

Agenda

Rārangi Take

Kaipara Moana Remediation Joint Committee
Monday 27 February 2023 at 9.30am



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Kaipara Moana Remediation Joint Committee Agenda

Rā Date:	27 February 2023
Tāima Time:	9.30am – 3.30pm
Tauwāhi Location:	Te Aroha Pā, Araparera
Ngā Mana whakahaere Members	Tame Te Rangi (Chair), Te Rūnanga o Ngāti Whātua Amy Macdonald, (Deputy Chair) Northland Regional Council Cherie Povey, Ngā Maunga Whakahii o Kaipara Georgina Curtis-Connelly, Te Uri o Hau Greg Sayers, Auckland Council Jack Craw, Northland Regional Council Jane Sherard, Ngā Maunga Whakahii o Kaipara John Blackwell, Northland Regional Council Kerrin Leoni, Auckland Council Michelle Carmichael, Auckland Council Taiawhio Wati, Te Uri o Hau Virginia Warriner, Te Rūnanga o Ngāti Whātua

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

For any queries regarding this meeting, please contact Kaipara Moana Remediation via the website <https://kmr.org.nz/contact/>

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TITLE: Confirmation of Minutes

Kaituhi Pūrongo |
Report Writer

Sophie Bone, PA to Pou Tātaki and Governance Support

Whakataunga | Recommendations

1. That the minutes of the Kaipara Moana Remediation meeting held on 1 December 2022, be confirmed as a true and correct record.

Pirihongi | Attachments

Attachment 1 - Joint Committee Hui Minutes (December 2022)



Kaipara Moana Remediation Joint Committee Meeting Minutes

Rā Date:	Thursday, 1 December 2022
Hui Meeting:	Kaipara Moana Remediation Joint Committee Hui Meeting location: The Bridge House, Warkworth and Online (Zoom)
Tuhinga Present:	Tame Te Rangi (Chair), Te Rūnanga o Ngāti Whātua Amy Macdonald, Northland Regional Council Cherie Povey, Ngā Maunga Whakahī o Kaipara Greg Sayers, Auckland Council (Attended via online Zoom Link) Jack Craw, Northland Regional Council John Blackwell, Northland Regional Council Malcolm Welsh, Te Uri o Hau (Attended via online Zoom Link) Michelle Carmichael, Auckland Council (confirmed on 7 December 2022) Virginia Warriner, Te Rūnanga o Ngāti Whātua
I tae mai In Attendance	Justine Daw, Pou Tātaki, Kaipara Maurikura Ben Hope, Ringa Pārongo/Communications and Governance Lead, Kaipara Maurikura William Wright, Ringa-Hononga Mana Whenua/Mana Whenua Relations Lead, Kaipara Maurikura Sophie Bone, PA and Governance Support, Kaipara Maurikura Ilka Pelzer, Ministry for the Environment (Observer)

The Chair declared the meeting open at 3.06pm. Following a karakia tīmatanga, the Chair acknowledged that this was the first time in over a year that the Joint Committee had been able to meet in person due to COVID-19 constraints, and a hiatus due to local government elections. The Chair emphasised the importance of in-person meetings, including on marae, as was planned to resume in 2023. The Chair also called for the work of the Joint Committee in future to not be impeded in terms of business continuity, as it had been in 2022, by the lack of quorum caused by the local government elections.

TITLE: Joint Committee Action Tracker

Kaituhi Pūrongo | Sophie Bone, PA to Pou Tātaki and Governance Support
Report Writer

Te Kaupapa | Purpose

The purpose of this report is to enable the Joint Committee to receive the current Action Tracker.

Whakarāpopototanga | Executive summary

This report tables to the meeting the Joint Committee Action Tracker, which records actions still to be resolved from previous Joint Committee meetings.

Whakataunga | Recommendations

1. That the 'Joint Committee Action Tracker' be received.
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Pirihongi | Attachments

Attachment 1 - Joint Committee Action Tracker (February 2023)

Kaipara Moana Remediation Programme

**Joint Committee
Action Tracker (February 2023)**

Item	Action	Who	Due	Status	Comments
21 February 2022					
Catchment Reference Groups (Item 6.2)	That a report-back on progress to establish the Catchment Reference Groups be provided to the Joint Committee	Willie Wright	September 2023	Open	This report-back has been delayed due to slower than expected progress in this work area.
15 November 2021					
Procurement of the Kaipara Moana Remediation Freshwater Management Tool (Item 5.1)	That the Pou Tātaki develop a long-term agreement with Auckland Council (Healthy Waters) for hosting, operation and maintenance costs associated with the Kaipara Moana Remediation Freshwater Management Tool [FWMT]	Karina Marsom / AKL Council Healthy Waters team	Q4 2023 (TBC)	Open	Timing for this report-back depends on several factors, primarily finalisation of the KMR FWMT tool (now named Tātaki Wai) which is not due until November 2023 (TBC).

Note: Closed items will be removed from the table once they have been sighted by the Joint Committee

TITLE: Joint Committee Forward Workplan

Kaituhi Pūrongo | Sophie Bone, PA to Pou Tātaki and Governance Support
Report Writer

Te Kaupapa | Purpose

To receive the Joint Committee Forward Workplan.

Whakarāpopototanga | Executive summary

This report tables to the meeting an indicative Joint Committee Forward Workplan, which sets out a high-level view of expected discussions and papers to be tabled over the calendar year 2023. It serves as a helpful record for both the Kaipara Maurikura and the Joint Committee and will be refreshed for each Joint Committee Hui.

Whakataunga | Recommendations

1. That the report 'Joint Committee Forward Workplan' be received.

Pirihongi | Attachments

Attachment 1 - Joint Committee Forward Workplan (February 2023)

KMR Joint Committee: Indicative Forward Workplan (February 2023)

Meeting	Hui	Workshop
February 27/2	<ul style="list-style-type: none"> Update on incentivising landowner uptake Pou Tātaki report Draft 6 month report KMR interests management: OAG response 	
March 27/3		<ul style="list-style-type: none"> Soil Conservation Risk Strategic planning (Annual Plan)
May 1/5	<ul style="list-style-type: none"> Annual Plan (Draft) Soil Conservation Kārero Tuku Iho Engagement & Communications 	
June 12/6		<ul style="list-style-type: none"> Digital Tools Workforce Development
July 24/7	<ul style="list-style-type: none"> Annual Work Plan Catchment Reference Groups 	
August 28/8		<ul style="list-style-type: none"> Soil Conservation Kārero Tuku Iho Preliminary Year End results
September 18/9	<ul style="list-style-type: none"> Field visit 	
October 30/10		<ul style="list-style-type: none"> Risk Science Outcomes Monitoring
November 27/11	<ul style="list-style-type: none"> Annual Report Audit Draft Six Month Report 	

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TITLE: Reducing Barriers for LandownersKaituhi Pūrongo |
Report Writer

Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager

Whakarāpopototanga | Executive summary

On 1 December 2022, the Joint Committee provided direction on three new initiatives to reduce barriers to engaging with KMR and incentivise participation by landowners in the catchment. This paper provides an update on work underway to implement these initiatives:

- 'Navigator' projects to build engagement and momentum
- Extending native planting to hill slopes near waterways with high sediment yield risk
- Pre-ordering plants for the 2023 planting season

KMR staff have identified the need to further refine funding settings to reduce barriers to landowner participation. Decisions are sought to progress the following changes:

- Paying up to 70% of project costs of Whenua Whānui Fund projects
- Providing upfront payment of Whenua Whānui Fund grants less than \$5,000
- Operational discretion to approve grants that exceed \$40,000 per annum

