authority clearly identifies: (a) the inconsistency; (b) the reasons for the inconsistency; and (c) whether there is any intention to amend the policy or plan to accommodate the decision. The paragraphs above identify the inconsistency and the reasons for the inconsistency. In terms of an intention to amend the policy, staff consider this decision to be a one-off request and therefore there is no intention to change the current IGR criteria.


Background/Tuhinga

Not applicable.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Board Meeting 2 September 2022 Enabling Investment Funding
Application: Grow Northland [↓](#) 

Attachment 2: Unconfirmed minutes from the Northland Inc board meeting of 2 September 2022 [↓](#)


Attachment 3: Criteria and procedures for the allocation of funding from the Investment and Growth
Reserve - version 5 adopted 22 June 2021 [↓](#) 

TITLE: Northland Inc Limited Directors: Appointment of directors for term beginning 1 July 2023

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

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on 16 September 2022

Executive summary/Whakarāpopototanga

The purpose of this paper is to seek approval from the Joint Regional Economic Development Committee (Joint Committee) to prepare the necessary documentation for an open advertising process relating to the appointment of directors to Northland Inc Limited (Northland Inc) for the positions whose current terms expire 30 June 2023. This documentation includes a matrix of skills and experience, a job description and job advertisement material.

The terms of appointment for three of the six current directors of Northland Inc conclude on 30 June 2023 (**Attachment 1**). All three have each served two terms with a total length of service of five years. After consultation with Northland Inc, staff recommend that appointments be sought from the market rather than simply reappointing some or all three directors.

The current directors of Northland Inc whose term finishes on 30 June 2023 are eligible to apply under the policy for the appointment of directors. Under the policy, the maximum number of consecutive terms for any director is three, and reappointments exceeding six continuous years are considered on a case-by-case basis. Consequently, the current directors can be appointed for one more term up to a maximum of three years

A final decision on undertaking an open advertising process will be taken by the new Joint Committee appointed post the triennium local government elections. The decision in this paper is sought now to provide staff time to prepare the documentation so that advertising can begin soon after the final decision is taken. The new Joint Committee may not be able to decide on this matter until early in 2023. The new Joint Committee will also establish an ad hoc committee to consider applications, conduct interviews and make a recommendation on preferred candidates.

In addition to suggesting an open advertising process, this paper also contains two other suggestions to the new Joint Committee: that the Chair of Northland Inc be included as a member of the ad hoc appointment committee and that just two directors be appointed. Including the Chair of Northland Inc will help ensure a good fit with the remaining members of the board, particularly given that the new Joint Committee will have had few opportunities to meet with board before making this decision. Reducing the total of board members to five will reduce the cost of governance and is considered an appropriate number of an organisation of Northland Inc's size (as it was before July 2018).

Making this decision is consistent with the policy on the appointment of directors to Northland Inc agreed to by the Joint Committee at its meeting on 30 July 2021.

Recommendation(s)

1. That the report 'Northland Inc Limited Directors: Appointment of directors for term beginning 1 July 2023' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 13 September 2022, be received.

2. That staff prepare the necessary documentation associated with an open advertising process for the position of Northland Inc Limited directors.
3. That the current Joint Committee recommends to the next Joint Committee, to be appointed post the triennial local government elections, that it considers:
 - a. Using an open advertising process rather than reappointing existing directors;
 - b. Including the Chair of Northland Inc as a member of the ad hoc appointment committee; and
 - c. Appointing just two directors for terms beginning 1 July 2023 to reduce the total number of directors down to five.

Options

No.	Option	Advantages	Disadvantages
1	That staff prepare the necessary documentation associated with an open advertising process for the position of Northland Inc Limited directors.	Provides staff with adequate time to prepare documentation. Open advertising process tests the market.	Setting course for new Joint Committee.
2	That staff do not prepare the documentation.	Leaves decision entirely up to new Joint Committee.	Places additional work on staff in the new year during which the new Joint Committee is being inducted.

The staff's recommended option is Option 1.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) There are no climate impact issues associated with this decision. If a future decision is made to reduce the number of board directors from six to five, there may be a reduction in climate change emissions generated by attendance at board meetings and activities.

