

**Joint Regional Economic Development
Committee**

Friday 10 March 2023 at 10.00am

AGENDA

Joint Regional Economic Development Committee Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Friday 10 March 2023, commencing at 10.00am

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

MEMBERSHIP OF THE JOINT REGIONAL ECONOMIC DEVELOPMENT COMMITTEE

NRC Chair Tui Shortland NRC Councillor Marty Robinson Councillor John Vujcich
Councillor Penetaui Kleskovic FNDC Councillor Jonathan KDC Mayor Craig Jepson
Larsen

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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!

TITLE: Confirmation of Minutes - 23 September 2022


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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 02 March 2023

Ngā mahi tūtohutia / Recommendation

That the minutes of the Joint Regional Economic Development Committee meeting held on 23 September 2022, be confirmed as a true and correct record and that this be duly authenticated with the Chair's electronic signature.

Attachments/Ngā tapirihanga

Attachment 1: Joint Regional Economic Development Committee Meeting Minutes - 23 September 2022 [↓](#) 

Joint Regional Economic Development Committee
23 September 2022

Joint Regional Economic Development Committee Minutes

Meeting held in the Dargaville Town Hall
on Friday 23 September 2022, commencing at 10.00am

Tuhinga/Present:

Chair, Councillor Justin Blaikie (NRC)
Councillor Terry Archer (NRC)
Councillor Anna Curnow (KDC)
Councillor David Clendon (FNDC)
Councillor John Vujcich (FNDC)
Councillor Peter Wethey (KDC)

I Tae Mai/In Attendance:

Full Meeting

Northland Inc. Chief Executive Officer (*via audio visual link*)
WDC Manager – District Development (*via audio visual link*)
NRC Economist
NRC Economic Policy Advisor
NRC Governance Specialist (*minute taker*)

Part Meeting

Northland Inc Director (x3)
Northland Inc GM Investment and Infrastructure
Northland Inc Strategic Programmes Portfolio Manager

Secretarial Note: The Chair declared the meeting open at 10.02am and proceedings commenced with a karakia. All in attendance were acknowledged for the substantial progress made during the triennium which set a strong foundation going forward.

Ngā whakapahā/Apologies (Item 1.0)

There were no apologies.

Ngā whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Confirmation of Minutes - 29 July 2022 (Item 4.1)

Report from Meloney Tupou, NRC Māori Governance and Engagement Support Admin

Moved (Vujcich/Wethey)

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

Carried

Joint Regional Economic Development Committee
23 September 2022

Receipt of Action Sheet (Item 5.1)

**Report from Emmanouela Galanou, NRC Economic Policy Advisor and Darryl Jones, NRC Economist
Moved (Curnow/Clendon)**

That the action sheet be received.

Carried

Northland Inc Limited: Annual Report for the Year Ending 30 June 2022 (Item 6.1)

**Report from Emmanouela Galanou, NRC Economic Policy Advisor and Darryl Jones, NRC Economist
Moved (Blaikie/Wethey)**

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

Carried

Secretarial Note:

- *The impacts of Covid-19 had prevented Northland Inc. achieving all of its key performance measures. However, appreciation was extended to staff for an 'overall good set of results' given the challenging environment.*
- *Staff undertook to ensure that each of the membership councils published the Northland Inc Limited Annual Report on their website within one month of receipt.*
- *Appreciation was extended to the Northland Inc Corporate Services Team for completing the Annual Report ahead of time.*
- *Confirmation was provided that identical content had been provided to each of the membership council's Annual Report with regard to Northland Inc Limited.*

Investment and Growth Reserve: Allocation of funding to Northland Inc for primary sector related activities (Item 6.2)

**Report from Darryl Jones, NRC Economist and Emmanouela Galanou, NRC Economic Policy Advisor
Moved (Curnow/Vujcich)**

1. That the report 'Investment and Growth Reserve: Allocation of funding to Northland Inc for primary sector related activities' by Darryl Jones, NRC Economist and Emmanouela Galanou, NRC 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.

Joint Regional Economic Development Committee
23 September 2022

- 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.

Secretarial Note:

- *An amendment was proposed to the second recommendation to clarify that the allocation of funding was to scope out the project rather than service delivery. The original mover and seconder were amenable to the revised wording (in accordance with Standing Order 23.4).*
- *Northland Inc Limited committed to delivering the programme business case for GROW Northland, incorporating clear deliverables and KPIs, within 6-12 months.*

The substituted motion was moved (Clendon/Vujcich)

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.
 - a. That \$60,000 (excluding GST) be allocated as Enabling Investment funding from the Investment and Growth Reserve to Northland Inc Limited to support the development of the future GROW Northland strategy and work programme; and
 - b. Notes that the resource undertaking this work (in 2a) may also be involved in ongoing service delivery.
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.