Whakataunga | Recommendations

1. That the report 'Reducing Barriers for Landowners' by Stephanie Versteeg, Amo-Rautaki Pākihi, and dated 15 February 2023, be received.
2. Note KMR staff are implementing initiatives endorsed in December 2022, specifically:
 - a. the development of Navigator projects.
 - b. funding of native planting on hill slopes near waterways with high sediment yield risk; and
 - c. pre-ordering of 400,000 plants for the 2023 winter planting season.
3. Note KMR staff have identified additional actions that will help reduce barriers to landowner participation in KMR.
4. Agree that Whenua Whānui Fund grants can cover up to 70% of estimated project costs to address cost barriers to participation.
5. Note that KMR staff will continue to explore other avenues to reduce costs to landowners and KMR, for example the development of third-party funding streams.
6. Agree that Whenua Whānui Fund grants under \$5,000 can be paid upfront to grantees once a contract is signed to reduce administrative burden, noting that projects remain subject to usual support, monitoring and sign off.
7. Agree that for large projects with high sediment reduction benefits the Pou Tātaki has discretion to approve grant funding of projects above the current per property limit of \$40,000 per annum, provided the average annual value of \$40,000 KMR grant per property is not exceeded over 5 years, up to a total cap of \$200,000 per landowner.
8. Note that the Kaipara Maurikura will continue to exercise operational discretion in application of these changes, if agreed, based on an assessment of risk, including the ability of the applicant to deliver the project.

Horopaki | Background

KMR's primary objective is to support landowners and land managers in the Kaipara Moana catchment to deliver projects to reduce erosion and sediment loss to waterways and ultimately the Moana. This is set out in KMR's founding Memorandum of Understanding.

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On 1 December 2022, the Joint Committee provided direction on three new initiatives to reduce barriers to engaging with KMR and incentivise participation by landowners in the catchment. This paper provides an update on work underway to implement these initiatives:

- ‘Navigator’ projects to build engagement and momentum
- Extending native planting to hill slopes with high sediment yield risk near waterways
- Pre-ordering plants for the 2023 planting season

KMR staff have identified the need to further refine funding settings to reduce barriers to landowner participation. This follows anecdotal and specific examples of landowners who would like to take action to reduce sediment, but for whom the barriers to participation are too high and/or the incentives to engage are insufficient. This is particularly the case for those applying under the Whenua Whānui Fund.

The recommended changes take into account feedback from the September 2022 Partnership Forum, operational experience from our first full year of operations, feedback from various landowners, groups and partners in the catchment, and engagement with comparable programmes nationally.

Tātari me ngā tūtohu | Analysis and Advice

Update on initiatives endorsed on 1 December 2022

Navigator projects

Navigator Projects aim to increase landowner engagement and sediment reduction action across the catchment, to assist KMR in scaling up. As highly visible projects that ‘model the way’, pilot projects will complement other work already underway in KMR. They are informed by similar schemes (e.g., the Wai Kōkopu Lighthouse initiative) and will be aligned to forthcoming Champion sites to be developed by Auckland Council.

Collectively, Navigator projects aim to demonstrate a range of good practice, larger-scale or innovative approaches in sediment reduction. Their point of difference is that they will share experience and learnings with others, for example, in their community, sector or iwi/hapū. All Navigator projects will be led by landowners or groups who will communicate and demonstrate of the benefits of the project’s sediment reduction works, and lessons from the projects. The Navigator focus on engagement and communication is seen by KMR as key: it is well recognised that peer-to-peer engagement can play an important role in building landowner understanding and adoption of new practices. For example, a key barrier to some landowners undertaking riparian planting (in addition to the cost) is that they are unfamiliar with it and have not seen it successfully undertaken by other landowners that they trust and respect.

In addition to funding support, KMR will go the extra mile to support these projects to get underway, including providing technical support, and identifying potential third-party funding opportunities.

Since the December Joint Committee Hui, promotion of Navigator projects through our networks has generated considerable interest. Expressions of Interest closed on 19 February. Projects that do not progress as Navigator Projects will be progressed as standard KMR projects, where eligible.

Navigator projects will deliver remediation work this year (including for winter planting) and beyond. Following Joint Committee direction in December, they may include mitigations beyond those currently funded, without prejudging longer-term soil conservation settings. Landowner Grant or Whenua Whānui Fund criteria will otherwise apply. Lessons from Navigator project implementation will inform future KMR programme design and good practice, such as by testing lower-cost native planting models to stabilise highly erodible hillsides or approaches to sub-catchment engagement with communities.

Some Navigator project Expressions of Interest are expected to seek KMR funding support for initial community, sector, and/or iwi/hapū engagement that, in time, is expected to generate new

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sediment remediation works. As a general principle, KMR is keen to support some of these projects, as this is an opportunity to build sub-catchment and sector-based engagement and good practice across the catchment. Funding for these projects will be consistent with Whenua Whānui Fund criteria: viz. that KMR will support some management and administration costs (usually up to 10% of the estimated value of total project costs).

At least one project submitted as an EOI is aiming to generate third-party revenue, which is in line with the intent of the KMR MOU to leverage the Crown funding to incentivise landowner participation in large-scale sediment remediation works.

Extending native planting to hill slopes with high sediment yield risk ('Zone D planting')

At the 1 December Hui, the Joint Committee discussed extending native planting into hill slopes with high sediment yield risk near waterways and endorsed the Kaipara Maurikura progressing this immediately for winter 2023, in advance of (but without prejudging decisions) decisions on longer-term Soil Conservation strategy settings.

This direction has been implemented, and KMR is now operationally ready to support 50% of estimated project costs of native planting on hill slopes that are high risk of delivery of sediment to waterways or the coast. Operationally, we are calling this 'Zone D' planting. KMR assessment of the eligibility of areas proposed Zone D planting will take into account:

- Areas identified in KMR's indicative sediment risk layer and/or
- Areas identified in KMR's slope layer as > 15 degrees slope and/or
- In-field observations of active erosion AND
- Erosion of this land is likely to deliver sediment directly to a waterway or the coast.¹

Zone D planting will be supported by KMR at a density of 2,500 stems per hectare (2m spacing), rather than the higher stocking rates of 4,500-5,000 KMR currently applies in riparian areas. This means that native planting in Zone D is expected to cost around \$10,000-\$12,000/ha (KMR contributing 50% of that).

Existing KMR grant settings otherwise apply, including:

- Sub-standard fences can be replaced, if necessary, as per current policy.
- The usual 10m each side/20m total maximum riparian buffer still applies where land is not eligible for Zone D planting.

Pre-ordering of plants

At the December 1 Hui, the Joint Committee discussed and endorsed an approach to secure access to 400,000 seedlings from KMR accredited nurseries for the 2023 planting season.

Over the medium-term the programme is working to develop an operational cadence that sees landowners encouraged and supported to confirm planting projects well in advance of the planting season. This culture will take time to develop.

For 2023, the agreed approach will provide security of supply for planting projects in a manner that is equitable for nurseries. Nurseries have been grouped by size, based on Full Time Equivalent staff, and pre-order quantity is determined by this grouping (*refer Table 1*).

¹ This means a clear and direct overland flow path to a waterway or the coast. These areas are likely to be contiguous with riparian planting, and, where they are not, direct connectivity to a waterway should be clear.