2. Environmental Impact

There are no environmental risks or negative impacts associated with this decision.

3. Community views

There are no community views on this issue that need to be considered.

4. Māori impact statement

There are no known particular impacts on Māori which are different from other members of the public that need to be considered.

5. Financial implications

There are no budget implications associated with this decision. If a future decision is made to reduce the number of board directors from six to five, this will make available more operation funding for other Northland Inc activities.

6. Implementation issues

Agreeing to go to the market will require preparation of material. Giving direction to staff to make this will ensure enough time is put in place so proceed in new year.

7. Significance and engagement

This matter does not trigger Northland Regional Council's Significant and Engagement Policy, and no public consultation is required for the Joint Committee to make the decision.

8. Policy, risk management and legislative compliance

Under Section 4.1 of Northland Inc Limited Shareholders' Agreement signed on 1 July 2021, the appointment of directors is a matter for Joint Committee decision. The decisions as set out in this paper are consistent with the policy on the appointment of directors to Northland Inc.

Background/Tuhinga

Nil.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Limited - Terms of current directors [↓](#) 

TITLE: Proposed Induction Programme for the next Joint Regional Economic Development Committee

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 16 September 2022

Executive summary/Whakarāpopototanga

The purpose of this paper is to outline the proposed Induction Programme of the next Joint Regional Economic Development Committee (Joint Committee). The proposed Induction Programme covers the first three months from the committee appointment results in December 2022 to the first Meeting and Quarterly Workshop with Northland Inc Limited (Northland Inc) in March 2023. The aim is to provide the newly appointed members with information and tools to assist them in their governance role in economic development in Northland over the next three years. The proposed Induction Programme as set out in **Attachment One** is intended as a draft schedule. Staff will develop the detailed programme in due course. In addition, this paper outlines the key messages of the current Joint Committee that staff will pass on to the next Joint Committee.

Recommendation(s)

1. That the report 'Proposed Induction Programme for the next Joint Regional Economic Development Committee' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 14 September 2022, be received.
2. That the Joint Regional Economic Development Committee agree to the proposed Induction Programme as set out in **Attachment One** and the key messages outlined in this paper.

Options

No.	Option	Advantages	Disadvantages
1	The Joint Committee agree to the proposed Induction Programme as set out in Attachment One and key messages outlined in this paper.	Provide certainty that a well-structured induction plan has been set out for the next committee, which will cover the most critical and key aspects of their work. That the key messaging has been clearly outlined to the next committee.	No disadvantages have been identified in relation to this option.
2	Do not agree to the proposed Induction Programme and the key messages.	Allow the new members to form unbiased decisions.	Without an induction programme the next Joint Committee will be unprepared to undertake their work and responsibilities. A chance to agree to the key

			messages for the next Joint Committee is missed.
--	--	--	--

The staff's recommended option is Option 1, that the Joint Committee agrees to the proposed Induction Programme as set out in **Attachment One** as well as the key messages outlined in this paper.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) There are no climate change impacts associated with this decision.

2. Environmental Impact

There are no direct environmental impacts associated with this decision. However, it is worth noting that staff will ensure that the Induction Programme highlights the importance of environmental sustainability in regional economic development. Environmental Sustainability is one of the Objectives / Pou identified within Northland Inc's Statement of Intent (SOI) 2022-2025. The next Joint Committee will have input in decision-making in relation to regional environmental sustainability through their council-controlled organisation.

3. Community views

There are no community views associated with this decision that need to be considered.

4. Māori impact statement

There are no known impacts on Māori in relation to this decision that are different from the general public. However, the proposed Induction Programme will highlight the importance of Māori Economic Development (MED) in the region, particularly considering that Northland has the second highest percentage of Māori population across the 16 regions of New Zealand.

5. Financial implications

This matter presents financial implications like the ones occurring for the general council induction. There is a cost associated with the training provided by Economic Development NZ (EDNZ), preferably scheduled to take place in-person in February 2023. This is a two half-day course aiming at supporting appointed committee members in maximising investment return in the region (the course brochure is provided in **Attachment Two**). The cost per councillor per day is \$340. Staff from all three councils have confirmed that there is funding available to support training for their appointed members.