Carried

Secretarial Note: The Northland Inc Directors, Denis Callesen, Jim Makaweo, Kris McDonald, Northland Inc Strategic Programmes Portfolio Manager, Jude Thompson and Northland Inc GM Investment and Infrastructure, Vaughan Cooper left the meeting room for the duration of Item 6.3.

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: 02 March 2023


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: Joint Regional Economic Development Committee Action Sheet 10 Mar 2023 [↓](#) 

TITLE: Election of Chair

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 02 March 2023

Executive summary/Whakarāpopototanga

The purpose of this report is to elect the Chair of the Joint Regional Economic Development Committee (Joint Committee). The terms of reference for the Joint Committee (**Attachment 1**) states that the Chair is to be elected by the Joint Committee according to System A of Clause 25 of Schedule 7 of the Local Government Act 2002.

The terms of reference also state that the inaugural Chair, elected in July 2021, must be an elected member from Northland Regional Council. This requirement is to be reviewed by the Joint Committee following the triennial elections in 2022. This paper fulfils that requirement. Staff recommend that as a result of this review the Chair can be an elected member from any of the three local authorities that make up the Joint Committee.

The inaugural Chair of the Joint Committee, Justin Blaikie, also represented the Joint Committee on the Steering Group overseeing the development of Te Ōhanga Rautaki Whānui o Te Tai Tokerau / Northland Regional Economic Development Strategy (Rautaki). A new representative is therefore required. Staff recommend that the newly elected Chair take up this position.

The Chief Executive Officer of the administering council (being Northland Regional Council) will call for nominations for the election to the office of Chair. Once elected, the Chair will assume from the Chief Executive Officer and preside over the remainder of the meeting including the election of the Deputy Chair.

Recommendation(s)

1. That the report 'Election of Chair' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 20 February 2023, be received.
2. That in the event more than one nomination for Chair is received, "System A" as specified in Clause 25 of Schedule 7 of the Local Government Act 2002, be used for the election of the Chair.
3. That the requirement of the Terms of Reference for the Chair to be an elected member from Northland Regional Council has been reviewed by the Joint Committee.
4. That, as a result of this review, the Chair can be an elected member from any of the three local authorities.
5. That _____ be appointed as Chair of the Joint Regional Economic Development Committee.
6. That _____ be appointed as the representative of the Joint Committee on the Steering Group for Te Ōhanga Rautaki Whānui o Te Tai Tokerau / Northland Regional Economic Development Strategy.

Options

No.	Option	Advantages	Disadvantages
1	Elect a Chair	Joint Committee is able to proceed	None
2	Don't elect a Chair	None	Joint Committee is unable to proceed

The staff's recommended option is Option 1.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) This is an administrative matter and does not have a direct climate impact.

2. Environmental Impact

This is an administrative matter and does not have a direct environmental impact.

3. Community views

This is an administrative matter on which there are no known community views.

4. Māori impact statement

This is an administrative matter that does not directly impact on Māori.

5. Financial implications

There are no financial implications identifiable from this decision.

6. Implementation issues

This is an administrative matter on which there are no implementation issues to be aware of.

7. Significance and engagement

Joint Committees must elect a Chair as part of normal practice and therefore in relation to Section 30 of the Local Government Act 2002, this issue is considered to be of low significance.

8. Policy, risk management and legislative compliance

This report is submitted for consideration by the Joint Committee pursuant to the statutory requirements of the Local Government Act 2002 and is therefore considered to be of low risk and compliant legislative requirements.

Background/Tuhinga

The Joint Committee is comprised of elected members from the Far North District Council (FNDC), Kaipara District Council (KDC) and Northland Regional Council (NRC). The Joint Committee is a joint standing committee of council as provided for under Clause 30(1) of Schedule 7 of the Local Government Act 2002 and shall operate in accordance with the provisions of Clause 30A of the Act. According to the latter, the Joint Committee is required to appoint a Chair.

The appointment of the Chair at the first meeting of the Joint Committee for the 2022-25 triennium will provide appropriate leadership of the Joint Committee and support the delivery of its functions. A key role of the Chair will be to ensure that all activities undertaken by the Joint Committee maximise as far as possible achievements of the strategic objectives.

The Terms of Reference of the Joint Committee (**Attachment 1**), under the Section “Committee Chair and Deputy Chair” specify that the Chair is to be elected by members at the first meeting of the Joint Committee according to System A of Clause 25 of Schedule 7 of the Local Government Act 2002. A description of System A of the Clause 25 of Schedule 7 of the Local Government Act 2002 is provided below:

System A

- (a) Requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the Joint Committee present and voting; and
- (b) Has the following characteristics:
 - (i) There is a first round of voting for all candidates; and
 - (ii) If no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
 - (iii) If no candidate is successful in the second round there is a third; and if necessary, a subsequence round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and
 - (iv) In any round of voting, if two or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.