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Table 1: Allocation of seedling orders based on nursery size

Small (1 FTE) 10,000 stems each	Medium (4-8 FTE) 20,000 stems each	Large (12+ FTE) 50,000 stems each
BABYLON COAST NURSERY	AKERAMA MARAE / NGATHIHINE WAIORA	KAURI PARK NURSERIES
CRAIG MCNAUGHT NURSERY	KAIPARA COAST PLANT CENTRE	RURAL DESIGN
MIRO AGRI	FOREST FLOOR	SCRUB GROWERS
THE NATIVE PROJECT	MANGAWHAI NATIVES	TE ARAI NATIVE NURSERY
NATURES VISION NURSERY	TE ROROA - TE TOA WHENUA NURSERY	
NZ RIVERWOOD NURSERY		
OTAMATEA HARBOUR CARE / RĀHUI GARDENS		
REFOREST		
SOUTH KAIPARA LANDCARE		
WAIMARIE NURSERY		
100,000 stems	100,000 stems	200,000 stems

This direction has been communicated with nurseries, with positive feedback, and KMR staff are comfortable that supply can be matched to demand across the catchment while adhering to KMR's eco-sourcing principles. Currently, KMR Staff and Field Advisor effort is focused on confirming planting projects and ensuring a streamlined process to operationalise specific pre-orders.

While this is a top operational priority, there is a risk plants are not fully allocated at the start of the planting season. To mitigate this, several contingency projects that can absorb additional plants, if necessary, are being identified, and we are working to ensure that all plants will be planted this year in projects with sediment reduction benefits. This may require KMR to cover more than 50% of total costs of these plants; if this eventuates this can be absorbed within the current budget whilst maintaining an overall 50/50 split between Crown and other (council, landowner, third party funding).

This year's approach to pre-ordering will be reviewed after the planting season (as last year's Foundation Planting initiative was reviewed, and lessons applied). We will also consider whether any changes to pre-ordering arrangements are needed once KMR's Soil Conservation settings and Year 4 Key Performance Indicators for planting numbers have been confirmed.

Improvements to fund settings to address other identified barriers to participation

Addressing other barriers to landowner participation in KMR, while ensuring the cost-effectiveness of investment, is a priority for KMR this year. In addition to the improvements identified earlier in this paper, Kaipara Maurikura staff have identified some areas where there is a case to improve operational settings to better support sediment reduction outcomes and ensure fund settings are equitable. These areas are set out below.

Early decisions on KMR's funding design identified the need to review settings in light of experience. Engagement in 2022 with other similar remediation programmes also highlighted the importance of adapting fund settings to address identified barriers to participation. While we can (and do) take lessons from other programmes, there is no template or roadmap that defines the optimal approach to providing advice, incentives and support to landowners, and it is important that we continue to monitor and improve our approach.

Improvement 1: Whenua Whānui Fund grants cover up to 70% of estimated project costs

Recommendation: To address financial barriers to participation, KMR seeks Joint Committee approval to cover up to 70% of estimated project costs of eligible Whenua Whānui Fund projects. Navigator projects will also be eligible, if they meet Whenua Whānui Fund criteria.

Problem definition: Whenua Whānui Fund applicants can face significant challenges in meeting the required 50% contribution to project costs, including through in-kind contributions. This has been identified as the biggest barrier to uptake of funding and participation in KMR, in particular by marae, iwi/hapū and community-led projects. This barrier is also thought to be a key reason why

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KMR is investing considerably less, on average, per approved grant than originally modelled, why there are relatively few Whenua Whānui Fund projects approved so far, and why approved Whenua Whānui Fund projects are comparatively small.

Meeting the required contributions through cash costs (e.g., contracting labour) is a particular barrier for marae, iwi/hapū, community and other collective project applicants, as they often face additional barriers due to limited sources of income and/or access to finance.

Although groups can often meet their 50% contribution through in-kind labour, delivering projects through volunteer labour alone is a barrier to achieving a greater pace and scale of sediment remediation. People are busy, and have competing demands on their time, particularly given current economic headwinds which can result in time prioritised towards income generating (rather than voluntary) activities.

Background: The need to cover more than 50% of project costs was foreseen early in the KMR programme development. A paper dated March 2021 on Landowner Grants stated that exceptions to 50-50 funding may be required for land that does not produce sufficient income and noted careful analysis would be required. It suggested a 'Fund for Desirable Assistance' could be set aside to support desirable works where landowners are unable to contribute to implementing them.

Precedents: There is precedent among KMR's council partners to fund more than 50% of project costs in certain circumstances. In particular, Northland Regional Council in April 2022 approved the co-funding of 70% of total project value for approved Environment Fund grant applications on Māori Freehold Land.² Auckland Council typically only covers 50% of costs, except for special cases such as where the council leads the project.

Nationally, council erosion control funding programmes contribute between 30-100% of sediment reduction costs, depending on the land priority, the type of works, and other circumstances. The Waikato River Authority can contribute up to 80% of iwi-led project costs.

Maintaining a 50/50 split at a programme level: KMR's Deed of Funding requires that Crown contributions to the programme are matched by contributions from councils, landowners and other parties over the life of the programme. While not a requirement of the Deed of Funding, KMR to date has been achieved this split in each Annual Work Plan and financial year-end reconciliation.

For the current financial year, additional spend to cover a greater proportion of Whenua Whānui Fund projects can be met through existing budgets, while keeping the Crown contribution to 50% of total programme spend. There is sufficient programme budget available under Remediation Grants and Partnerships (K2022-011) to meet additional costs.

In subsequent years, the Annual Work Plan can set aside some funding to cover up to 70% of eligible projects. The Annual Work Plan process will ensure that the 50/50 split is not exceeded. For example, funding to cover more than 50% of projects could come from council contributions to the programme; this can be explored as staff develop the Annual Work Plan.

Kaipara Maurikura staff consider there is sufficient flexibility to ensure the 50/50 split is maintained across the programme. Whenua Whānui Fund approaches are not expected to be more than 10% of the remediation budget and going from 50% to 70% support will easily be absorbed by council contributions to the overall 50-50 funding approach. Further, over time, the Joint Committee may also decide that there is a case for some projects/mitigation types be funded at less than 50% of estimated project costs.

Costs and benefits: Without this approach, some valuable projects will not progress as cost is too significant a barrier for these groups to overcome. This is a risk to not only to KMR's sediment

² As defined in the Te Ture Whenua Maori Land Act 1993.

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reduction objective, but also the “fairer, more flexible and focused distribution of resources” intended by the Whenua Whānui Fund.³

Paying 70% of estimated costs of some projects reduces the amount of remediation possible from a given quantum of funding. For example, assuming KMR currently pays \$10,000/ha of native planting in riparian zones, for Whenua Whānui Fund projects we will now pay \$14,000/ha. This means that \$100,000 spent on planting via the Whenua Whānui Fund will deliver 7.1ha of planting, rather than 10ha under Landowner Grants. KMR staff consider that it is necessary to cover this greater proportion of costs for Whenua Whānui Fund projects if the programme wants to see these groups develop and deliver remediation projects, in line with KMR’s MOU commitments to equity and achievement of our four funding objectives.

The Kaipara Maurikura will also continue to explore other avenues to reduce costs to landowners and KMR such as third-party funding streams, under the ‘New Opportunities’ workstream. KMR is progressing these as capacity allows, but they take time to develop. As a further risk mitigation, as the programme matures, the Joint Committee could also consider a lower KMR contribution of costs for some mitigations, should the programme be facing potential difficulty in meeting the 50/50 split at the programme level over the life of the programme.

Implementation and monitoring: If approved, Maurikura staff will update communications, and inform Field Advisors and Whenua Whānui Fund applicants of the change to settings. Retrospective application is not possible, so the change will affect current and new applications only. Staff will monitor the impact of the change on participation, as well as the programme budget.

Improvement 2: Providing upfront payment of Whenua Whānui Fund grants under \$5,000

When the Whenua Whānui Fund was established, it was indicated that management and engagement costs could be on quarterly instalments, including a first instalment before the start of the project. The rationale for this Joint Committee decision was that early and frequent access to funding can help groups to meet sediment reduction project costs as they are incurred. This needs to be balanced against the administrative burden of frequent processing of payments. Regular instalments are made now to support Whenua Whānui Fund projects, as per the Joint Committee decision.