6. Implementation issues

The proposed Induction Programme set out in **Attachment One** is a draft programme intended to give an indication of the process timeline and context. Dates are subject to change. Council staff will work together to finalise a detailed induction programme in due course. Should shareholder councils appoint their members to the Joint Committee early enough, it is hoped that the introductory session of the Joint Committee could occur in December 2022.

7. Significance and engagement

8. Policy, risk management and legislative compliance

This decision is consistent with policy and legislative requirements and there are no risks associated with making this decision. However, there is a potential risk if an induction programme is not in place at the start of the next Joint Committee's term. This may result in the lack of preparation and therefore prevent the Joint Committee members from effectively undertaking their role and responsibilities.

Background/Tuhinga

The purpose of the induction programme is to set up the newly appointed members of the Joint Committee. It provides all Joint Committee members with an introduction to economic development culture, structure, and organisations they might interact with regionally and nationally. The proposed Induction Programme will include a balance of theory and training, reflection, socialisation and practise.

Proposed Induction Programme

The induction process of the new Joint Committee aims at building knowledge, but also helping the new members to start thinking and planning for the region's success. The new Joint Committee will benefit from gaining understanding of regional economic development in Northland, how it works, who drives it, and the role they play in this space. The Induction Programme (**Attachment One**) proposes the following activities:

- Introductory session, plus handbook – in December/early February 2023
- Welcome session at Northland Inc, including mihi whakatau, to meet board and staff – in December/early February 2023
- Committee Members EDNZ training programme – in late February 2023
- Ongoing workshop series ran by council and Northland Inc staff

The introductory session will cover the roles and responsibilities of the Joint Committee as shareholders of Northland Inc, particularly around the appointment of directors and their remuneration, the annual development of the Statement of Intent (SOI), and their governance responsibilities vis a vie the board of Northland Inc. It will also specifically consider the role of the Joint Committee in overseeing the allocation of funding from the Investment and Growth Reserve. The tangata whenua perspective on regional economic development will also be traversed.

Current Joint Committee: Recommendations / handover notes

The current Joint Committee was established on 1 July 2021. In the last fifteen months the Joint Committee has held six meetings and several workshops. Staff have gathered the key messages that the current Joint Committee wish to provide to the new Joint Committee to equip them in their journey to effectively contribute to economic development in Northland. These key messages are listed below:

- **A strong and healthy relationship with the board of Northland Inc.**
The Joint Committee's role in the appointment of directors is critical in maintaining / improving the governance relationship with Northland Inc as a whole. Equally important is for the new Joint Committee to clearly understand the role and responsibilities associated with the shareholders, who are responsible for providing direction and the board of directors of Northland Inc, which oversees implementation.
- **Regional Economic Development Strategy / Te Ōhanga Rautaki Whānui o Te Tai Tokerau**
The strategy is an important document that Northland Inc has been tasked to develop. It will provide direction on how to guide Northland Inc through their SOI and how councils can best coordinate and optimise the way they collectively contribute to economic development in the region.

In addition, the current Joint Committee would like to highlight the approach in the current SOI and the direction given regarding the strategy that economic development should be viewed as an enabler of improvements in environmental, social and cultural wellbeing in the region. It is not economic development simply for growth's sake.

- **Participation of all councils**

A desire to see Whangarei District Council (WDC) join Northland Inc's shareholding along with Northland Regional Council, Far North District Council and Kaipara District Council.

- **Regional Reach**

It is essential to realise that while regional reach is important, Northland Inc's role is to serve the region rather than focus on work in individual council areas. While the Joint Committee members are committed to their designated councils, it is critical that the work of Northland Inc focus on what is best for the whole of Northland.

- **Council funding arrangement**

The current Joint Committee suggests that the new Joint Committee review the current position of the shareholders funding contribution. This process will assist the new committee members and staff with investigating ways to access additional funding and exploring the consequences if this funding is not available.

Attachments/Ngā tapirihanga

Attachment 1: Proposed 2023 Induction Programme to Next Joint Committee [↓](#) 

Attachment 2: EDNZ Course brochure - Maximise return on your investment in ED [↓](#) 