The Terms of Reference also specifies that the inaugural Chair of the Joint Committee must be an elected member from Northland Regional Council. However, the Terms of Reference also state that this requirement is to be reviewed by the Joint Committee following the triennial elections in 2022. The following table sets out the advantages and disadvantages of the Chair remaining an elected member from Northland Regional Council. Staff recommend that the Joint Committee may elect a Chair from either of the three participating local authorities.

Advantages of Chair remaining NRC elected member	Disadvantages of Chair remaining NRC elected member
Reflect legacy of ownership and funding commitment to IGR	Does not reflect equal ownership of Northland Inc
Closer link with secretarial support	Relatively new membership of JREDC

The inaugural Chair of the Joint Committee, Justin Blaikie, also represented the Joint Committee on the Steering Group overseeing the development of Te Ōhanga Rautaki Whānui o Te Tai Tokerau / Northland Regional Economic Development Strategy (Rautaki). As Justin Blaikie is no longer a member of the Joint Committee, a new representative is required to be selected. The following table lists the members of the Steering Group.

Te Ōhanga Rautaki Whānui o Te Tai Tokerau Steering Group members	
Harry Burkhardt – Te Kahu o Taonui representative (Co-Chair)	Blanche Morrogh (Co-Chair)
Carol Berghan	Shane Witehira
Kathryn De Bruin	Justice Heteraka
Lindsay Faithfull	Mihi Harris
Sir Brian Roche	Northland Inc board representative to replace Liz Oliver
JREDC representative	

Staff recommend that the newly appointed Chair of the Joint Committee take on this role. However, nothing precludes another member of the Joint Committee being selected to participate on the Steering Group. Northland Inc, who are overseeing the development of Rautaki, will provide the necessary background material and briefing to bring the new representative up to speed.

Attachments/Ngā tapirihanga

Attachment 1: Joint Regional Economic Development Committee Terms of Reference [↓](#) 

TITLE: Election of Deputy Chair

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 02 March 2023

Executive summary/Whakarāpopototanga

The purpose of this report is to elect the Deputy Chair of the Joint Regional Economic Development Committee (Joint Committee). The Deputy Chair is to be elected at the first meeting of the Joint Committee according to System A of Clause 25 of Schedule 7 of the Local Government Act 2002. The Chair of the Joint Committee will call for nominations for election to the office of Deputy Chair.

Recommendation(s)

1. That the report 'Election of Deputy Chair' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 20 February 2023, be received.
2. That in the event more than one nomination for Deputy Chair is received, "System A" as specified in Clause 25 of Schedule 7 of the Local Government Act 2002, be used for the election of the Deputy Chair.
3. That _____ be appointed as Deputy Chair of the Joint Regional Economic Development Committee.

Options

No.	Option	Advantages	Disadvantages
1	Elect a Deputy Chair	Joint Committee is able to proceed	None
2	Don't elect a Deputy Chair	None	Joint Committee is unable to proceed

The staff's recommended option is Option 1.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) This is an administrative matter and does not have a direct climate impact.

2. Environmental Impact

This is an administrative matter and does not have a direct environmental impact.

3. Community views

This is an administrative matter on which there are no known community views.

4. Māori impact statement

This is an administrative matter that does not directly impact on Māori.

5. Financial implications

There are no financial implications identifiable from this decision.

6. Implementation issues

This is an administrative matter on which there are no implementation issues to be aware of.

7. Significance and engagement

Joint Committees must elect a Deputy Chair as part of normal practice and therefore in relation to Section 30 of the Local Government Act 2002, this issue is considered to be of low significance.

8. Policy, risk management and legislative compliance

This report is submitted for consideration by the Joint Committee pursuant to the statutory requirements of the Local Government Act 2002 and is therefore considered to be of low risk and compliant with legislative requirements.

Background/Tuhinga

The Joint Committee is comprised of elected members from the Far North District Council (FNDC), Kaipara District Council (KDC) and Northland Regional Council (NRC). The Joint Committee is a joint standing committee of council as provided for under Clause 30(1) of Schedule 7 of the Local Government Act 2002 and shall operate in accordance with the provisions of Clause 30A of the Act. According to the latter, the Joint Committee is required to appoint a Deputy Chair.

The Terms of Reference of the Joint Committee, under the Section "Committee Chair and Deputy Chair" specify that the Deputy Chair is to be elected by members of the Joint Committee according to System A of Clause 25 of Schedule 7 of the Local Government Act 2002. A description of System A is provided below:

System A

- (a) Requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the Joint Committee present and voting; and
- (b) Has the following characteristics:
 - (i) There is a first round of voting for all candidates; and
 - (ii) If no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
 - (iii) If no candidate is successful in the second round there is a third; and if necessary, a subsequence round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and
 - (iv) In any round of voting, if two or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.

Attachments/Ngā tapirihanga

Nil

TITLE: Annual Work Plan 2023

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 02 March 2023

Executive summary/Whakarāpopototanga

The purpose of this report is to seek agreement on the annual work plan for 2023 for the Joint Regional Economic Development Committee (Joint Committee).