However, KMR has received feedback from Whenua Whānui Fund applicants that the current model is low-trust and a barrier to participation. The current model is also administratively time-consuming for KMR staff and grantees. While 14 Whenua Whānui Fund projects are at various stages of development or approval, as project numbers increase, so too will the time spent processing invoices.

As per the paper tabled to the Joint Committee Hui on 1 December 2022, the Ministry for the Environment completed an Output Validation Assessment (performance audit) of KMR in the second half of 2022. It recommended that KMR develop a trust-based framework, based on whether applicants are high, medium or low risk engagements. The below recommendation is the first step in developing a more nuanced KMR approach to risk, in line with the funder’s recommendation in the Validation Assessment.

As a first step, we propose that for Whenua Whānui Fund grantees who are approved for grants less than \$5,000 in value, 100% of the grant is paid out once the contract is signed. KMR Field Advisors will still monitor and sign off the remediation works, as provided for in the KMR contract. This change will start to shift KMR to a higher-trust model, enable grantees to make timely use of grant funding to deliver the project, and reduce administrative overheads (frequent invoicing for small sums of money) for both grantees and KMR staff.

³ 20 September 2021 Joint Committee agenda, Item 5.1, page 10.

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For other Whenua Whānui Fund projects, bespoke and flexible milestones will still be applied in a manner consistent with the original policy direction.

Improvement 3: Operational discretion to approve grants that exceed \$40,000 per annum.

A March 2021 paper approved by the Joint Committee set out that in most instances Sediment Reduction Plans would identify 3 years of remediation actions to received funding, although there is no impediment to agreeing 4-to-5-year plans. At the current stage of the programme, we can only approve sediment reduction projects that can be covered under the current contract with the Crown (in other words covering Year 3 through to Year 6 of the programme).

In 2021, the Joint Committee confirmed funding criteria including a \$40,000 threshold per property for annual grant funding. The stated rationale for this approach was to:

- Enable the effective distribution of KMR grant funding,
- Ensure prioritisation of work over four years and sustainable (long-term) employment e.g. spreading work evenly over time,
- Ensure farmers, nurseries, fencers and other contractor crews can effectively plan for and deliver the work.

Relevant KMR staff were also provided with the ability to approve exceptions to this annual per property threshold. It was noted that KMR may need to find out what (real-world) maximum applies to sediment projects (as opposed to what was modelled), and that the annual funding cap may need to be relative to the size of the property.

Since early 2021, actual KMR experience has been that landowners typically do not have the financial means to match a \$40,000 annual grant. The average grant value so far, this financial year has been around \$16,000. In this respect, the current annual funding cap is rarely relevant: exceptions have only occurred on few occasions and involved only modest amounts above the threshold.

There are potential instances when there would be value in providing KMR grant funding more substantively above the \$40,000 per annum threshold in order to bring works forward (accelerate delivery), in order to deliver earlier sediment reduction and employment benefits. KMR staff consider this can be justified when the following align:

- The project addresses high risk of erosion or delivery of sediment to waterways, and
- The project involves planting and will use accredited KMR contractors, and
- The applicant demonstrates ability to deliver the proposed scale of works, with a clear plan in place.

KMR staff now seek the Joint Committee's agreement to allow the Pou Tātaki discretion to approve grants above the annual threshold where the above criteria are met, provided the average annual value of \$40,000 per property is not exceeded over 5 years of the fund, up to a total funding cap of \$200,000 per landowner. Our financial and contract management processes will allow us to monitor this, and ensure appropriate checks and balances are made before grants are approved and any payment is made.

Taking a theoretical approach, if one were to simply spread an estimated \$300 million of remediation value across the estimated 1,500 landowners in the catchment, this would result in an average of \$200k per property of remediation work. While such an approach has great flaws, it does set in context the proposal to not exceed an average of \$40,000 per property per year over 5 years and highlights that bringing this payment forward (if above criteria are met) is both defensible and financially responsible, and in line with the KMR MOU's intent to ensure sediment remediation at pace and scale.

There are limitations of a per property approach, particularly for very large properties with large areas of high sediment risk land where it may make sense to support larger projects. In reality, parts of the Kaipara Moana catchment are on soils and topography that are not causing significant

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problems, and thus the investment should be lower there and higher elsewhere. This highlights the importance of continued monitoring of whether KMR fund settings are a barrier to undertaking sediment reduction projects in line with our overall objectives.

As per current operational settings, all projects affected by this proposed change will be reviewed by both Kaipara Maurikura staff, and the established independent peer review panel.

Ngā whāinga mō āmuri | Next steps

If agreed, careful processes and communications will be developed to help ensure clear understanding and implementation of these changes. In particular, staff will lead careful engagement with the current pipeline of Whenua Whānui Fund applicants who will be most impacted (in a beneficial way) by these changes.

Considerations

1. Aromātai whāinga haumi mō te oranga | Wellbeing investment objectives and assessment

The initiatives and proposed improvements set out in this paper support KMR to achieve across its wellbeing investment objectives. They are intended to support greater uptake of remediation work, in ways that work for the diverse landowners and groups within the catchment. The proposed changes will also likely lift planting rates and employment in the programme, which benefits our accredited providers. It is critical that KMR is continuously monitoring and improving our approach to optimise alignment with the programme's investment objectives.

2. Ngā ritenga take pūtea | Financial implications

The proposed improvements are intended to increase programme uptake and it is expected that this results in greater expenditure, more closely in line with levels of uptake modelled at the outset of the programme.

Increasing the number and size of Whenua Whānui Fund projects will address a fundamental barrier to marae, iwi/hapū and community groups. Of the 430-odd KMR projects that have been either completed, in progress or development to date, only 18 are Whenua Whānui Fund projects. The proportional impact of this change on the overall KMR budget is therefore minimal. While the proposed change will increase the cost to the programme of delivering the same level of remediation, it is considered justified as, without it, these projects are unlikely to proceed.

Budget is already available in the current financial year to absorb the costs of the proposed approach, if agreed, and can be implemented in the Year 4 Annual Work Plan while maintaining the Crown's contribution at 50% of total budget.

3. Ngā hiranga me ngā hononga | Significance and Engagement

In relation to section 79 of the Local Government Act 2002, the decisions arising from this report are considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the Joint Committee is able to make these decisions without undertaking further consultation or engagement.⁴

4. Ngā tūraru me ngā mauru | Risks and mitigation

The new fund settings aim to reduce barriers to participation, thereby reducing overall programme risk of lower-than-desirable landowner participation, and inability to achieve KMR's overall outcomes.

⁴ This Joint Committee operates under the Local Government Act which requires a significance and engagement policy (which identifies when matters require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions. As the administrative support for the Joint Committee is provided by the Northland Regional Council, it is that Council's Significance and Engagement Policy that will apply to Joint Committee decision making.

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While developing a more flexible and higher-trust funding model does bring some financial risk to the programme, the risks associated with the proposed changes are considered to be acceptable and manageable. They are also in line with the recommendations from the funder in the Validation Assessment report. KMR staff consider that risks can be effectively monitored and managed as the changes are implemented. This will enable a timely response to any emerging issues.

5. Ngā urutau huringa-ā-rangi | Climate Change Mitigation and Adaptation

This paper's recommendations will enable KMR programme settings to better support soil conservation works that also provide carbon sequestration benefits and enhance landscape resilience.

New plantings can be vulnerable to climate events, and the good practice embedded in KMR funding requirements will support good outcomes, but not avoid damage/loss of fencing or planting as a result of adverse climate events.

TITLE: Pou Tātaki Report

Kaituhi Pūrongo | Justine Daw, Pou Tātaki
Report Writer

Whakarāpopototanga | Executive summary

This report provides the Kaipara Moana Remediation (KMR) Joint Committee with a strategic overview of the year ahead for KMR.

Whakataunga | Recommendations

1. That the report 'Pou Tātaki Update', by Justine Daw and dated 13 February 2023, be received.
2. That the Joint Committee provide direction to the Kaipara Maurikura on the proposed KMR Recovery Package.

Horopaki | Background

The Joint Committee last met in formal hui on 1 December 2022, which followed on from a full induction programme, workshop, and two field visits to see KMR projects. As Joint Committee members have recently been immersed in a comprehensive overview of the programme, this report provides a frank assessment of the strategic landscape in which KMR is now operating.

It aims to set the foundations for, and calibrate appropriately, Joint Committee considerations and decision-making as we head into 2023.

Tātari me ngā tūtohu | Analysis and Advice

KMR is scaling up at pace...

The accompanying draft KMR Six Month Report confirms that KMR continues to scale up its operations and deliver new sediment reduction projects with a growing number of landowners.

In its first full year of operations ending on 30 June 2022, sediment reduction projects worth \$4.67m were contracted for and/or completed. In the first six months of this year (viz. the second half of 2022), \$1.46m of new projects were contracted for, bringing the total value of 'open' contracted projects on KMR's books to \$2.696 million as at 31 December 2022. Particularly given the impacts of adverse weather, an urgent focus for KMR will be to understand and verify the status of such open projects on our books and pay out on projects which have been completed.

Cumulatively, KMR has scaled up rapidly to work with 443 landowners, nearly 1 in 3 of the estimated 1,500 landowners in the catchment⁵. This compares to 63 landowners in its first (partial) year of operations.

...but sediment remediation activity remains lower than modelled

As discussed at the KMR induction, the indicative business case was a high-level, early business case, that was never developed into a full business case with real data and assumptions. While successful in making the case for KMR's funding, it did not (and still does not) accurately represent current realities. For example, the indicative business model assumed:

⁵ KMR will be doing work this calendar year to test the assumptions made in the indicative business on landowner numbers.

- Sediment reduction projects would start the day after the KMR MOU was signed (the establishment phase for the programme, including time to bring on staff and put in place operational policies, was not allowed for);
- A wide range of sediment reduction activities were to be funded, including large-scale radiata pine planting (KMR can presently only fund fencing and planting projects near waterways);
- The value of sediment reduction projects would be higher (the average KMR annual grant is ~\$16k, under half of the \$40k per annum allowed under current policy settings, probably reflecting landowner time and resource limitations in respect of the 50/50 co-funding requirement, as well as the relatively limited scale of riparian works);
- The costs of sediment remediation activities would be lower (to be fair, COVID-19 and associated supply chain and labour market impacts on costs are not unique to KMR).

After one full year of operations, KMR is also observing some trends in the mix of works landowners are prepared to contract for. As evidenced in the KPIs both last year and in the current year, landowners are electing to fence more than originally projected in our KPIs, and plant much less. This probably reflects three drivers – one, that fencing must generally occur before planting can be undertaken; and two, that landowners are limited to planting near waterways at present, rather at larger-scale in the hill country which can bring other (economic) returns; and three, that regulatory requirements to exclude (fence off) stock from waterways are driving compliance activity, with landowners either unwilling or unable to invest in activity (such as planting) beyond what is required under regulation.

In 2023 we must get out of second gear...

The number one priority for the Joint Committee in 2023 will be to agree a suite of wider sediment remediation works that can be (part-) funded by KMR. Joint Committee directions in December 2021 provided a helpful direction to begin this work, with a KMR Soil Conservation strategy and action plan also in development to resolve this.

The Soil Conservation work is drawing on inputs from a reference group, technical experts, as well as learnings from other, similar programmes around New Zealand. Options and a proposed direction will be brought up to you next month for early testing with decisions at the following Hui. We consider that a range of tools are needed in the KMR kete to enable us to work with diverse landowners and landscapes in a targeted and credible way. We expect to propose a range of actions that could be funded, but a phased approach to bringing these into our kete, to ensure development of necessary capacity and capability for effective implementation. Some less well-tested options are expected to be proposed for further exploration.

As part of Soil Conservation decisions, the Joint Committee is likely to be asked whether KMR should support some exotic species, as a targeted sediment mitigation. This may be a challenging discussion, given strongly held but diverse views (values) on the species that are appropriate to integrate into the landscape, set alongside evidence that exotics can be cost-effective and time-efficient sediment mitigations, if well sited and managed. There are also different ‘baseline’ incentives to plant different species (both native and exotic), reflecting varied establishment costs, future market returns and other potential revenue streams, including carbon revenue. Given there are likely revenue returns (private benefits) that could accrue to landowners in future as a result of KMR support, a critical consideration for the Joint Committee – irrespective of which mitigations go into KMR’s Soil Conservation kete – is **how much of various mitigation costs should we, KMR, support?** Currently, we fund 50% of riparian mitigation costs, but this could vary in future by mitigation type, as long as the overall 50/50 programme level mix is retained.

Once KMR’s wider Soil Conservation settings are known, and what ‘kete’ of sediment remediation works are able to be funded by KMR grants, the Kaipara Maurikura will be able to better model the future profile of the programme, including a more up-to-date view of the mix of sediment

remediation works, and their costs and likely timing. While we will be using some real data and improved working assumptions, it is important to note that KMR will still be making assumptions to forecast programme-level activity and expenditure, and set annual KPIs. Ultimately, KMR is a voluntary programme which has high sensitivity to landowner choices, which in themselves are driven by economics and the ability and willingness to take action. KMR's revised modelling is likely to clarify what I call 'absorptive capacity' in the Kaipara Moana catchment - the amount of annual funding that landowners can realistically afford to access, given KMR requires 50% of project costs to be co-funded.

...and do what we can to navigate 2023's headwinds

Looking back on 2022, there were considerable headwinds to navigate with a brand new team, and a brand new 'start up' programme. Mostly, however, these were headwinds shared by almost all sectors and well understood as a result (e.g., COVID-19 lockdowns, regional border closures, an inability to engage with iwi/hapū and community groups in person, supply chain constraints, labour constraints). While the 2022 challenges have largely dropped away, KMR is already feeling the effects of significant headwinds in our operating environment, and we expect these to worsen considerably in 2023. The first of these – recessionary pressures – is shared widely and not unique to KMR. The impact of this is starting to be seen in a higher percentage (~25%) of landowners who engage with KMR but drop out of the pipeline before reaching a contract for sediment reduction works. Anecdotal evidence is that affordability is becoming more of an issue, as is the 'headspace' to engage with KMR for those juggling finances or affected by other pressures on farm (and newly facing storm damages – see new section at end).

While we are taking urgent action to make KMR's processes more user friendly (shortening and simplifying KMR contracts and communications, and streamlining processes), and reducing barriers to landowner entry (see accompanying paper on *Reducing Barriers for Landowners*), KMR is facing a much tougher environment in 2023 to on-board and retain landowners in what is, ultimately, a voluntary programme under which landowners must contribute 50% of the project value. However, some of the new and highest-impact headwinds affect KMR uniquely. KMR landowners have been significantly affected by the wettest winter on record, a set of devastating storms, and what is expected to be the wettest summer on record.

...while keeping an eye on the (uncertain) horizon

We are also seeing landowner inertia as a result of ongoing policy uncertainty and change. Anecdotal evidence suggests some landowners are waiting to understand how final freshwater and carbon policy and pricing settings will affect them before they commit to working with KMR, which requires a 50% landowner contribution under contract. There is little that KMR can do to mitigate this risk, other than continuing to engage in Wellington at senior levels, engage with political leaders so they are aware of KMR's value proposition and delivery, and provide KMR learnings and experience of relevance to developing work programmes that will affect our future operations.