Recommendation(s)

1. That the report 'Annual Work Plan 2023' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 28 February 2023, be received.
 2. That the Joint Regional Economic Development Committee agrees to the Annual Work Plan as set out in Attachment One of this report.
-

Options

No.	Option	Advantages	Disadvantages
1	Agree to the proposed annual work plan.	Provides all necessary steps for developing Northland Inc's SOI and therefore enables the Joint Committee to meet its responsibilities and processes.	Could give the impression that there is no flexibility to the items recommended for discussion by the Joint Committee.
2	Do not agree to the proposed annual work plan.	Provides extreme flexibility to the items discussed by the Joint Committee.	Could negatively affect the sound and efficient operation of the development of Northland Inc's SOI and other matters the Joint Committee is responsible for (i.e., appointment of directors to the Northland Inc board).

The staff's recommended option is Option 1. The Annual work plan sets out a schedule of meeting dates and agenda items that allows the Joint Committee to meet its statutory obligations in relation to the development of Northland Inc's Statement of Intent. It also provides the opportunity to have quarterly workshop discussions with Northland Inc. While the annual work plan sets out specific items that are anticipated to be brought to the Joint Committee for decision and discussion, it is anticipated that additional items will be added to the agendas as issues and matters for discussion arise during the year.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) There is no climate impact in relation to this decision.

2. Environmental Impact

There is no impact on the environment in relation to this decision.

3. Community views

The decision on the Joint Committee's annual work plan does not require community consultation.

4. Māori impact statement

There are no particular impacts on Māori which are associated with this decision.

5. Financial implications

This decision does not apply any financial implications.

6. Implementation issues

There are no implication issues associated with this decision as of the writing of this report. Issues may arise in relation to location / venue of the meetings of the Joint Committee and member attendance. However, with agreeing to this annual work plan, those issues will be eliminated.

7. Significance and engagement

An agreement to an annual work plan provides security and support to the Joint Committee plans for year 2023.

8. Policy, risk management and legislative compliance

This report is submitted for consideration by the Joint Committee and is considered to be of low risk and compliant with legislative requirements.

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

Background/Tuhinga

The Joint Committee was established on 1 July 2021 by the Northland Regional Council (NRC) Far North District Council and Kaipara District Council to provide shareholder oversight of Northland Inc Limited and collectively provide for a better focus on economic development across the region.

Staff propose that the Joint Committee agree to the annual work plan for 2023 as set out in **Attachment One**. The annual work plan proposes seven Joint Committee Meetings, most of which to be held on a Thursday. The Joint Committee meetings will be followed by a workshop to allow progression, feedback and discussion of items in the work plan. Four of these workshops will also play host to a quarterly workshop with Northland Inc. Additional in-person and /or online discussions could take place if necessary and agreed to. Certain flexibility to amend and add to the work plan as the work progresses is available. In addition, the annual work plan proposes that the Joint Committee receive training on economic development by Economic Development New Zealand on 24 March.

Attachments/Ngā tapirihanga

Attachment 1: Joint Regional Economic Development Committee Annual Work Plan 2023 [↓](#) 

TITLE: Northland Inc Limited: Reporting Against Statement of Intent 2022-2025, Second Quarter 2022/23

From: Emmanouela Galanou, Economic Policy Advisor; Darryl Jones, Economist and Simon Crabb, Finance Manager

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on 06 March 2023

Whakarāpopototanga / Executive summary

The Joint Regional Economic Development Committee (Joint Committee) has received from Northland Inc Limited (Northland Inc) the half-year (second quarter) report for the 2022/23 financial year (**Attachment 1**). This includes both reporting against the Key Performance Indicators (KPIs) in its Statement of Intent (SOI) 2022-2025 (**Attachment 2**) and half-year financials.

Staff have assessed the information provided for the 16 KPIs. Eleven indicators are well on track or achieved already. For example, Northland Inc are exceeding their target for client satisfaction with businesses assistance as measured by Net Promoter Score (83%; well above the +50% target).

However, the report indicates that five indicators show slower progress. For example, under Regional Investment, the value of grant funding and investment facilitated for Māori businesses and the number of high impact projects that are implemented are currently below the target level. Under the Profile and Advocacy of Economic Development activity, the organisation is not on track to achieve two of its three targets: the number of regional economic development updates or reports released (one out of six reports released as of December 2022) and only nine media releases were recorded with an end of year target of twenty-four. Northland Inc is also unlikely to meet its carbon reduction target. Northland Inc's carbon output for the six months to December 2022 was measured at 44,017 kgCO₂/year with an annual total target of 52,500 kgCO₂/year. Their carbon footprint target was based on a 2021/22 baseline when overseas travel was non-existent due to Covid-19.

Alongside the KPI results, the report also includes, for each activity area, a brief note on progress being made on certain regional outcomes (supporting a prosperous and thriving Te Tai Tokerau Northland). These are not KPIs of the organisation but are included in the report to highlight the high-level outcomes that the activities of Northland Inc are working to support.