As signalled at the Joint Committee induction in November 2022, KMR will need to respond to expected new Crown policy settings in a number of areas (e.g. freshwater farm plans; carbon policies relating to exotic forests, native forests and riparian strips; new biodiversity policy settings). Like many others, KMR is watching these processes, and contributing our perspectives, experience and learnings, as relevant and appropriate.

An important consideration in 2023 for the Joint Committee is to balance KMR's need to deliver on current priorities and work programme settings, while maturing the programme and being agile to new opportunities and requirements (as above).

Strategic choices that KMR are likely to need to make later this calendar year (or early in 2024) include:

- **When and how best to transition KMR from a current focus on Sediment Reduction Plans to include a wider focus on Freshwater Farm Plans** for lands covered by these Plans, in line with expected forthcoming legislation. Not all landowners with whom KMR contracts will be subject to Freshwater Farm Plans for their land. This issue will likely be raised in the second half of 2023 once regulatory and policy settings become clearer. Operationally, KMR could do a lot of work crystal-ball-gazing this area, burning up limited staff time and resource, to little effect.
- **When and how best to transition KMR into a ‘Digital Tools-first’ approach.** While the first KMR digital tool, Mātai Onekura, will be used by Field Advisors this financial year, the second digital tool, Tātaki Wai, won’t be fully finalised and ready for piloting until late December 2023 at the earliest. Transition for wide use of Mātai Onekura will be important to manage well – we all have experience of poor transition to new IT systems and the need to ensure effective communication and training. This is particularly important for our KMR Field Advisors who are one of the key audiences and users of Mātai Onekura, and who may need a lot of support to transition smoothly to use of the digital tools.
- **Whether to transition from a current ‘on-demand’ grants-only approach to add a once- or twice-a-year ‘funding round’ approach for some (i.e. new or specific) KMR grants,** and if so, to identify the grant/project types for which a regular funding round are more appropriate. We don’t wish to slow down grant uptake or sediment remediation projects, or disadvantage groups who need time to develop a proposal, but it will be significantly easier to plan for, and deliver, work in a staged way under a funding round, and gives partners and stakeholders clear goalposts to aim for in terms of expressions of interest/applications. This issue will be raised at a future Strategy session with the Joint Committee – likely at the end of the calendar year – as it links to the future development of a longer-term Investment Strategy for KMR.

The Joint Committee will also be aware of the potential for the forthcoming Treaty Settlement and the General Election to create greater focus on KMR and its delivery. We will need to work together as governance and management to ensure that the following (relatively constrained) KMR design settings are well understood:

- our funding genesis (*Jobs for Nature*, not Treaty Settlement);
- our narrow focus on delivering the KPIs in our funding contract, in line with MOU considerations (we fund sediment projects, not infrastructure, ecological monitoring or wider environmental restoration).
- our operating model that means KMR works directly with landowners, including via delivery partners, to contract landowners to undertake sediment reduction projects.

We also seek the Joint Committee’s ongoing support for our position that it is not KMR’s role to comment on or involve ourselves in matters outside of our core business. We have expertise in sediment reduction, and that is a relatively narrow ‘swim lane’.

...and managing a significant new challenge for KMR landowners

While cyclone Gabrielle impacts are as yet unclear at the time of writing, what is clear is that they will be significant. Anecdotal evidence suggests that landowners across the catchment have been severely affected. As just one example, both of the Auckland project sites visited by our governors in December 2023 have been severely impacted by the storms. We have heard anecdotal evidence of losses (slips, washouts) of over 40 hectares on individual properties in Auckland, but we expect widespread impacts on our KMR landowners in Northland, too.

We are therefore seeking early Joint Committee direction on a KMR Flood/Cyclone Recovery Package, in line with the KMR MOU and Deed of Funding. While the timing of KMR papers this month, combined with impacts of the adverse weather on both Kaipara Maurikura staff and governance, did not allow a separate paper on this matter to be prepared, **we are seeking direction on the following proposed approach:**

- To ensure that KMR landowners can continue to take action to reduce sediment losses from their land through multi-year contracts with KMR, we have a strategic interest to support the recovery of KMR landowners whose land and projects have been affected, where other support is not available or more appropriate.
- As a Jobs for Nature investment with a budget line already set aside to support local employment/workforce development, we are proposing to use some of that budget line (which is currently under-expended) to support accredited KMR providers to work with affected KMR landowners to restore and remediate KMR-funded fences, planting areas and wetlands, as relevant. We are seeking from the Joint Committee endorsement for KMR to use this budget, already agreed as part of our Year 3 Annual Work Plan, as needed, to invest in KMR's accredited workforce to post-Gabrielle project recovery, in line with KMR's Jobs for Nature funding kaupapa. It is proposed that this budget line could be drawn down for this purpose with immediate effect until 30 June 2023. We propose to review this expenditure when the next Annual Work Plan (Year 4) is developed, given that it is unclear at this point what the landowner need is, how many will be in a position to access the KMR support, or when the support will be best needed. At that time, we will assess whether ongoing use of this budget line may be needed for recovery.
- KMR's support in this way is expected to increase ongoing commitment to KMR and boost ongoing sediment reduction activity by our early adopter landowners, as well as support employment of our accredited providers, many of whom affiliate to local iwi/hapū groups, in line with the Jobs for Nature goals of the Deed of Funding. Investment in repairing damaged fences also improves the likelihood that landowners will be able to plant trees as planned this winter. Such action is key to KMR achieving its goals of pre-ordering and planting 400,000 stems this winter.
- We propose that the Recovery Package offer to all (interested) accredited KMR contractors (fencing, planting teams) a direct contract to provide services to KMR landowners who have been affected and who wish to take up this support for repair to KMR project works, or, if this is not possible due to landslide or similar, to re-locate equivalent new works in suitable areas with KMR Field Advisor guidance.
- Note that we are proposing to 'pay out' to KMR landowners who have completed project works which have been flood/cyclone-affected (in line with contractual conditions), even if they do not fully meet usual quality standards (e.g., the project does not meet the usual >80% plant survival rate), on condition they accept Recovery Package support to replant / refence as needed, or do the work themselves, in order to bring the project up to quality standards. The alternative is that we pro-rate payments in line with current KMR policy.
- We will also communicate and pass on supplier discounts as they become available to support Recovery Package repair works - for example, one of our commercial suppliers who already offers KMR participants discounts on fencing wire has made a further discount available to those affected by the recent storms.

We are also expecting, and have signaled this to MfE as primary funder, that there are likely to be some projects where we will need to temporarily or permanently 'reverse' KMR KPIs – i.e. instances where projects have been completed (and already paid out) but where project works have been severely or fully 'munted' in recent floods, landslides etc., and where the landowner is not in a position to remediate the project in the foreseeable future. We will need to do more assessment of

the extent of this on the programme and our KPIs. This will take time, as the last thing that landowners need right now is KMR knocking on their door to check on past or current projects.

Ngā whāinga mō āmuri | Next steps

Agenda papers will be brought to the Joint Committee for direction and decision in the usual way through 2023. Once direction is received on the proposed Recovery Package, we will develop up a paper for the next Joint Committee Hui at the end of March 2023.

Considerations

1. Aromātai whāinga haumi mō te oranga | Wellbeing Investment objectives and assessment

This paper sets out decisions that the Joint Committee will need to make in 2023 that will help achieve KMR's wellbeing objectives. The proposed Recovery Package will significantly progress these objectives.

2. Ngā ritenga take pūtea | Financial implications

The decisions that the Joint Committee will need to make in 2023 will all have financial implications. At the time specific decisions are sought, the financial implications will be clarified as an input to each decision. The proposed Recovery Package will not have any financial implications per se, as budget has already been allocated under the Workforce Development programme, and we are simply seeking to use this allocation to support the proposed Recovery Package. The Maurikura will also undertake due diligence to ensure that KMR funding support does not duplicate other funding on offer, and is only made available as appropriate, and if other more appropriate sources of funding are not available.

3. Ngā tūraru me ngā mauru | Risks and mitigation

This paper sets out decisions that the Joint Committee will need to make in 2023, all of which will bring potential risks and opportunities to the KMR programme. The specific risks and opportunities will be outlined when specific decisions are sought. The proposed Recovery Package will significantly mitigate risks of our early adopter landowners walking away from the programme due to competing priorities and costs.

4. Ngā Urutau Huringa-ā-rangi | Climate Change Mitigation and Adaptation

Investment in tree planting, wetland restoration and afforestation all have climate change adaptation implications and enhance climate resilience in the KMR catchment. At the time specific decisions are sought from the Joint Committee through 2023, we will clarify the climate change implications of each decision. The proposed Recovery Package will support efforts by landowners to re-plant trees in areas sensitive to sediment loss, which directly supports climate resilience, including to future floods and droughts.

5. Ngā hiranga me ngā hononga | Significance and Engagement

In relation to section 79 of the Local Government Act 2002, the decisions arising from this report are considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the Joint Committee is able to make these decisions without undertaking further consultation or engagement.⁶

⁶ This Joint Committee operates under the Local Government Act which requires a significance and engagement policy (which identifies when matters require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions. As the administrative support for the Joint Committee is provided by the Northland Regional Council, it is that Council's Significance and Engagement Policy that will apply to Joint Committee decision making.

TITLE: Kaipara Moana Remediation Programme Draft Six Month Report

Kaituhi Pūrongo |
Report Writer

Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager

Whakarāpopototanga | Executive summary

The Kaipara Moana Remediation Deed of Funding requires the preparation of an abbreviated Six Month Report and provision of it to the Ministry for the Environment by 28 February 2023.

A draft Six Month Report is attached (Attachment One). It is recommended the Joint Committee approve the draft in principle and delegate to the Chair and Deputy Chair final approval for provision to the Ministry for the Environment, with the ability of the Pou Tātaki to make minor editorial changes prior to submission if required. This will ensure any additional information, including better data on project outputs, can be included and adjustments to the report made if required.

Whakataunga | Recommendations

1. That the report 'Kaipara Moana Remediation Programme Draft Six Month Report' by Stephanie Versteeg, Amo-Rautaki Pākihi and dated 10 February 2023, be received.
2. That the 'Draft Six Month report' document (Appendix One) be approved in principle.
3. That the Chair and Deputy Chair are delegated the power to approve a final draft of the Six Month Report for provision to the Ministry for the Environment, with the Pou Tātaki also delegated to make minor editorial changes prior to submission if required.

Horopaki | Background

Under the Kaipara Moana Remediation Deed of Funding dated 9 February 2021, the Joint Committee must submit a Six Month Report to the Ministry for the Environment for the period from 1 July to 31 December in each Financial Year. The report must be submitted either within two months of 31 December, or by a later date to be agreed in writing by the parties.

A draft Six Month Report is attached for in-principle approval by the Joint Committee.

Tātari me ngā tūtohu | Analysis and Advice

Six Month Report Requirements

Section 4.12 of the Kaipara Moana Remediation Deed of Funding (Part B) sets out what is required in each Six Month Report, including:

- an update on progress towards delivering environmental outputs as outlined in the Annual Work Plan provided, while the funding for projects the Ministry does agree with will be paid on the basis that the Annual Work Plan has been agreed and finalised. In short, disagreement in one area of the Annual Work Plan will not hinder the balance of the projects proceeding.
- where any formal training of personnel is funded by the Grant: the number of personnel who undertook formal training, the number who completed the training, and the number of any New Zealand Qualifications Authority credits obtained
- a financial summary that provides an update on expenditure to date.

The Six Month Report also provides an opportunity to communicate key messages to the Ministry about the Kaipara Moana Remediation Programme. While the status of the KMR programme is generally well understood by Ministry staff, the Report provides a brief description of progress over the six months in continuing to scale up the engagement, strategic partnerships and the delivery of sediment remediation works, as well as key risks and opportunities.

An invoice for the following 6-month period and corresponding projected expenditure tracked against the Annual Work Plan budget can also be provided to the Ministry. For this 2022-2023 financial year, it was assessed that the Crown funding already held by the Kaipara Moana Remediation Programme (KMR) would be sufficient to support the programme to 31 June 2023, and therefore no invoice for further Crown funding was required.

Finalising the draft Six Month Report and delegations to the Chair and Deputy Chair

It is proposed the draft Six Month Report is approved in principle, with the Chair and Deputy Chair being delegated the power to approve a final report for submission to the Ministry for the Environment by 28 February 2023. It is also recommended the Pou Tātaki is given the ability to make minor editorial changes to the report before submission. This is to avoid the need for the Chair and Deputy Chair to approve the report a second time if typographical and other minor matters need attention.

Six Month Report formatting and look

The Six Month Report is an abbreviated report for MfE's internal use, and does not require formatting and illustrations consistent with the KMR brand and identity, as is provided in the Annual Report. Rather, the report follows the formatting and look of the Annual Work Plan, which is based on a template provided by the Ministry for the Environment for all Jobs for Nature projects.

Ngā whāinga mō āmuri | Next steps

If approved in principle, the draft Six Month Report will be finalised under delegation by the Chair and Deputy Chair and provided to the Ministry for the Environment by 28 February 2023. KMR staff will discuss the report with relevant Ministry staff following its submission.

Considerations

1. Aromātai whāinga haumi mō te oranga | Wellbeing Investment objectives and assessment

Provision of a Six Month Report to the Ministry for the Environment is a requirement under the Kaipara Moana Remediation Deed of Funding. The continuation of Crown funding, which enables the programme to meet investment objectives, is contingent on meeting obligations under the Deed.

2. Ngā ritenga take pūtea | Financial implications

There are no financial implications in approving the Six Month Report. Budget for its preparation is covered by the general operating budget of the Kaipara Maurikura business unit and the data used is gathered as a normal part of KMR operations.

3. Ngā hiranga me ngā hononga | Significance and Engagement

In relation to section 79 of the Local Government Act 2002, the decisions arising from this report are considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the Joint Committee is able to make these decisions without undertaking further consultation or engagement.¹

4. Ngā tūraru me ngā mauru | Risks and mitigation

The Six Month report provides accountability and transparency to the work of the KMR Programme, and assurance to programme partners on performance.

¹ This Joint Committee operates under the Local Government Act which requires a significance and engagement policy (which identifies when matters require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions. As the administrative support for the Joint Committee is provided by the Northland Regional Council, it is that Council's Significance and Engagement Policy that will apply to Joint Committee decision making.

5. Ngā urutau huringa-ā-rangi | Climate Change Mitigation and Adaptation

This paper has no direct relevance to this consideration.

Pirihongi | Attachments

Attachment 1 - Draft KMR Six Month Report [↓](#) 

TITLE: KMR Interests Management - OAG response

Kaituhi Pūrongo |
Report Writer

Ben Hope, Ringa-Pārongo Communications and Governance Lead

Te Kaupapa | Purpose

To update the Joint Committee on the response from the Office of the Auditor General (OAG) on the Local Authorities (Members' Interests) Act 1968 (LAMIA), and implications for Kaipara Moana Remediation Joint Committee Members.

Whakarāpopototanga | Executive summary

In April 2022, the Joint Committee requested an update on Kaipara Moana Remediation (KMR) conflict of interest management settings. Following a report brought to the Joint Committee in June 2022, staff sought further advice, including legal advice, on KMR's conflict of interest management for grant funding.