The Northland Inc financial performance for the six months to 31 December 2022 is tracking ahead of budget, with the total result being better than budgeted by \$399,785. This positive variance is due to the receipt of unbudgeted strategic project revenue that will be spent in the second half of the 2022/23 financial year. The anticipated full year result is a net surplus loss of -\$17,056 which is \$56,416 ahead of the corresponding budgeted loss of -\$73,471. With \$2.5M of cash on hand at the end of December 2022 it appears Northland Inc will not have any issues with operating cashflows through to the end of this financial year.

With regard to the forecast budget loss of -\$73,471 for 2022/23, the Joint Committee's attention is directed to the letter sent to Northland Inc on 26 August 2022 regarding the approval of this budget as part of Northland Inc's SOI 2022-2025 by the previous Joint Committee (**Attachment 3**). In particular, the letter notes that such a large loss was accepted on the basis that unconfirmed tenant income associated with the Innovation Hub located at the Ngāwha Innovation and Enterprise Park had not been included in the budgeted revenue, and that Northland Inc were confident that they will be able to secure the required income to operate the Innovation Hub without incurring a loss.

The reduction in the loss for 2022/23 from the budgeted -\$73,471 to the now forecasted-\$17,056 as of 30 December 2022 is a positive development.

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


Ngā mahi tūtohutia / Recommendation


That the report 'Northland Inc Limited: Reporting Against Statement of Intent 2022-2025, Second Quarter 2022/23' by Emmanouela Galanou, Economic Policy Advisor; Darryl Jones, Economist and Simon Crabb, Finance Manager and dated 28 February 2023, be received.

Background/Tuhinga

Not applicable.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc half-year (second quarter) KPI reporting December 2022 [↓](#) 

Attachment 2: KPIs of Northland Inc as set out in Statement of Intent 2022-2025 [↓](#) 

Attachment 3: Letter to Northland Inc of 26 August 2022 confirming approval of SOI 2022-2025 and comment on final document [↓](#) 

TITLE: Northland Inc Limited: Statement of Intent 2023-2026 -
Draft received from Northland Inc

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

**Authorised by
Group Manager/s:** Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
06 March 2023

Whakarāpopototanga / Executive summary

The purpose of this report is to provide the Joint Regional Economic Development Committee (Joint Committee) with Northland Inc Limited's (Northland Inc) draft Statement of Intent (SOI) 2023-2026 (**Attachment 1**) received on 1 March 2023 so that an initial discussion on the content of the draft SOI can take place. Along with the draft SOI, Northland Inc provided a cover letter (**Attachment 2**) highlighting several key points they wish to raise with the Joint Committee. Representatives from Northland Inc will attend the Joint Committee meeting to introduce the draft SOI and answer any initial questions.

An assessment of the draft SOI indicates that all the necessary statutory requirements as per Schedule 8(9)(1) of the Local Government Act (LGA) 2002 have been met including the time requirement (on or before 1 March).

As indicated in their cover letter, Northland Inc's draft SOI 2023-2026 does not, at this stage, contain any changes from the current SOI, except for an updated prospective statement of financial performance (section 13). Northland Inc have expressed their wish to work together with the new Joint Committee on potential changes. There are two issues specifically raised by Northland Inc for discussion.

First, they are interested in discussing the linkages between the objectives and activities of the organisation, and the wider Regional Outcomes metrics to be reported. A potential possible framework of metrics is included as an attachment to the cover letter.

Second, they draw attention to their operation funding; commenting on their comparatively low level of funding, their ability to leverage, inflationary pressures and the desire to build the capacity of the Investment and Growth Reserve (IGR) to fund projects.

The prospective statement of financial performance shows the operation funding request of Northland Inc that would need to be financed from the IGR (row named "CCO Opex"). This is \$1.972 million in 2023/24 rising to \$2.295 million in 2025/26. The following table shows the cashflow balance of the IGR for the period 2019/20 to 2026/27 based on Long Term Plan funding commitments and the draft SOI 2023-26 provided by Northland Inc.

Cash flow balances of the Investment and Growth Reserve, 2019/20 to 2026/27
based on current funding commitments
\$000

Investment and Growth Reserve	Actual			Forecast	Based on LTP commitments and Northland Inc draft SOI 2023-26		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Balance	\$1,249	\$601	\$533	\$80	\$20	\$20	\$20
Deposits							
Northland Regional Council	\$2,147	\$2,030	\$1,864	\$1,894	\$1,937	\$1,984	\$2,033
Far North District Council			\$82	\$169	\$246	\$335	\$413
Kaipara District Council			\$29	\$61	\$89	\$121	\$149
Total local government contribution	\$2,147	\$2,030	\$1,975	\$2,124	\$2,272	\$2,440	\$2,595
Other revenue ¹	\$35	\$36	-\$3	\$0	\$0	\$0	\$0
Total deposits	\$2,183	\$2,066	\$1,972	\$2,124	\$2,272	\$2,440	\$2,595
Withdrawals							
Northland Inc operational expenditure funding	\$1,336	\$1,365	\$1,637	\$1,824	\$1,972	\$2,140	\$2,295
Project Development ²	\$144	\$130	\$175	\$300	\$300	\$300	\$300
Enabling Investment	\$1,351	\$639	\$613	\$60	\$0	\$0	\$0
Total withdrawals	\$2,831	\$2,134	\$2,424	\$2,184	\$2,272	\$2,440	\$2,595
Closing Balance	\$601	\$533	\$80	\$20	\$20	\$20	\$20

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

The proposed level of operational funding contained in the draft SOI 2023-26, coupled with the Project Development budget allocation of \$300K per annum means that there is no funding available for Enabling Investment allocation over the next three years. Unspent Project Development budget is the only means by which Enabling Investment funding would be possible. In essence, what is being proposed is that all the additional funding being provided into the IGR by councils will be used for Northland Inc operational funding. In its shareholder comment on the draft SOI 2022-25, the previous Joint Committee raised the issue that allocating all the increase in IGR funding to Northland Inc operations is not sustainable (see paragraph 11).

Under the LGA 2002, the Joint Committee has until 1 May to provide comments back to Northland Inc on the draft SOI. The Joint Committee will have an opportunity to further discuss the draft SOI following the Economic Development New Zealand (EDNZ) training session on Friday 24 March. The shareholder comment on the draft SOI will be further discussed and agreed at the Joint Committee meeting on Thursday 20 April.

Ngā mahi tūtohutia / Recommendation

That the report 'Northland Inc Limited: Statement of Intent 2023-2026 - Draft received from Northland Inc' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 28 February 2023, be received.


Background/Tuhinga

Not relevant.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Draft Statement of Intent 2023-2026 [↓](#) 

Attachment 2: Cover letter to Northland Inc's Draft Statement of Intent 2023-2026 [↓](#) 

Attachment 3: Shareholder comment letter on draft SOI 2022-2025 sent to Northland Inc on 29 April 2022 [↓](#) 

TITLE: Northland Inc Limited: Agreement to enter long term contract

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

Authorised by Group Manager/s: Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on 02 March 2023

Executive summary/Whakarāpopototanga

The purpose of this paper is to obtain the agreement of the Joint Regional Economic Development Committee (Joint Committee) for Northland Inc Limited (Northland Inc) to enter into a new five-year lease agreement with a supplier for photocopiers and smart screens.

Northland Inc currently has a five-year lease (in its third year) with a supplier for photocopiers and smart screens located within the Orchard Business and Events Hub. The Orchard is the main operational base for Northland Inc and the business community including the Chamber of Commerce.

Northland Inc has negotiated with this current supplier a new lease agreement to include equipment for the Innovation Hub located within the Ngāwha Innovation and Enterprise Park (NIEP) near Kaikohe. This will be supplied without any additional cost to Northland Inc, but it necessitates Northland Inc entering a new five-year lease for the total equipment supply.

Section 7.1 of the Northland Inc Limited Shareholders' Agreement lists several operational matters of Northland Inc requiring Joint Committee approval. One of these matters is "the entry into any agreements involving a term exceeding three years" (clause 70.1(c) Long term contracts).

Staff recommend that the Joint Committee agree that Northland Inc can enter a five-year lease to equip both the Orchard and NIEP Hub with photocopiers and smart screens.

Recommendation(s)

1. That the report 'Northland Inc Limited: Agreement to enter long term contract' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 27 February 2023, be received.
2. That approval is given to Northland Inc Limited to enter a five-year lease contract with a supplier to equip both the Orchard (Whangārei) and the Innovation Hub (Ngāwha) with photocopiers and smart screens.

Options

No.	Option	Advantages	Disadvantages
1	Provide approval to enter lease contract	Allows the extension of current contract terms to include the provision of services to the Innovation Hub at NIEP	None
2	Withhold approval to enter lease contract	None	Requires Northland Inc to find an additional which

No.	Option	Advantages	Disadvantages
			will come at an additional cost.

The staff's recommended option is Option 1.

Considerations

1. Climate Impact

[Staff guidance for change considerations.docx](#) This is an administrative matter and does not have a direct climate impact.

2. Environmental Impact

This is an administrative matter and does not have a direct environmental risks or impacts.

3. Community views

This is an administrative matter on which there are no known community views.

4. Māori impact statement

This is an administrative matter that does not directly impact on Māori.

5. Financial implications

This are no financial implications identifiable from this decision. Payment of the lease is part of Northland Inc operational expenditure.

6. Implementation issues

This is an administrative matter that does not have any implementation issues.

7. Significance and engagement

This is an administrative matter which when assessed against Northland Regional Council's Significance and Engagement Policy is deemed to be off low significance.

8. Policy, risk management and legislative compliance

This decision is consistent with the Northland Inc Limited Shareholders' Agreement.