A focus of this advice was the Local Authorities (Members' Interests) Act 1968 (LAMIA), which sets specific requirements for managing members' financial interests. LAMIA applies to all Joint Committee members, sets an annual financial limit for contracts to members and/or their related parties, and sets a policy for how members can be involved in decision making on matters where there are interests.

Given KMR's unique circumstances, KMR sought an exemption from the OAG to several aspects of the LAMIA settings. The response from the OAG (Attachment 1) acknowledges KMR's circumstances, allows for a sitting KMR Joint Committee member to apply for a waiver should a contract breach the LAMIA annual financial limit, and provides dispensation for members to remain at the table when KMR is setting policy. From KMR's perspective, this is a helpful response from the OAG, and we will continue to manage Joint Committee interests in line with latest good practice.

Whakataunga | Recommendations

That the Joint Committee:

1. Receive the report 'Conflict of Interest and LAMIA update' from Ben Hope dated 27 February 2023.
2. Note the response from the Office of Auditor-General, which acknowledges the unique role of the Kaipara Moana Remediation Joint Committee and provides a framework for managing interests for Joint Committee members in the near term.
3. Note the reminder for all Joint Committee members to advise any new or changing interests as early as possible to ensure Kaipara Maurikura staff can effectively manage these in day-to-day operations.

Horopaki | Background

As the Kaipara Maurikura has been established under the auspices of the Northland Regional Council, all Kaipara Moana Remediation (KMR) Joint Committee members are subject to Northland Regional Council's conflict of interest management settings, which follow good practice in identifying and managing conflicts of interest.

In summary:

- Joint Committee members are required to complete a Conflict-of-Interest form and advise staff of any changes to their interests.

- The Kaipara Maurikura maintains a consolidated Interests Register for Joint Committee members and tables this periodically for confirmation.
- Through the Register, the Kaipara Maurikura identifies any potential conflicts of interest as part of the agenda development for each Joint Committee meeting, to inform management of these interest(s).

Each Joint Committee Hui has a standing Conflict of Interest agenda item, with the Chair calling for Conflicts of Interest from members at the start of each meeting. Where a conflict is identified, the member may not participate in discussion, nor vote on, the relevant matter.

Members appointed to the Joint Committee by Auckland Council are also subject to Auckland Council's Code of Conduct policy, which includes management of conflicts of interest.

Tātari me ngā tūtohu | Analysis and Advice

In line with Joint Committee feedback, KMR sought an exemption from the Office of the Auditor-General for KMR Joint Committee members on two specific elements of LAMIA. The first was to request that KMR be treated as a 'special case' in terms of the contract value rule in section 3 of the Act, while the second sought an exemption under section 6 of the Act in respect of discussion and voting on KMR funding policy and criteria.

The decision received from the Office of the Auditor-General (see Attachment 1) was as follows –
"We are not able to give a blanket approval of KMRJC as a 'special case' in terms of the contracting rule in section 3 of the Act. We can see the arguments for there being a 'special case' for grants to KMRJC members and we would be pleased to consider applications in respect of individual members on a timely basis.

We have decided to grant a declaration under section 6 (4) of the Act to enable all members of KMRJC to participate in discussion and voting on the grants funding policies for Kaipara Moana remediation work."

Given its history and establishment, specific Māori interests in KMR were also recognised by the OAG, as well as the importance of having Kaipara Uri members from within the catchment on the KMR Joint Committee. For that reason, the OAG noted that while Joint Committee members may have land holdings or be beneficiaries of trusts that benefit from KMR funding, and that these interests would continue to fall under LAMIA settings, Joint Committee members with such interests should be able to make decisions on policy and would not have to absent themselves from discussion.

These rulings by the OAG mean that the interim process KMR established in August 2022 stands. At every Hui, the Chair will continue to remind members about declaring any conflicts as they arise. Should a member of the Joint Committee be aware of an application for funding by themselves, their close relatives, or a body for which they play a leadership or governance role, they should declare it either through their KMR Field Advisor, or directly to the KMR Pou Tātaki. Should the application be in breach of the LAMIA annual financial limit (either as a sole application, or in combination with other applications within the NRC/Auckland Council system), Maurikura staff will put an application under Section 3 to the OAG for exemption.

Staff will also monitor and manage operationally any applications from trusts, governance bodies, or other organisations that are listed in the KMR Register of Member's Interests. However, such an approach relies on Joint Committee members ensuring KMR has up to date declarations of interests. These settings are interim, applying to the current Memorandum of Understanding and Jobs for Nature contracting arrangements. Any changes to these KMR foundations, or application of future legislation, may mean KMR settings change in respect of LAMIA and how it applies to member interests.

Nga whaingā moa muri | Next steps

In line with the OAG advice, Joint Committee conflicts will continue to be managed operationally by KMR. All Joint Committee members are invited to advise any new or changing interests as early as possible. Any future changes to the current process will be advised, as relevant.

Considerations

1. **Aromātai whāinga haumi mō te oranga | Wellbeing Investment objectives and assessment**

A guiding principle we are working towards is that the Kaipara Uri representatives, who have a specific interest in the future Kaipara Moana Body, are not disadvantaged by their role on the Joint Committee in terms of accessing KMR's 'open-to-all' grant funding to reduce sediment.

2. **Ngā ritenga take pūtea | Financial Implications**

Managing conflicts of interests in KMR underpins sound financial management. There are no specific financial implications over and above current practice to contract for independent, expert advice as needed to ensure arms-length advice to the Kaipara Maurikura.

3. **Ngā hiranga me ngā hononga | Significance and Engagement**

In relation to section 79 of the Local Government Act 2002, the decisions arising from this report are considered to be of low significance when assessed against Northland Regional Council's significance and engagement policy. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that the Joint Committee is able to make these decisions without undertaking further consultation or engagement.¹

4. **Ngā tūraru me ngā mauru | Risks and Mitigation**


Effectively managing reputational risks to the KMR programme is a foundation value for KMR. Adopting best practice management of conflict of interests, both real and perceived, protects the mana of the programme, and the people, including governors, that associate with it.

5. **Ngā urutau huringa-ā-rangi Climate Change Mitigation and Adaptation**

This paper has no direct relevance to this consideration.

Pirihongi | Attachments

Attachment 1 - Office of the Auditor General letter [↓](#) 

Attachment 2 - KMR Grant Disclosure Register for JC Members [↓](#) 

¹ This Joint Committee operates under the Local Government Act which requires a significance and engagement policy (which identifies when matters require special consultation with tangata whenua and the community) and to have regard to that policy when making decisions. As the administrative support for the Joint Committee is provided by the Northland Regional Council, it is that Council's Significance and Engagement Policy that will apply to Joint Committee decision making.

**Kaipara Moana Remediation
Grant Disclosure Register (February 2023)**

<u>Interested Member</u>	<u>Nature of Grant activity</u>	<u>Total Cost</u>	<u>KMR Grant Contribution (excl GST)</u>	<u>Notes</u>
Georgina Curtis-Connelly - related party application	2 Gates, 1081m of fencing. Landowner Grant (fencing, planting)	\$18,536.5	\$9,268.25	Contract Signed

TITLE: Correspondence

Kaituhi Pūrongo |
Report Writer

Sophie Bone, PA for Pou Tātaki and Governance Support

Te Kaupapa | Purpose

Te receive the correspondence from Malcolm Welsh dated 23 January 2023.

Whakataunga | Recommendations

1. That the report 'Correspondence' by Sophie Bone, PA to Pou Tātaki and Governance Support and dated 1 February 2023, be received.

Pirihongi | Attachments

Attachment 1 - Malcolm Welsh Correspondence [↓](#) 