Attachments/Ngā tapirihanga

Nil

TITLE: Northland Inc Limited: Appointment of directors

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 02 March 2023

Executive summary/Whakarāpopototanga

An important task of the Joint Regional Economic Development Committee (Joint Committee) is to appoint the directors of Northland Inc Limited. The terms of appointment for three current directors come to an end on 30 June 2023. The purpose of this paper is to obtain agreement from the Joint Committee on the process for appointing directors whose term would commence on 1 July 2023. The Joint Committee's policy for the appointment of directors to Northland Inc sets out the procedures that need to be followed (**Attachment 1**). Staff recommend that an open advertising process be undertaken, that a matrix of skills and experience be adopted, and an ad hoc committee be appointed.

Recommendation(s)

1. That the report 'Northland Inc Limited: Appointment of directors' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 21 February 2023, be received.
2. That an open advertising process be undertaken for the appointment of directors for terms beginning 1 July 2023.
3. That this open advertising process follow the timetable set out in this agenda paper.
4. That the skills and experience matrix and associated person description as set out in Attachments Two and Three respectively to this agenda paper be adopted.
5. That three Joint Committee members: _____, _____ and _____ be appointed as an ad hoc committee to conduct interviews and make recommendations on preferred candidates to the Joint Committee.
6. That Nicole Anderson, Chair of Northland Inc board of directors, also be appointed to the ad hoc committee in an advisory role.

Options

No.	Option	Advantages	Disadvantages
1	Agree to the process for the appointment of directors to Northland Inc	Allows process to begin in a timely manner that will ensure new directors are appointed before 1 July	Doesn't provide time for new JREDC to gain a better understanding of Northland Inc, its activities and current board of directors
2	Don't agree to the process for the appointment of directors to Northland Inc	Provides time for Joint Committee to gain a better understanding of Northland Inc, its activities and current board of directors before	Delays process for appointment, including advertising, that may result in directors being appointed after 1 July

No.	Option	Advantages	Disadvantages
		commencing appointment process	

The staff's recommended option is Option 1. A decision to undertake the process of appointment at this meeting of the Joint Committee will help ensure a smooth transition of Northland Inc directors into the new financial year commencing 1 July 2023. The Joint Committee will have opportunities during March and April to gain a better understanding of Northland Inc, its activities and current board of directors alongside the appointment process.

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 maintain the number of board directors at five rather than increase back to six or more, this will limit the 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.

6. Implementation issues

Staff have prepared the necessary material to begin an open advertising process. The task of finding available dates to conduct interviews with chosen applicants in the calendar schedules of all elected members to the Joint Committee may be challenging. Staff therefore recommend the establishment of an ad hoc committee consisting of three members to undertake this task.

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.

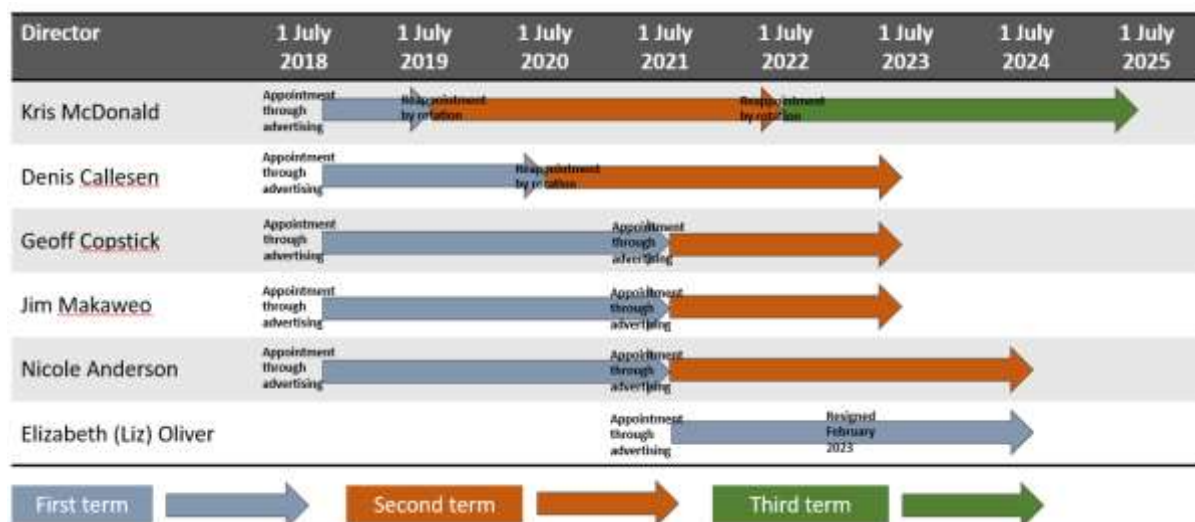
8. Policy, risk management and legislative compliance

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

Current situation

The following figure shows for each of the current directors of Northland Inc, their process of appointment, the number of terms of appointment and the length of each term. With the resignation of Liz Oliver in February 2023, there are currently five directors of Northland Inc. The terms of three end on 30 June 2023: Denis Callesen, Geoff Copstick and Jim Makaweo.



Appointment process

The Joint Committee's policy for the appointment of directors to Northland Inc sets out the procedures that need to be followed (**Attachment 1**). According to the policy, vacancies will be advertised unless good reason exists not to. Staff recommend that an open advertising process be followed for the forthcoming vacancies. It has been two years since an open advertising process was used. All three directors whose terms come to an end on 30 June 2023 have already served two terms and a total length of five years. It would be beneficial to appoint directors that are able to continue as board members beyond the end of the remaining two directors' terms who each will have served six or more years by the time their current terms of appointment finish.

However, nothing in the policy precludes a current director from reapplying in the open advertising process and being appointed for a third term. The policy provides for the appointment of a director for a maximum of three terms, with each term lasting no more than three years, with a total length of appointment of more than six years considered on a case-by-case basis. Consequently, the current directors could be appointed for one more term up to a maximum of three years.

The proposed timetable for the appointment of directors using an open advertising process is set out in the following table.

Date	Action
10 March 2023	Joint Committee agrees to a process of appointment including an open advertising process, a matrix of skills and experience, and an ad hoc committee by appointed
13 March 2023	Advertising for the position of director begins and closes three weeks later 3 April 2023

Date	Action
20 April 2023	Joint Committee meets to select applicants for interview
24-28 April 2023	Interviews undertaken by the ad hoc committee and preferred candidates selected
18 May 2023	Joint Committee considers the preferred candidates chosen by the ad hoc committee, and approves the appointment of directors including terms of appointment

Ad hoc committee

The policy on the appointment of directors provides for the establishment of an ad hoc committee to consider applications, conduct interviews, and make recommendations on preferred candidates to the Joint Committee. Staff recommend that the Joint Committee appoint three of its members to serve as ad hoc committee, and that one member be appointed from each representative council. However, staff recommend that the whole Joint Committee be involved in the process of selecting applicants to interview, with the ad hoc committee responsible for undertaking the interviews and recommending preferred candidates to the Joint Committee.

The policy also provides for key stakeholders to be appointed to the ad hoc committee. Staff recommend that Nicole Anderson, Chair of the Northland Inc board, be appointed to the ad hoc committee and assist the Joint Committee with the selection of candidates to interview. This is recommended because of the relatively new make-up of the Joint Committee and to help ensure a good fit of any preferred candidates with the remaining board members. However, it is recommended that Nicole Anderson be appointed in an advisory role only, i.e., not have any voting rights.

Matrix of skills and experience

The policy on the appointment of directors requires the development of a skills and experience matrix to guide the appointment of directors. This matrix will be used to short list applicants, guide the interviewing questions as well as make the final selection. The proposed matrix is provided as **Attachment 2**. The person specification which will be available to those responding to the advertisement is provided as **Attachment 3**.

For reference, the current directors have recently self-completed the proposed skills and experience matrix. This is provided as **Attachment 4**. The board and Chief Executive of Northland have reviewed the proposed matrix and consider the following skills and experience as being especially necessary.

- High level commercial or successful entrepreneurial background to balance the remaining two directors who come from a more public sector and iwi management/governance dominated background.
- Skills/experience in business start-ups and innovation, and/or a strong primary sector background, e.g., commercialising horticultural value-added products, given Northland Inc's focus in those areas.
- Understanding of local government, its processes and have a realistic view of what can be achieved by Northland Inc given its position as a council-controlled organisation (CCO). [Key attribute 14]
- Understanding of the dynamics and relationships in Te Tai Tokerau Northland.


The Joint Committee may wish to amend the proposed matrix of skills and experience to include one or more of the above suggestions.

Number of directors to be appointed and terms of appointment


A decision on the number of directors to appoint is one that Joint Committee will make at its meeting on 18 May 2023 based on the responses received and the recommendation of the ad hoc committee. However, in undertaking the selection, interview and recommendation process staff recommend that three directors be appointed through this process. There have been at times up to seven directors appointed to the board of Northland Inc, but this is seen as excessive for an organisation of its size. The previous JREDC recommended that five is a suitable number of directors.

At its meeting on 28 May the Joint Committee will also need to agree to the length of appointment offered to the recommended persons. It is considered preferable to not have the terms of more than two directors finishing in any particular year, i.e., if three directors are appointed then their terms should be staggered in some manner rather than all be appointed for three years.

Attachments/Ngā tapirihanga

Attachment 1: Policy on the appointment of directors to Northland Inc Limited [↓](#) 

Attachment 2: Proposed matrix of skills and experience [↓](#) 

Attachment 3: Proposed Northland Inc director person specification [↓](#) 

Attachment 4: Self-assessment against proposed matrix of skills and experience provided by current Northland Inc board of directors [↓](#) 